

# SOP: Approval Hierarchy and Authorization Process

This SOP details the **approval hierarchy and authorization process**, establishing clear levels of authority and responsibility for decision-making within the organization. It defines the roles and responsibilities of individuals involved in the approval chain, outlines the procedures for submitting and reviewing requests, and sets criteria for authorization to ensure compliance, accountability, and efficient workflow. The process aims to enhance organizational governance by facilitating transparent and timely approvals for projects, expenditures, and operational activities.

## 1. Purpose

To define and implement a systematic, transparent process for obtaining approvals and authorizations within the organization, ensuring all decisions are made at the appropriate level of authority.

## 2. Scope

This SOP applies to all employees and departments involved in submitting, reviewing, and authorizing requests for projects, expenditures, policies, and operational activities.

## 3. Definitions

- **Approval Hierarchy:** The structured levels of authority responsible for approving requests.
- **Authorization:** Official permission to proceed with a request based on approval by designated roles.
- **Requester:** The individual initiating a request.
- **Approver:** The individual(s) with the authority to approve or reject a request.

## 4. Roles and Responsibilities

Role	Responsibilities
Requester	Complete and submit requests with all required documentation and justifications.
Department Head	Review and provide initial approval or rejection of requests within departmental scope.
Functional Manager	Evaluate requests for compliance with functional policies and budgets.
Finance/Legal (if required)	Review requests for financial and legal compliance.
Executive Management	Approve high-value or high-impact requests above departmental limits.

## 5. Approval Hierarchy Table

Approval Level	Authority Limit (Example)	Approver
Level 1	Up to \$5,000	Department Head
Level 2	\$5,001 - \$50,000	Functional Manager
Level 3	\$50,001 - \$250,000	Finance/Legal + Department Head
Level 4	Above \$250,000	Executive Management

## 6. Authorization Process

1. **Submission:** The Requester completes the appropriate request form, attaching all supporting documents.
2. **Departmental Review:** Department Head reviews, endorses, or rejects the request based on alignment with departmental priorities and available resources.
3. **Functional/Management Review:** For requests above departmental limits, the functional manager or designated approver reviews the request for compliance and budgetary impact.
4. **Finance/Legal Review (if applicable):** Finance or legal teams provide secondary review for high-value or sensitive requests.
5. **Final Approval:** Executive Management reviews and authorizes requests exceeding threshold limits or those with significant strategic impact.
6. **Notification and Record Keeping:** The outcome (approval/rejection) is communicated to the requester, and complete records are maintained for audit purposes.

## 7. Criteria for Approval

- Alignment with organizational goals and strategies.
- Availability of budget/funding.
- Compliance with legal, regulatory, and policy requirements.
- Risk assessment and mitigation measures.
- Sufficient supporting documentation provided.

## 8. Compliance & Accountability

- All approvals must be documented and traceable.
- Non-compliance with this SOP may result in disciplinary action or voided approvals.
- Regular audits will be performed to ensure adherence to approval protocols.

## 9. Revision & Review

- This SOP shall be reviewed annually or as required by changes in organizational structure or policy.
- All revisions must be approved by Executive Management.

## 10. References

- Company Policy Manual
- Financial Authorization Policy
- Compliance Procedures