

**MINNESOTA STATE COLLEGES AND UNIVERSITIES
BOARD OF TRUSTEES**

Agenda Item Summary Sheet

Name: Finance and Facilities Committee

Date: October 21, 2014

Title: Proposed Policy 5.25 Use of Electronic Signatures

Purpose (check one):

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> Proposed
New Policy or
Amendment to
Existing Policy | <input type="checkbox"/> Approvals
Required by
Policy | <input type="checkbox"/> Other
Approvals |
| <input type="checkbox"/> Monitoring /
Compliance | <input type="checkbox"/> Information | |

Brief Description:

Currently, Minnesota State Colleges and Universities (MnSCU) requires hard-copy, handwritten signatures for most documents. Adoption of proposed Policy 5.25 Use of Electronic Signatures is intended to facilitate appropriate use of electronic signatures for authorized purposes, with the goal of significant time savings, better control and security, paperless documentation retention, auditability, and document tracking throughout the signature process.

Scheduled Presenter(s):

Laura M. King, Vice Chancellor - CFO

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD ACTION
Proposed Board Policy 5.25 Use of Electronic Signatures (Second Reading)

EXECUTIVE SUMMARY

Adoption of proposed Policy 5.25 Use of Electronic Signatures is intended to facilitate appropriate use of electronic signatures for authorized purposes, with the goal of significant time savings, better control and security, paperless documentation retention, auditability, and document tracking throughout the signature process. The draft policy is included in **Attachment A**.

BACKGROUND

A systemwide task force was put in place to develop the proposed policy. The initial draft was reviewed by the Office of General Counsel, and then presented to the project steering committee for review and approval. The policy was then shared with the Leadership Council, Cabinet and sent out for formal consultation. The first reading of Policy 5.25 was presented to the board in October 2014 and it received strong support for implementation.

Staff is currently drafting an accompanying procedure. The implementation of this policy will not go into effect until the procedure is in place..

RECOMMENDED COMMITTEE ACTION:

The Finance and Facilities Committee recommends the Board of Trustees adopt the following motion:

The Board of Trustees approves Board Policy 5.25 Use of Electronic Signatures, effective March 1, 2015.

RECOMMENDED BOARD OF TRUSTEES MOTION:

The Board of Trustees approves Board Policy 5.25 Use of Electronic Signatures, effective March 1, 2015.

Date presented to the Board of Trustees: November 18, 2014

**BOARD OF TRUSTEES
MINNESOTA STATE COLLEGES AND UNIVERSITIES**

BOARD POLICY	
Chapter #5	Chapter Name: Administration
Section #25	Policy Name: Use of Electronic Signatures

1 **5.25 Use of Electronic Signatures**

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3 **Part 1. Policy Statement.**

4 This policy authorizes colleges, universities, and the system office to use electronic signatures to
5 conduct official business, to the extent such use meets the requirements of Minn. Stat. Ch. 325L
6 and other applicable law, board policy, and system procedure.

7 **Part 2. Definitions.** Terms used in this policy or in system procedure shall be interpreted
8 consistent with Minn. Stat. Ch. 325L and other applicable law.

9 Subpart A. Authentication. Authentication means the process used to ascertain the identity of a
10 person or the integrity of specific information. Authentication ensures that the user applying an
11 electronic signature is in fact who they say they are and is authorized to sign.

12 Subpart B. Digital signature. Digital signature means a type of electronic signature produced by
13 two mathematically linked cryptographic keys, a private key used to sign, and a public key used
14 to validate the signature. A digital signature is created when a person uses his or her private key
15 to create a unique mark (called a “signed hash”) on an electronic document.

16 Subpart C. Digitized signature. Digitized signature means a graphic image of a handwritten
17 signature in any form, including facsimile.

18 Subpart D. Electronic signature. Electronic signature means a digital or digitized signature
19 made by electronic sound, symbol or process that is attached to or logically associated with a
20 record and that is executed or adopted with the intent to sign the record.

21 Subpart E. Electronic record. Electronic record means any record that is created, received,
22 maintained, and/or stored through electronic means, regardless of the method used to create that
23 record. Examples of electronic records include, but are not limited to, electronic mail, word
24 processing documents, spreadsheets, and databases.

25 **Part 3. Methodology to Reflect Level of Risk.**

26 Prior to approving use of electronic signatures for any transaction category, a college, university,
27 or the system office shall ensure that applicable legal requirements are met and that any
28 operational risk is offset by the anticipated benefit, consistent with system procedure.

29 System procedure may provide for various methodologies, such as use of digital or digitized
30 signatures, depending on the risks associated with the particular transaction, including fraud,
31 repudiation, and financial loss. The quality and security of the electronic signature method must
32 be commensurate with the risk and needed assurance of the authenticity of the signer, including
33 whether to require a digital or digitized signature.

34 **Part 4. Authority and Responsibilities.**

35 Subpart A. Procedures. The chancellor shall adopt system procedures to implement this policy,
36 meet all applicable legal requirements, and ensure practical and secure application of electronic
37 signatures.

38 Subpart B. Delegated authority. Nothing in this policy is intended to authorize any individual to
39 sign on behalf of the Board if he or she has not been granted such authority in accordance with
40 board policy and system procedure.

41 Subpart C. Use of other formats. This policy shall not be construed to require use of electronic
42 signatures by a college, university, or the system office, or to limit the right of a college,
43 university, or system office to conduct official business on paper or in non-electronic form, or to
44 affect the right of a college, university, or system office to have documents provided or made
45 available on paper.

46 Subpart D. Maintenance of electronic records. Colleges, universities, or the system office may
47 maintain official records in an electronic format provided that the relevant record retention
48 schedule is updated to reflect electronic record management and the college, university or system
49 office has determined that the electronic records are trustworthy, complete, accessible, and
50 durable.

51 **Part 5. Sanctions.**

52 Employees or students who falsify or misuse electronic signatures for college, university or
53 system office transactions are subject to disciplinary action, up to and including termination or
54 expulsion, and civil and criminal remedies.

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