

MAPP 01.03.01 Baseline Standards

Section General Administration
Area University Wide Business Management
Original 06/24/2009
Reviewed 04/28/2026

I. PURPOSE AND SCOPE

Baseline standards are necessary to ensure sound business practices within an organization. This document sets forth the requirements for these basic internal controls to minimize the risks of misappropriation of assets and of material errors in financial statements. This document applies to all Texas Southern University operations.

II. POLICY STATEMENT

Each operating unit within Texas Southern University will establish and adhere to baseline standards for its financial processes. These standards, once established, will be reviewed, altered as necessary, approved, and reported annually to the Chief Financial Officer.

III. DEFINITIONS

- A. Baseline standards: A collection of operating objectives and techniques that establishes standards for financial processes across an organization, including accountability and responsibility.
- B. Centralized structure: Operating structure in which the college or division business administrator has primary responsibility for both the management and processing of financial transactions.
- C. Decentralized structure: Operating structure in which the college business administrator has primary responsibility for management and oversight of the financial processes, while the department or unit business manager has primary responsibility of the execution of the financial processes.

IV. ORGANIZATIONAL STRUCTURE

Basic internal control objectives do not vary between centralized and decentralized business operations. However, the techniques for ensuring that internal controls exist and are operating effectively do differ between organizational types.

- A. Centralized: Under this operating structure, the college business administrator has primary responsibility for both the management and processing of financial transactions. The college business administrator will make recommendations regarding administrative issues and/or interpretations of university policies to the appropriate dean or vice president or to the Chief Financial Officer. Any questions regarding policy application or processing of transactions are directed to the college business administrator. He or she also reviews and authorizes all documents leaving the college. Any variations in standard university policy and procedures must be approved by the college business administrator. Department business managers report to the department chair and to the college business administrator.

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TEXAS SOUTHERN UNIVERSITY
**MANUAL OF ADMINISTRATIVE
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- B. **Decentralized:** Under this operating structure, the college business administrator has primary responsibility for management and oversight of the financial processes, while the department or unit business manager has primary responsibility for the execution of the financial processes. The college business administrator is responsible for communicating policy and procedure changes to the departments and units, ensuring that departments and units have adequate support to fulfill their responsibilities, and for ensuring that each department and unit has appropriate procedures in place to comply with minimum processing standards as defined below. The college business administrator is ultimately responsible for the control procedures in place at each department and unit. The department or unit business managers retain processing authority and direct responsibility for all documents leaving their areas. Department business managers report to the department chair and to the college business administrator

V. PROCEDURES

- A. The college business administrator should draft baseline standards for his or her operating unit. Model baseline standards are provided at http://www.tsu.edu/finance/Forms/Baseline_Standards_Form.xls.
- B. The college or division business administrator should submit draft baseline standards to the dean or vice president for approval.
- C. Current baseline standards documents should be forwarded to the Chief Financial Officer who is responsible for maintaining copies.
- D. At the beginning of each fiscal year, the college business administrator should review existing baseline standards and amend if necessary. Any changes should be forwarded to the Chief Financial Officer.