

UNDERSTANDING THE NEW E-SIGNATURE AND ELECTRONIC DOCUMENT RETENTION GUIDELINES

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AGENDA

- Clarify the new E-Signature and Document Retention Guidelines
- Outline what is defined as “Internal Financial Documents”
- Define what are E-Signatures and Digital Signatures
- Acceptable forms of E-Signatures
- Process and requirements when approving by email
- Document storage and retention requirements and options



LEARNING OBJECTIVE



To explore and clarify the new E-Signature and Document Retention Guidelines added to the GTFM in October.

[Click here to review the new guidelines](#), as well as related [Knowledge Centre articles](#).

THE INTENT OF THIS INITIATIVE



As part of the broader Financial Modernization Initiative, the new E-Signature and Document Retention Guidelines intended to:

- build on the efficiencies gained during the pandemic
- provide approvers with greater flexibility, particularly when working remote
- expediate financial processing without the need for a wet signature
- support environmental sustainability by reducing the need for paper, printers and toner
- improve the accessibility of files through electronic storage

WHAT TYPES OF DOCUMENTS FALL UNDER THE NEW E-SIGNATURE GUIDELINES?

The new guidelines apply ONLY to **Internal Financial Documents**.

Definition: Any physical or electronic record of information that is recorded or stored by any means as evidence of the internal approval process for a financial transaction.

Examples include:

- Approval of month-end reconciliation and management reports
- Cheque requests/invoices
- Expense report/accountable advance settlement
- Outgoing wire transfer form
- Journal entry (or Internal Revenue/Expense Recovery) form
- Budget Transfer form



WHAT IS NOT IN SCOPE?



Areas that are NOT in scope as part of these guidelines are:

- E-signatures for payroll documents/entries
- Legal document/contracts
- Sponsor agreements

DEFINING KEY TERMS

E-Signature

An electronic process that **indicates acceptance of an agreement or a record.**

An electronic signature **can include any electronic symbol** attached to a contract or other record, used by a person with an intent to sign.

Digital Signature

A type of E-Signature that **uses certificate-based digital ID to authenticate signer identity and demonstrate proof of signing.**

Digital signatures use specific technology to **generate electronic signatures** that **guarantee** that an **electronic document**, and the **person who signs it, are authentic.**

Validation occurs through trusted certificate authorities (CAs) or trust service providers (TSPs).



For more information, review the [Electronic Signature & Document Retention Guidelines in the GTFM.](#)

APPROVING INTERNAL FINANCIAL DOCUMENTS USING E-SIGNATURES



E-Signatures may be used to indicate approval of Internal Financial Documents, provided that:

- there is **clear, auditable evidence** of who has performed each action related to the transaction
- the document can be retained and disposed **in accordance with the rules within the [UofT File Plan](#)**

Where the use of wet signatures or retention of original paper records is **required by law, University policy or other external regulation or guidelines** (e.g., external granting agency policy), **these requirements take precedence over this guideline.**

MINIMUM REQUIREMENTS FOR E-SIGNATURES

An Electronic Signature should clearly identify the signatory, indicate their intent in signing the document and protect the individual who is posting the transaction.

The following information should accompany an Electronic Signature:

- A statement indicating the intent of the signatory, such as **“Approved for payment”** or **“Approved for posting”**
- The **name, current title, and department** of the signatory, and **date of signature**
- Any other information required to process the transaction (e.g. general ledger accounts, funding source, cost allocation, and tax code) that is not already provided on the document



ACCEPTABLE FORMS OF E-SIGNATURES

Departments may utilize certain tools to facilitate E-Signatures. Here are some options that can be deployed.

To learn more about what the University considers “**Gold**”, “**Silver**” or “**Bronze**” solutions, visit the [ITS – Electronic Signature Competency Centre](#).

Preferred “Gold Standard” Tools:	Other Acceptable, Low-Cost Options:
uSOURCE	Embedded signature image in a document
ServiceNow	Using Sign and Fill with Adobe Acrobat
DocuSign	Print, sign with wet signature and scan
Any other tools that have: <ul style="list-style-type: none"> • robust audit trails • Advance features, such as templates and workflows • Document management capabilities 	Acrobat Reader using Digital ID
	Acrobat Reader using Stamp
	Email with signature block (sent from a University of Toronto email address)



[Please see this guide](#) for instructions on how to apply E-Signatures to internal financial documents.

EMAIL APPROVALS

Email approvals with a signature block may be accepted if, **in addition to the minimum requirements**, the following conditions are met:

- The email is sent from a University of Toronto email address (i.e. accessed using your UTORid);
- The document(s) being approved **are attached to the email.**

TIP: Consider “**forwarding**” the email thread to maintain the attachment.

- The email thread contains **sufficient information to identify the document/ transaction that is being approved.**

For example, when approving a vendor invoice, **vendor name**, the **invoice number** and **invoice amount** being approved should be **included in the email.**

The information may be provided anywhere in the email trail.

- The **signature block** of the approver must include their **title** and **department.**



EXAMPLES OF ACCEPTABLE EMAIL APPROVALS

Example #1:

From: Emily Smith <Emily.Smith@utoronto.ca>

Sent: May 11, 2023 2:08 PM

To: Joe Daniels <J.Daniels@utoronto.ca>

Joe,

The attached invoice #555 from XYZ Services Co. in the amount of \$11,300 is approved for payment.

Thanks.

Emily Smith

<<TITLE>>

<<DEPARTMENT>>

1. Approval from University of Toronto email address.
2. Date of approval
3. Invoice #
4. Vendor name
5. Invoice amount approved
6. Clear statement of intent (i.e. “approved for payment” OR “approved for processing)
7. Signature block which includes name, title and department of approver.

NOTE: Consider creating a unique Outlook signature that meets the requirements.



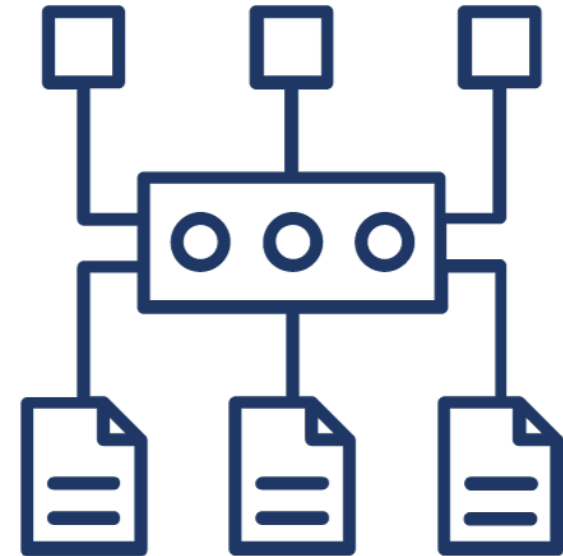
[Read this article to learn](#) more about how an email approval is an acceptable format for approving internal financial documents.

DOCUMENT RETENTION AND DISPOSAL PROCEDURES

Departments/divisions are responsible for:

- retention and disposal of internal financial records
- orderly and secure storage of records
- record retention procedures should be in accordance with the UofT File Plan

If you need guidance, [contact the University of Toronto Archives and Records Management Department \(UTARMS\)](#).



DOCUMENTS CREATED/RECEIVED VIA UNIVERSITY SYSTEMS

Documents created/received through systems such as uSOURCE, where the approval may be collected electronically are considered official University records.

In these circumstances, departments are not required to maintain a record of these transactions in an alternate format/location.

For example, vendors submit invoices related to USOURCE POs directly into the system, which maintains a record of the invoice.



Other examples include:

- SAP – attach **ONLY** documents **relevant** to the FIS transaction (e.g. vendor invoice)
- Maintained in a folder on the University network
- Maintained in a SharePoint folder

STORING DOCUMENTS IN SAP



It is **preferred** that all source documents related to internal financial documents are attached to the related AMS transactions.

However, it is required for:

- Purchase Orders (valued over \$50,000 before tax)
- invoices where the sum value of the payment to the vendor in a payment run is greater than \$50,000 (e.g., Scotiabank Visa)

REMINDER: Documents attached (pdf, Word, XLS, JPEG or TIFF) in SAP should be limited to those relevant to the transaction



Please see [this simulation for instructions](#) on how to attach documents in SAP.

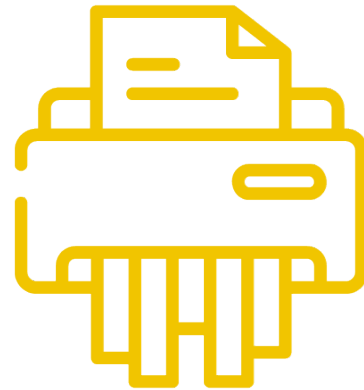
CAN YOU DESTROY THE ORIGINAL DOCUMENT ONCE IT IS DIGITIZED?

Electronic documents should be scanned or converted in a manner that can be **reliably replace** the original hard copy document(s).

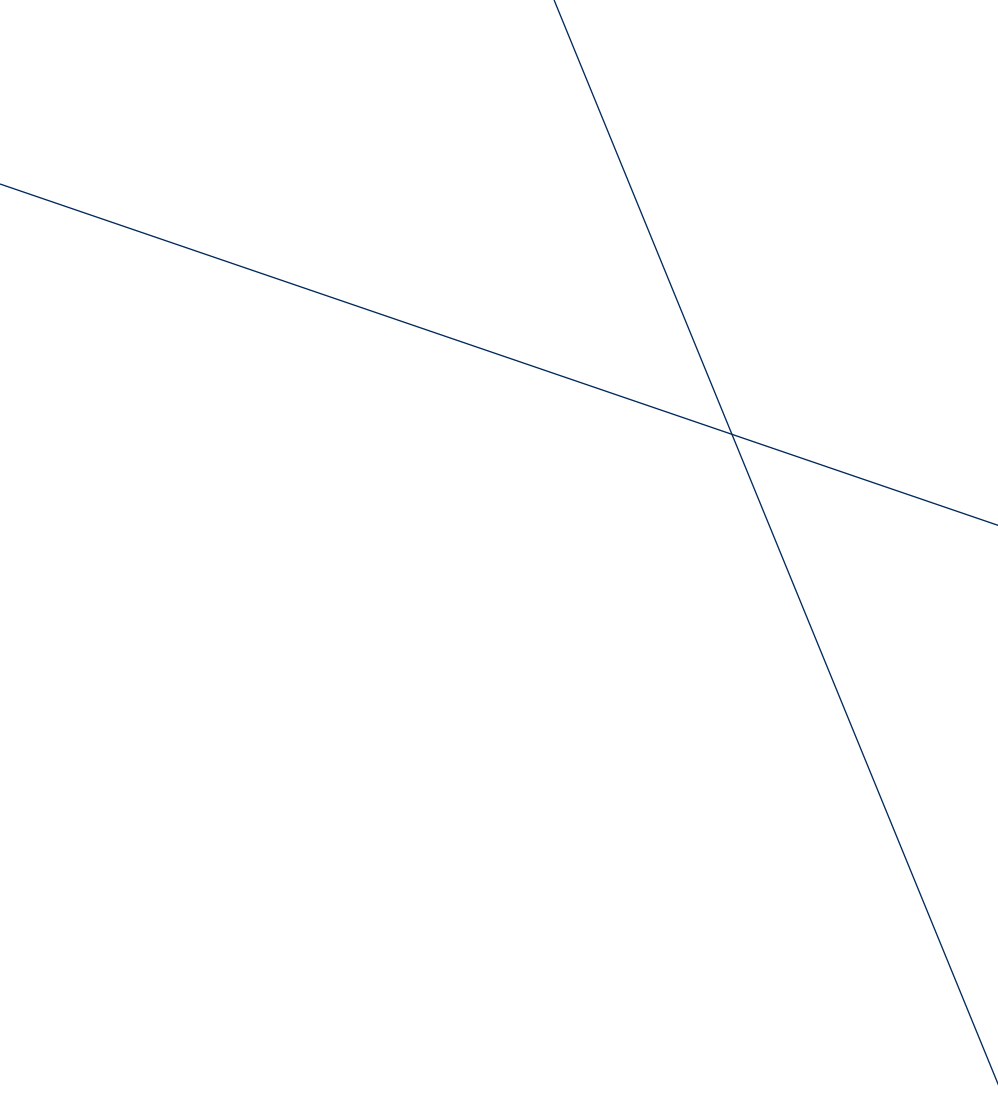
To be considered a **reliable replacement of the original document**, the scanned copy must be:

- complete (i.e. contain all the information contained in the original)
- readable
- retained in a supported file format (i.e., PDF, TIFF or JPEG)
- Minimum resolution of 300 dpi
(200 dpi may be acceptable for text only, black and white documents)

If the scanned copy meets these criteria, **the original/paper copy can be disposed of.**



 [Click here to learn](#) how to confirm the resolution quality of a scanned document.





THANK YOU!