PERTH AND SMITHS FALLS DISTRICT HOSPITAL
POLICY AND PROCEDURE

TITLE: Signing Authority Policy

CREATION DATE: October 4, 2013
Revised: January 2017

AUTHOR: VP of Finance and Support Services

DISTRIBUTED: All Departments

Purpose:
To ensure the appropriate level of authority is followed for all operating, capital and business transactions of the Perth and Smiths Falls District Hospital (PSFDH)

No individual may sign any document that creates an obligation or undertaking on behalf of PSFDH unless that individual has signing authority in accordance with this policy. The Board of Directors (the Board) of the organization must be assured of adequate internal control to ensure interests of the PSFDH, its members, employees, affiliates and customers are properly protected.

Policy:

Guiding Principles and Delegation of Authority

a) Approval of the annual operating budget by the Board confers authority upon the management team to make expenditures within the amounts and scope allocated to them in the budget and in accordance with organization's policies and procedures.
b) The level of authority required to enter into contracts and agreements relating generally to the operation of the organizations and to bind the organization to the terms thereof shall depend on the dollar amount, terms and duration of such agreements as set out in this policy
c) Signing officers may delegate their signing authority to accountable nominees during periods of absence from the PSFDH or in extraordinary circumstances, subject to the following conditions:
   " The Vice-President of Financial and Support Services must be notified in writing of the designated signing authority delegate.
   " The authorized dollar limits shall not exceed the normal limits set out for the original signing authority
   " The delegate cannot authorize disbursements for which they are the recipient (e.g. travel/employee expense reimbursement)
   " Accountability for expenditures, agreements and transactions authorized during this acting period will rest with the designating individual.
d) All purchase requisitions must be authorized in accordance with the signing authorities outlined in Appendix 1.

e) When practical, approvals should contain a minimum of two signatures: the signature of the person recommending the purchase and initiating the request, and the person with the authority to approve the transaction within the allowed approval level as designated in this policy.
f) Transactions cannot be split into smaller amounts to lower the approval levels.
g) The enclosed approval authority levels apply to transactions within budget levels. Any transaction, which would cause approved budgets to be exceeded must be approved by a member of the Senior Leadership Team.

Responsibility of Signing Authorities

Before authorizing a transaction, a signing authority must ensure the following:

a) The transaction must be within the accountability of the signing authority. For example, the signing authority shall have financial responsibility and accountability through the PSFDH's budget process or there is written delegation of that accountability.
b) That wherever there may be a potential or perceived conflict of interest (see below, for further detail), approval must be provided by the next higher authority.
c) Escalation to the Senior Leadership Team or to legal advice should be sought if contractual language is not straightforward or there are significant financial risk or liability ramifications.

Where an employee could be perceived to be in conflict and/or where a contract or purchase is with a related party, approval must be obtained by one reporting level higher and the individual party must declare that perceived conflict before the transaction is executed.

Appendix 1: Signing Authorities Framework

The following individuals are authorized to enter into financial and contractual agreements on behalf of the organization, in accordance with budgetary and noted approvals:

Signing Authority for Banking Transactions

Transaction Type Signing Authority Required
Line of Credit
- Changes to credit limits require Board approval

Investments
- President & CEO &
- Vice-President of Financial and Support Services
- Board Finance Committee

Bank Signing Authorities Any one of:
- Board Chair,
- Board Vice-Chair
- Board Finance Committee Chair

and

Any one of:
- President & CEO
- Vice-President of Financial and Support Services

Cheque Signing Authorities

Any one of:
- Board Chair,
- Board Vice-Chair
- Board Finance Committee Chair

and

Any one of:
- President & CEO
- Vice-President of Financial and Support Services

Contracts and Agreements inside and outside 3SO Scope

Transaction Type Signing Authority Required
Agreement does not exceed $25,000 over the life of the contract
- Department Manager &
- Vice President

Agreement is between $25,000 and $100,000 over the life of the contract
- Department Manager
- Vice President &
- Vice-President of Financial and Support Services

Agreement is between $100,000 and $1,000,000 over the life of the contract
- Department Manager &
- Vice President &
- President & CEO

Agreement Exceeds $1,000,000 over the life of the contract
- Department Manager &
- Vice President &
- President & CEO &
- -" Board of Directors (Board Chair)

Contracts and Agreements within 3SO Scope (for 3SO authorization levels, see Appendix 2)

Transaction Type Signing Authority Required
Agreement does not exceed $25,000 over the life of the contract
- 3SO

Agreement is between $25,000 and $100,000 over the life of the contract
- 3SO

Agreement is between $100,000 and $1,000,000 over the life of the contract
- 3SO

Agreement Exceeds $1,000,000 over the life of the contract
- 3SO

Operating Expenditure Purchase Requisitions

Transaction Type Signing Authority Required
Less than $10,000
- Department Manager

Greater than $10,000 and less than $25,000
- Department Manager &
- Vice President

Greater than $25,000 and less than $100,000
- Department Manager &
- Vice President &
- Vice President Finance & Support Services

Greater than $100,000 and less than $1,000,000
- Department Manager
  and
- Vice President &
- Vice President Finance & Support Services &
- President & CEO

Greater than $1,000,000
- Vice President &
- Vice President Finance & Support Services &
- President & CEO &
- Board of Directors (Board Chair)

Credit Cards - Issuance and Limits
- President & CEO &
- Vice President of Financial and Support Services

Authorization of Monthly Credit Card Transactions
- Immediate Superior of Card Holder

Human Resources & Payroll

Transaction Type Signing Authority Required
Permanent postings within existing budget
- Department Manager &
- Vice President

Additions to Staff Complement in excess of approved departmental operating budget
- Department Manager &
- Senior Leadership Team

Other

Transaction Type Signing Authority Required

Authorization of Expenses for all members of the Board of Directors
- Chair of the Board &
- President & CEO

Travel and Expense reimbursement
- No individual can approve his/her own business expenses regardless of the amount
- Must be approved by one reporting level higher (minimum approval by Department Manager).

Capital Expenditures
- Only expenditures that have been approved in the capital budget.
- Senior Leadership Team

Real Estate Property Transactions
- President & CEO &
- Board of Directors

Note: $ amounts referred to above exclude applicable taxes.

Appendix 2: 3SO Authorities Framework

Shared Support Services of Ontario ("3SO") provides purchasing and contracting services for equity member hospitals, and acting as an agent of PSFDH will execute contracts (and purchase orders) and agreements on behalf of PSFDH, an equity member of 3SO. Before initiating any contract, agreement, or purchase order on behalf of PSFDH, 3SO representatives are required to have an authorized purchase requisition (i.e. a PSFDH manager with cost centre responsibility must authorize the requisition in accordance with the terms of this policy).

Once a properly approved requisition is provided to 3SO, the signatures required to complete execution shall be as outlined below:

Transaction Type Signing Authority Required
Goods, Services and Partnership Agreements
Does not exceed $100,000

Any one of:

- 3SO Director of Strategic Sourcing & Procurement
- 3SO Director of Finance
- 3SO General Manager

Goods, Services and Partnership Agreements
Does not exceed $1,000,000

- 3SO Staff Director
  and
- 3SO General Manager

Goods, Services and Partnership Agreements
Does not exceed $2,500,000

Any one of:

- 3SO Board Chair
- 3SO Board Vice-Chair
- 3SO Treasurer
  and
- 3SO Director of Strategic Sourcing and Procurement
  and
- 3SO General Manager

Goods, Services and Partnership Agreements
Exceeding $2,500,000

Any two of:

- 3SO Board Chair
- 3SO Board Vice-Chair
- 3SO Treasurer
  and

- 3SO Director of Strategic Sourcing and Procurement
- 3SO General Manager