CATEGORY: FINANCE	**NUMBER:**
TITLE: SIGNING AUTHORITY POLICY	**ORIGINATING DATE:** OCTOBER 8, 2020
SOURCE: Board	**REVISION/REVIEW DATE:** NEW
SIGNATURE:	

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).

The Board of Directors of PSFDH (Board) delegates signing authority to the President and Chief Executive Officer under the conditions described under this policy. The President and CEO is authorized by the Board to further delegate signing authority under the circumstances and within the limits prescribed by this policy.

No individual may sign any document that creates an obligation or undertaking on behalf of the PSFDH unless that individual has signing authority in accordance with this policy. The Board 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 Finance and Corporate Services & CFO 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 this policy.

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

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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. A member of the Senior Leadership Team must approve any transaction that would cause any approved budget to be exceeded.

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) 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.

Conflict of Interest

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.

Signing Authorities Framework

The following tables describe the circumstances where specific individuals are authorized to enter into financial and contractual agreements on behalf of the organization, in accordance with budgetary and noted approvals. The following tables include all of the required approvals for any individual action, with the most senior organizational leader providing the final authorization.

Where approval of the Board of Directors is required, the Board Chair (or designate) shall sign on behalf of the Board following Board resolution authorizing the Signing Authority Action.

Table A: Banking Transactions

Signing Authority Action	Board Approval	Senior Leadership Approval	Department Manager Approval	Comments/Signatures Required
Change in limits for Line of Credit	✔			Board of Directors approval required
Change in Investment Policy	✔			Board of Directors approval required

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Management of Investments & Credit Facilities (purchase and sale)		✔		President & CEO and Vice-President Corporate Services & CFO may action within approved policy
Bank Signing Authority	✔	✔		Board of Directors - One of: • Chair; • Vice Chair; or • Chair, Finance Committee Senior Leadership - Any one of: • President & CEO • Vice-President, Finance and Corporate Services & CFO
Cheque Signing Authority	✔	✔		Board of Directors - One of: • Chair; • Vice Chair; or • Chair, Finance Committee Senior Leadership - Any one of: • President & CEO • Vice-President, Finance and Corporate Services & CFO
Credit Cards - Issuance and Limits		✔		Senior Leadership - One of: • President & CEO • Vice-President, Finance and Corporate Services & CFO
Authorization of Monthly Credit Card Transactions		Immediate Superior of Card Holder		
Expense authorization for members of the Board of Directors	✔	✔		Chair, Board of Directors <u>and</u> President and CEO
Travel and Expense Reimbursement		Immediate Superior of Individual Incurring Expenses		A minimum of Department Manager required for approval

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<u>Table B: Contracts and Agreements</u>

Signing Authority Action	Board Approval	Senior Leadership Approval	Department Manager Approval	Comments/Signatures Required in addition to Department Manager (where applicable)
Value less than $10,000			✔	Department Manager approval required
$10,000 to $25,000		✔	✔	Vice-President approval required

Value $25,000 to $99,999		✔	✔	Vice-President and Vice-President, Finance and Corporate Services and CFO approvals required
Value $100,000 to $999,999		✔	✔	Vice-President and President & CEO approvals required
Value $1,000,000 or more	✔	✔	✔	Chair, Board of Directors and Vice-President and President & CEO approvals required
Physician Clinical Service Agreements/ Contracts		✔		President & CEO approval required
Physician Leadership Agreements/ Contracts		✔		President & CEO approval required
Relocation and/or Physician Recruitment Payments		✔		President & CEO approval required

Note: In all cases, the approval limit includes the value over the life of the contract or agreement.

Table C: Contracts and Agreements within the Scope of 3SO

Signing Authority Action	Board Approval	Senior Leadership Approval	Department Manager Approval	Comments/Signatures Required in addition to Department Manager
Value less than $99,999		✔	✔	Vice-President and Vice-President Corporate Services & CFO approval required
Value $100,000 to $999,999		✔	✔	Vice-President and President & CEO approval required
Value Exceeds $1,000,000	✔	✔	✔	Chair, Board of Directors and Vice-President and President & CEO approval required

Notes:

1. Shared Support Services of Ontario ("3SO") provides purchasing and contracting services for equity member hospitals, and acting as an agent of the PSFDH will execute contracts (and purchase orders) and agreements on behalf of the PSFDH, an equity member of 3SO.
2. For 3SO authorization levels, see Appendix A of this policy.
3. In all cases, the approval limit includes the value over the life of the contract or agreement.

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Table D: Operating Expenditure Purchase Requisition

Signing Authority Action	Board Approval	Senior Leadership Approval	Department Manager Approval	Comments/Signatures Required in addition to Department Manager
Value of $9,999 or less			✔	
Value $10,000 to $24,999		✔	✔	Vice-President approval required
Value $25,000 to $99,999		✔	✔	Vice-President and Vice-President Corporate Services & CFO approval required
Value $100,000 to $999,999		✔	✔	Vice-President and Vice-President Corporate Services & CFO and President and CEO approval required
Value $1,000,000 or more	✔	✔	✔	Chair, Board of Directors and Vice-President and Vice-President Corporate Services & CFO and President and CEO approval required

Table E: Human Resources and Payroll

Signing Authority Action	Board Approval	Senior Leadership Approval	Department Manager Approval	Comments/Signatures Required in addition to Department Manager
Permanent Postings within Current Approved Budget		✔	✔	Vice-President approval required
Additional Staffing in excess of Current Approved Budget		✔	✔	Vice-President and Vice-President Corporate Services & CFO and President and CEO approval required

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Table F: Memorandum of Understanding, Letter of Understanding, Affiliation Agreements, and Other Agreements without Financial Value

Action	Board Approval	Senior Leadership Approval	Department Manager Approval	Comments/Signatures Required in addition to Department Manager
Colleges and Universities		✔	✔	Vice-President and President and CEO approval required Consultation and endorsement with Chief of Staff required, where applicable
Other public entities		✔	✔	Vice-President and President and CEO approval required Consultation and endorsement by Chief of Staff required, where applicable
Research and Education		✔	✔	Vice-President and President and CEO approval required Consultation and endorsement by Chief of Staff required, where applicable
Resident and Student Placement Forms		✔	✔	Vice-President approval required Consultation and endorsement by Chief of Staff required, where applicable
Relocation and/or Physician Recruitment Payments				President and CEO approval required
Membership Agreements		✔		President and CEO approval required
Ontario Health Team (OHT) Agreements		✔		President and CEO approval required Applies to operational or project related agreements only.
Ontario Health Team (OHT) Agreements	✔	✔		Chair, Board of Directors and President and CEO approval required Applies to governance or collaborative decision-making decisions

Note: In circumstances where a Memorandum of Understanding, Letter of Understanding, Affiliation Agreement or other Agreement may have financial value, either current or future value, Table B approvals are applicable

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Table G: Other Transactions

Signing Authority Action	Board Approval	Senior Leadership Approval	Manager Approval	Comments/Signatures required
Real Estate Transactions	✔	✔		Chair, Board of Directors and President and CEO approval required
Capital Expenditures on the approved capital list		✔		Vice President and/or President and CEO approval required
Capital Expenditures NOT on the approved capital list	✔	✔	✔	Department Manager, Vice-President Corporate Services & CFO and President and CEO approval required

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Appendix A: 3SO Authorities Framework

Shared Support Services of Ontario ("3SO") provides purchasing and contracting services for equity member hospitals, and acting as an agent of the PSFDH will execute contracts (and purchase orders) and agreements on behalf of the PSFDH, an equity member of 3SO. Before initiating any contract, agreement, or purchase order on behalf of the 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).

Where 3SO is acting as an agent for the PSFDH, 3SO may only undertake financial transactions where prior authorization in accordance with the level described in Table C of this policy has been received.

Following the required authorization from the PSFDH, the approvals within 3SO to execute a properly approved requisition shall be as outlined below:

Table A: Goods, Services and Partnership Agreements

Signing Authority Action	3SO Board	3SO General Manager	3SO Director of Finance	3SO Director of Strategic Sourcing and Procurement	Comments/Signatures Required
Value of $99,999 or less		✔			Any one of: • 3SO Director of Strategic Sourcing & Procurement • 3SO Director of Finance • 3SO General Manager
Value of $100,000 to $999,999		✔	✔	✔	• Any 3SO Director and 3SO General Manager
Value of $1,000,000 to $2,499,999	✔	✔		✔	Any one of: • 3SO Board Chair • 3SO Board Vice-Chair • 3SO Treasurer and • 3SO Director of Strategic Sourcing and Procurement and • 3SO General Manager
Value of $2,500,000 or more	✔	✔		✔	Any two of: • 3SO Board Chair • 3SO Board Vice-Chair • 3SO Treasurer and • 3SO Director of Strategic Sourcing and Procurement and

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					• 3SO General Manager

Note: In all cases, the approval limit includes the value over the life of the contract or agreement.

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