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DEPARTMENT HEAD SIGNATURE AUTHORIZATION IN MMARS

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Introduction

The Office of the Comptroller (CTR) establishes accounting rules and instructions for all state departments for the appropriate use of the Massachusetts Management and Accounting Reporting System (MMARS). This policy explains when and how department heads may delegate approval of certain fiscal transactions in MMARS by using department head signature authorization (DHSA). The policy also describes CTR rules around the use of electronic signatures for MMARS transactions.

About DHSA

Pursuant to [M.G.L. c. 7A, § 3](#); [M.G.L. c. 29, § 61](#); and [M.G.L. c. 29, § 31](#), prior to certifying any expenditure for payment on a warrant the Comptroller, in lieu of pre-auditing payments, accepts department head affidavits that articles have been furnished, services rendered (including payroll), or obligations incurred as certified.

Delegation of DHSA is an administrative tool that allows a department head, in the interest of efficiency, to authorize key department employees to incur obligations, make expenditures, and conduct day-to-day activities on behalf of the department head. A department head typically assigns DHSA to individuals holding key state finance compliance roles, such as Chief Fiscal Officer, Payroll Director, Internal Control Officer, General Counsel, MMARS liaison, and GAAP Liaison.

DHSA should be structured to ensure that there are a sufficient number of department employees who are authorized to approve contracts, transactions, payroll, and other critical business needs during staff vacations, leaves, or unavailability.

MMARS users who will be entering transactions into MMARS must be assigned a universal access identification (UAID) with a User Role. The User Role allows users to create and edit transactions within MMARS. MMARS users who will be submitting transactions into MMARS must be assigned a UAID with an Administrator Security Role. The Administrator Security Role allows users to create, edit and submit a transaction to final status within MMARS. Authorized signatories of a department head who make any type of obligation on behalf of the department must be assigned a MMARS UAID with an Administrator Security Role with a DHSA flag, even if they will never access MMARS. An Administrator Security Role with a DHSA flag allows MMARS to identify the individual that is authorizing the department's obligation to a specific transaction.

Audits of DHSAs rely on reports from MMARS to identify authorized signatories. If individuals are acting as authorized signatories and are not recorded in MMARS with DHSAs authorization, the department may be subject to an audit, quality assurance review, or internal controls finding for a DHSAs irregularity.

Note that even if a department head has delegated DHSAs to other employees, the department head remains responsible for all activities conducted by the department.

Internal Controls for MMARS DHSAs

A department head may choose to implement additional signatory restrictions for use of DHSAs outside of MMARS through internal controls, such as limiting a user's ability to process transactions over a certain dollar value. These additional signatory restrictions must be documented in the department's internal control plan. Additional MMARS signatory restrictions should also be documented using the [MMARS Document Records Management/Signature Authorization Form](#).

Key elements of internal controls that departments must put in place related to DHSAs and the use of DHSAs in MMARS include the following:

- Training for Department Security Officers on the assignment MMARS roles and their related capabilities;
- Communication with the Department Security Officers and the managers that are requesting DHSAs for their staff and the department head;
- Internal quality assurance reviews of DHSAs (pre-approval reviews, reports, queries, review of documents processed);
- Proper retention of records related to department head delegation of signature authority and evidence of quality assurance reviews.

MMARS DHSAs Designation for New Department Heads and Departing Employees

Department heads should establish internal controls to ensure that MMARS security roles and DHSAs are strictly managed and updated contemporaneously with staff changes.

When a new department head is appointed, the new department head must:

1. Execute a certification accepting electronic signature, record keeping and compliance with state finance law and Comptroller regulations, policies, and procedures related to MMARS;
2. Designate or ratify the department's [Key State Finance Law Compliance Officers](#), who will be responsible for assisting the department head with state finance law compliance;
3. Assign or ratify individuals with MMARS roles, including DHSAs, in each of MMARS' functional areas;
4. Immediately notify CTR of any new designations or designation changes to Key State Finance Law Compliance Roles.

MMARS security roles will remain in place during any transition period when a new department head is appointed, but should be assigned or ratified as soon as the department head assumes their responsibilities.

In limited circumstances, where there is no readily available replacement within the department for a departing employee, either as a department head or with signatory authority, an agency contact should reach out to CTR for guidance on how to proceed.

Prior to accessing MMARS, new department employees and department employees with changes in job duties related to MMARS security roles or electronic signature authorization must be trained on those responsibilities. Since MMARS is the official record of financial business, department employees must be trained sufficiently, and directed to continually review MMARS policies and procedures, to ensure that all MMARS activity is in compliance with applicable laws, regulations, policies, and procedures.

Utilizing DHSA on MMARS

When an individual with DHSA electronically submits a transaction to final status in MMARS, it certifies to CTR that the individual, on behalf of the department head, understands that their UAID is being recorded for any entries made in the MMARS system and certifies, under the pains and penalties of perjury, that:

1. it is their intent to attach an electronic signature of approval and date to the MMARS transaction; and
 - a. they are either an authorized signatory of the department head who is authorized to approve the MMARS transaction in accordance with the department's internal control plan; or
 - b. the transaction they are processing, and any supporting documentation, have been approved by an authorized signatory of the department head, secretariat, and any other required prior approver, and a copy of these approvals are available at the department by referencing the MMARS transaction number; and
2. any expenditure or other obligation is supported by sufficient legally available funds and is in accordance with the department's enabling legislation and funding authority; and
3. the MMARS transaction and any underlying supporting documentation are accurate and complete and comply with all applicable laws, regulations, and policies, including public record retention and disposal requirements.

MMARS transactions do not have to be printed and saved with supporting documentation, since transactions are retained electronically in MMARS, however the Doc ID must be noted on the back up documentation so it can be matched with the corresponding MMARS transaction. Reviewers, auditors, oversight agencies, etc., use MMARS to access and review the accuracy, authorization, and set-up of transactions. Departments are responsible for maintaining files with documentation to support these transactions.

The fact that MMARS allows a transaction to process to final status does not mean that the transaction is automatically legal, in compliance with legislative or funding authority, or properly authorized by a department head. If you are unsure of proper processing or required approvals, you should obtain guidance and approval from your Chief Fiscal Officer prior to processing a transaction to final status.

DHSA and MMARS transactions

Every MMARS transaction with proper department head approval becomes an official record of the Commonwealth. Approvals can occur in the following ways:

1. Signature of the department head
2. Administrator Security with DHSA
 - a. An employee with a MMARS UAID that has a security administrator role with a DHSA flag submits a transaction to final. The data in the MMARS system is sufficient documentation of the transaction approval. What appears in MMARS will be the record copy of the transaction.
3. Administrator Security without DHSA
 - a. If the employee who submits a transaction to final status does not have a MMARS UAID that has a security administrator role with a DHSA flag, the employee must obtain a signature from an

authorized signatory approving the transaction prior to submitting the transaction to final status in MMARS. The department is responsible for establishing internal controls that ensure there is a review of the transaction and supporting documentation.

- i. Departments should electronically document DHSA associated with each transaction by accessing and viewing transactions online and applying approvals. Alternatively, departments can use the [MMARS Document Records Management/Signature Authorization Form](#) to approve one or multiple MMARS transactions. An email from the department head, or individual with DHSA, containing key data elements for approval, such as signature or initials on invoices, spreadsheets or memorandum, or other “evidence” of signoff, is also sufficient.

A Note about Secretariat Signature Authorization

Cabinet secretaries may authorize individuals within a secretariat department to be their designee to approve fiscal documents on the Secretary’s behalf. Secretariat signoff may be granted to a department for the limited purpose of enabling departments within the secretariat to approve consultant service contracts in the “HH” and “NN” subsidiaries, pursuant to [M.G.L. c. 29, § 29A](#), and human and social service contracts in the “MM” subsidiary, pursuant to [M.G.L. c. 29, § 29B](#). Such delegation is made to the department head and may be made by letter, memorandum, or email.

Note, however, that a department designee with secretariat authorization can only provide secretariat approval for its own department’s obligations, not for obligations of the secretariat as a whole, unless authorized by law or approved by CTR.

A department must obtain secretariat approval of an RFR or contract prior to the effective start date of the contract. The format for obtaining secretariat approval must be reliable and verifiable. Processing a MMARS transaction to final status certifies to CTR that secretariat approval was obtained.

Secretariat approval is not captured as part of MMARS transaction approvals, therefore there is no MMARS security role which reflects secretariat signoff delegation. Secretariats and departments that have secretariat signoff delegation must record this delegation as part of their internal controls.

Contact the following with questions pertaining to this policy:

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