

SOP: Approval Workflow and Authorization Levels

This SOP defines the **approval workflow and authorization levels** necessary to streamline decision-making processes within the organization. It outlines the hierarchy of approval authorities, specifies the responsibilities at each authorization level, and establishes clear protocols for submitting, reviewing, and approving requests or documents. The goal is to ensure accountability, enhance operational efficiency, and maintain compliance with internal policies and regulatory requirements by enforcing structured and transparent approval procedures.

1. Purpose

To establish a standardized approval workflow and define authorization levels for all requests, documents, and transactions requiring approval within the organization. This SOP aims to:

- Enhance accountability and transparency
- Promote efficient decision-making
- Ensure compliance with internal and regulatory requirements

2. Scope

This SOP applies to all departments, employees, and processes that require formal approval for requests, documents, expenditures, or any other organizational activity.

3. Definitions

- **Approval Workflow:** The defined sequence of steps and authorities involved in the review and approval of a request or document.
- **Authorization Level:** The degree of authority granted to an individual or position to approve specific types or monetary values of transactions or documents.

4. Approval Authority Matrix

Level	Position/Role	Approval Limit	Responsibility	Escalation
Level 1	Supervisor / Team Lead	Up to \$5,000	Initial review and approval of routine transactions/requests.	Level 2
Level 2	Department Manager	\$5,001 - \$20,000	Secondary review and higher-value approval.	Level 3
Level 3	Director / VP	\$20,001 - \$100,000	Final approval for high-value or critical transactions.	Level 4
Level 4	CEO / Executive Committee	Above \$100,000	Approval of strategic, high-impact requests or exceptions.	N/A

5. Workflow Procedure

1. **Submission:** Initiator submits request/document with all required supporting documentation.
2. **Initial Review:** Supervisor/Team Lead reviews for completeness and compliance.
3. **Approval Routing:** If within their limit, the Supervisor/Team Lead approves; otherwise, escalates to the appropriate authority level as per the matrix.
4. **Final Approval:** Highest necessary authority reviews and provides approval or rejection.
5. **Documentation & Record-Keeping:** All approvals must be documented, dated, and retained as per record retention policies.
6. **Notification:** Initiator and relevant stakeholders are notified of the decision and next steps.

6. Roles and Responsibilities

- **Request Initiator:** Ensure requests are accurate and complete before submission.

- **Supervisors/Managers:** Conduct thorough reviews and comply with approval limits.
- **Approving Authorities:** Approve/reject requests based on due diligence and compliance standards.
- **Records Management:** Maintain approval documentation in accordance with internal policies.

7. Compliance and Audit

All approval actions are subject to regular audits. Non-compliance with this SOP may result in disciplinary action.

8. Revision and Review

This SOP shall be reviewed annually or as needed to reflect changes in organizational structure, policies, or regulatory requirements.

9. Appendices (Optional)

- Sample Approval Form
- Process Flowchart
- Approval Delegation Letter Template