

SBA

SOP 0001 2

**Delegations of Authority and
Lines of Successions**

Office of the Chief Financial Officer

U.S. Small Business Administration



**SMALL BUSINESS ADMINISTRATION
STANDARD OPERATING PROCEDURE**

National

SUBJECT:

S.O.P.

REV

Delegations of Authority and Lines of Successions

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INTRODUCTION

1. Purpose. The purpose of this SOP is to outline the guidelines for issuing and administering delegations of authority and lines of succession.
2. Personnel Concerned. All SBA employees.
3. SOP Canceled. SOP 00 01.
4. Originator. Office of Administrative Services, Office of Administration.

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Chapter 1

Introduction to Delegations of Authority and Lines of Succession

1. What Does this SOP Cover?

- a. The procedures for passing authority from the Administrator to officials in Headquarters and field offices (formal delegations of authority).
- b. The procedures for creating lines of succession during the absence of an official who has been delegated authority (line of succession memos).

2. What Statutes Govern this SOP?

- a. 5 U.S.C. §302 governs delegations of authority relating to personnel and publications.
- b. 15 U.S.C. §634, the Small Business Act.
- c. 15 U.S.C. §661, the Small Business Investment Act.
- d. 5 U.S.C. §551, the Administrative Procedures Act.
- e. 5 U.S.C. §§3345-3349, the Vacancies Act.

3. Who is Responsible for Overseeing Delegations of Authority and Lines of Succession?

The Office of Administrative Services (OAS) is responsible for maintaining the delegations of authority and lines of succession memos.

4. What are the Responsibilities of the Office of Administrative Services?

OAS is responsible for the following:

- a. Forwarding the Administrator's line of succession designation to the Federal Register for publication;
- b. Issuing an SBA Information Notice to all employees announcing the Administrator's line of succession designation;
- c. Maintaining the permanent official file of all line of succession memos and formal delegations of authority; and
- d. Publishing a reference in the U.S. Government Manual stating the availability of the Agency's formal delegations of authority on the Internet and in hard copy upon request.

5. What are the Responsibilities of Program Offices?

Each program office must:

- a. Once a year, review all formal delegations of authority and lines of succession to make certain they are accurate and complete;
- b. Forward to OAS the necessary documentation (see paragraph 2-4) of changes in delegations of authority for publication in the annual Information Notice;
- c. Review any requests from field offices for suggested changes in delegations of authority; and
- d. Revise the appropriate SOP to include the new or revised formal delegation of authority.

6. What are the Responsibilities of Field Offices?

Each field office must do the following:

- a. Keep a file copy of the line of succession pertaining to the office;
- b. Forward the original line of succession memo to OAS; and
- c. Send requests or suggestions for changing current delegations of authority, with justification, to the Headquarters official responsible for the original delegation (this is the responsibility of field office heads).

Chapter 2

Delegations of Authority

1. What is a Formal Delegation of Authority?

- a. A formal delegation of authority is the delegation of an authority or responsibility vested in the Administrator or other officials by the Small Business Act, the Small Business Investment Act, Executive Orders, and other statutes to officials in Headquarters and the field.
- b. Effective with this SOP, without affecting the validity of existing delegations that may be found in SOPs, Notices, Regulations, or the Federal Register, you must follow the procedures set forth in this SOP to issue a delegation of authority.

2. How Do Formal Delegations of Authority Work?

- a. All formal delegations of authority originate from the Administrator, except those designated to other official positions by statute. Likewise, by statute, some authorities cannot be delegated at all.
- b. Authority must be delegated to a position, not to an individual.
- c. You must specify in every delegation if the delegation can be further re-delegated.
- d. Delegations must outline the maximum limits of authority, but individuals occupying delegated positions remain bound by SBA regulations, SOPs, and other internal directives.

3. How Do Further Delegations of Authority Work?

If you have formal delegated authority, working within the chain of command and the limits of your formal delegated authority, you may further re-delegate your authority to positions in the Headquarters or field offices.

- a. Headquarters to Field. If you are a Headquarters official delegating an authority to a field office position, you must use the formal 606 process and obtain the appropriate clearances to do so (see paragraph 2-4 and appendix 2 of this SOP and SOP 00 21 for further guidance on the 606 process). All original and final 606s creating delegations must be forwarded to OAS. OAS maintains the official record of all delegations of authority.
- b. Field Level. At the field level, unless an authority cannot be re-delegated by the terms of the original delegation, a field office head may delegate duties and responsibilities to his or her employees by executing a formal memo that clearly outlines these duties and responsibilities and to what position the authority is granted. The field office head must forward a copy of the memo to OAS, and keep the original on file in the field office.

- c. Headquarters Level. If a Headquarters official delegates an authority to another Headquarters position within his or her chain of command, he or she must execute a formal memo that clearly outlines the duties and responsibilities of the delegation and to what position the authority is granted. The Headquarters official must forward a copy of the memo to OAS, and keep the original on file in his or her office.

4. In Headquarters, What Do You Need to Do to Have a Formal Delegation of Authority Processed?

- a. To have a formal delegation of authority processed, a program official must:
 - (1) Prepare for the Administrator's approval an SBA Form 606, "Correspondence Digest or Memorandum," outlining the proposed delegation of authority, the justification for it, and the parent delegation of authority with any amendments from which that authority is derived. See appendix 2 for a sample SBA 606.
 - (2) Once the SBA 606 is approved, prepare and submit to OAS a suggested change to the existing SBA Information Notice (see paragraph 5 below) announcing the formal delegation of authority.
- b. This paragraph applies to new and revised formal delegations of authority. All are prepared and published the same way.

5. Where are Formal Delegations of Authority Published?

- a. OAS will issue an annual Information Notice to all SBA employees announcing the Agency's formal delegations. OAS will have the Information Notice available on-line to the public and in hard copy upon request. In addition, OAS will publish a reference to the availability of the Information Notice in the U.S. Government Manual.
- b. All delegations of authority must be incorporated by the relevant program office in the appropriate SOP once the SBA 606 affecting the delegation has been approved and signed. You cannot issue a delegation of authority in a Notice or SOP without first following the procedures set forth in this SOP for processing a delegation of authority.

Chapter 3

Lines of Successions

1. What is a Line of Succession?

A line of succession is a list of employees who have been designated by their supervisor or manager to perform the supervisor's or manager's duties, responsibilities, and functions as "acting" in his or her absence. All designations must be in writing and adhere to the requirements of paragraph 2-10 below.

Note: Delegations of authority; authority granted to individuals pursuant to law (e.g. warrants issued to contracting officers); and temporary details of employees as "acting" to vacated positions are not the same as line of succession designations.

2. When Does an Employee Act Under a Line of Succession Designation?

An employee designated in a line of succession memo who is the ranking employee on the list of designees and is physically present at the office, acts in the "absence" of his or her supervisor or manager (consistent with the provisions of the line of succession designation) during both normal operations and national emergencies. Unless otherwise defined by the supervisor or manager, preferably in writing, "absence" means that the supervisor or manager is:

- a. On approved leave;
- b. On official travel; or
- c. Not present in the office and there is an immediate business necessity for the exercise of his or her authority, and:
 - (1) His or her whereabouts are unknown;
 - (2) His or her whereabouts are known, but he or she cannot be contacted through reasonable means; or
 - (3) Upon being contacted, he or she determines that his or her authority cannot be effectively exercised without being physically present in the office.

3. Should There Always be Someone with Designated Authority Present at the Office?

Yes, at each office during normal business hours there should be at least one employee physically present who has the authority, directly or pursuant to a line of succession designation, to take official action for each supervisor or manager.

4. **Who Prepares Line of Succession Memos?**

The following officials must prepare line of succession memos.

- a. Administrator. The Administrator must send to OAS for publication in the Federal Register his or her formal line of succession designation. Appendix 6 is a sample line of succession memo for the Administrator.
- b. Management Board Members. If you are a Management Board member, prepare a memo designating three employees by name and title to act, in succession, on your behalf when you are absent. Review your line of succession memo at least once a year and send an updated version to OAS whenever a change occurs. Distribute the memo (appendix 3 is a sample) as follows:
 - (1) Original to OAS;
 - (2) Copy to each of the three designees; and
 - (3) Copies to all employees in the office.
- c. Supervisors and Managers. If you are a supervisor or manager but not a member of the Management Board, prepare a memo designating two employees by name and title to act, in succession, on your behalf when you are absent. Review your line of succession memo at least once a year and update it whenever a change occurs. Distribute the memo (appendix 4 is a sample) as follows:
 - (1) Original to your office file;
 - (2) Copy to each of the two designees; and
 - (3) Copies to all employees in the office.
- d. Field Office Heads. If you are a field office head, prepare a memo designating two employees by name and title to act, in succession, on your behalf when you are absent. Review your line of succession memo at least once a year and send an updated version to OAS whenever a change occurs. Distribute the memo (appendix 5 is a sample) as follows:
 - (1) Original to OAS;
 - (2) Copy on file in originating field office;
 - (3) Copy to each of the two designees;
 - (4) Copy to the Office of Field Operations.

5. **How Does OAS Process Line of Succession Memos?**

- a. OAS keeps an official file of all line of succession memos for the Administrator, the Management Board and field office heads.
- b. To ensure that lines of succession are current, OAS must issue an Information Notice once a year to the Management Board members and field office heads reminding them to review their lines of succession and to submit new memos.

Appendix 1**Index of Forms and Reports**

<u>Form</u>		<u>Paragraph</u>
SBA Form 606	Correspondence Digest or Memorandum	2-7
<u>Report</u>		
Reserved		

**Appendix 2
(paragraph 2-4)**

Sample SBA Form 606 and Delegation of Authority

ACTION:

FROM: Acting General Counsel

SUBJECT: Delegation of Authority, Financial Programs

SUMMARY: The attached notices will delineate the authority delegated to specific organizational changes made by a reorganization of the Financial Assistance and Investment Activities of the Small Business Administration. This reorganization abolished the Office of Finance and Investment and created in its stead the Office of Financial Assistance, the Office of Disaster Assistance, and the Office of Surety Bond Guarantee. Each of these offices is headed by an Assistant Administrator. This delegation of authority lists the authority existing in each Assistant Administrator, as well, as the authority re-delegated to subordinate positions. Additionally, this delegation lists the authority to be vested in the Associate Administrator for Investment.

RECOMMENDATION: That you approve the attached delegation of authority which will be published in the Federal Register.

(Name of Agency Official)

Date: July 25, 1991

Disapproved: _____

Approved: _____

Attachments

**Appendix 3
(paragraph 2-9(b))**

Sample Line of Succession Memo for HQ Management Board Members

DATE: October 1, 2001

TO: Director, Office of Administrative Services

FROM: (Name of HQ Management Board Member)
 (Title of HQ Management Board Member)

SUBJECT: Line of Succession

In accordance with SOP 00 01 2, the following officials, in line of succession, are designated to act for me as Acting (Management Board Member's Title) in my absence on leave or on official travel during normal operations or in a period of national emergency:

1. (Name of Designee)
 (Title of Designee)
2. (Name of Designee)
 (Title of Designee)
3. (Name of Designee)
 (Title of Designee)

(Signature of HQ Management Board Member)

(Name of HQ Management Board Member)

(Title of HQ Management Board Member)

cc: (Each designee)

(Every employee under the authority of the designating HQ Management Board Member)

**Appendix 4
(paragraph 2-9(c))**

Sample Line of Succession Memo for Supervisors and Managers

DATE: October 1, 2001

TO: (The Staff of the Appropriate Office)

FROM: (Name of the Supervisor or Manager)
 (Title of the Supervisor or Manager)

SUBJECT: Line of Succession

In accordance with SOP 00 01 2, the following officials, in line of succession, are designated to act for me as Acting (Supervisor's or Manager's Title) in my absence on leave or on official travel during normal operations or in a period of national emergency:

1. (Name of Designee)
 (Title of Designee)
2. (Name of Designee)
 (Title of Designee)

(Signature of the Supervisor or Manager)

(Name of the Supervisor or Manager)
(Title of the Supervisor or Manager)

cc: Each designee
 Every employee under the authority of the Supervisor or Manager

**Appendix 5
(paragraph 2-13)**

Sample Line of Succession Memo for Field Office Heads

DATE: October 1, 2001

TO: Director, Office of Administrative Services

FROM: (Name of the Field Office Head)
 (Title of the Field Office Head)

SUBJECT: Line of Succession

In accordance with SOP 00 01 2, the following officials, in line of succession are designated to act for me as Acting (Field Office Head's Title) in my absence on leave or on official travel during normal operations and in a period of national emergency:

1. (Name of Designee)
 (Title of Designee)
2. (Name of Designee)
 (Title of Designee)

(Signature of the Field Office Head)

(Name of the Field Office Head)
(Title of the Field Office Head)

cc: (Each designee)

(Every employee under the authority of the designating field office head)

Appendix 6

Sample Line of Succession Memo for the Administrator

U. S. Small Business Administration

Administrator's Line of Succession Designation, No. 1-A, Revision __

This document replaces and supercedes "Line of Succession Designation No. 1-A, Revision __"

Line of Succession Designation No. 1-A, Revision __ :

Effective immediately, the Administrator's Line of Succession Designation is as follows:

- (a) If I am absent from the office, the Deputy Administrator will assume all functions and duties of the Administrator. In the event both I and the Deputy Administrator are absent from the office, I designate the officials in listed order below to serve as Acting Administrator with full authority to perform all acts which the Administrator is authorized to perform:
- (1)
 - (2)
- (b) An individual serving in an acting capacity in any of the positions listed in paragraph (a) is not also included in this Line of Succession. Instead, the next non-acting incumbent on the list shall serve as Acting Administrator.
- (c) This designation shall remain in full force and effect until revoked or superceded in writing by the Administrator, or by the Deputy Administrator when serving as Acting Administrator.
- (d) Serving as Acting Administrator has no effect on the officials listed in paragraph (a), above, with respect to their full-time position's authorities, duties and responsibilities (except that such official cannot both recommend and approve an action).

(Signature of Administrator)

(Name)

(Title)

Date:

Effective Date:

February 1, 2002

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