

**BOARD MANUAL**

<b>SUBJECT: Approval &amp; Signing Authority</b>		<b>NUMBER: 2-C-34</b>
<b>SECTION: Corporate Performance and Oversight</b>	<b>APPROVED BY: Board of Directors</b>	
<b>DATE: March 26, 2012</b>	<b>REVISED/REVIEWED: January 29, 2013, September 24, 2014, November 24, 2014, January 24, 2018, April 28, 2021</b>	

**Policy**

The Chief Executive Officer (CEO) is accountable to the Board to ensure that the organization has policies and procedures in place for the approvals, purchasing, contracting, leasing, acquisition or disposal of goods, services, capital and real property. These policies include the identification of authorizations as required by legislation, accountability agreements, and/or service agreements with the Ministry of Health and other government agencies. These policies and procedures will be monitored for compliance and reviewed regularly by the Resources Committee of the Board.

The Board authorizes the CEO to make commitments contained within an approved operating or capital plan or otherwise approved by motion of the Board or its delegated authorities, including any and all: contracts, requisitions, purchase orders, travel authorizations and any other agreement, financial or otherwise. If emergency expenditures or commitments are necessary, they must be subsequently submitted for approval at the next appropriate meeting.

Prior approval of the Board is required for any of the following:

1. All contracts, agreements and costs not included in the approved operating plan, which are binding on the Corporation and which are not terminable by the Corporation without liability upon giving no more than ninety (90) days' notice, or, in any event, involving liability on the part of the Corporation in excess of an unbudgeted amount of \$50,000
2. The sale or transfer of any assets of the Corporation, which individually or cumulatively exceeds \$50,000
3. The taking or instituting the proceedings for the winding-up, reorganization or dissolution of the Corporation
4. The enactment, ratification or amendment of any by-laws of the Corporation
5. The sale, lease, exchange or other disposition of all or substantially all of the assets or undertakings of the Corporation
6. The provision of financial assistance, whether by loan, guarantee or otherwise to any Person<sup>i</sup> whatsoever

7. All real estate purchases and sales
8. All capital equipment purchases, capital renovations, and capital projects (includes redevelopment, infrastructure and life safety)
9. All internal and external space leases greater than \$50,000 per annum
10. All union contract agreements

## **Signing Authority**

In addition to the provisions of the Corporations By-law, the Board may from time to time by resolution direct the manner in which and the person or persons by whom any particular instrument or class of instruments or document may or shall be signed. Any signing officer may affix the seal of the Corporation to any instrument or document and may certify a copy of any instrument, resolution, by-law or other document of the Corporation to be a true copy.

In conjunction with the CEO, the Board will identify the designated signing officers of the Corporation and their authority and will review the designated signing officers at least annually and at the time of turnover of so designated Board members and staff.

The CEO is accountable to the Board for ensuring that adequate internal controls and processes are in place. Employees are not authorized to bind the Corporation to contracts or incur expenditures unless they have been delegated that authority.

Disbursement signing authority is approved by the Board and generally consists of the holders of the following positions:

- Chair of the Board
- Vice-Chair of the Board
- CEO
- Chief Financial Officer (CFO)
- Chief Nursing Executive (CNE)
- Director of Finance
- Controller

For disbursements:

- Less than \$100,000, any two of the above signatures are required
- Over \$100,000 requires two of the following: CEO, Chair of the Board, Vice-Chair of the Board, CFO or CNE

This authority may not be delegated. No other staff or Board member may sign disbursements on behalf of the Corporation. An electronic signature may be used to automate the disbursement authorization process, subject to appropriate safeguards.

Electronic funds transfers (EFTs) are initiated, executed and approved in a secure manner. All EFT payments will be coordinated and submitted through the Finance department. The Controller or their designate will approve all new and changes to **EFT** requests, ensuring all required documentation is provided and appropriately approved, and that the request and banking account information is accurate and valid. EFTs are subject to the same financial policies, procedures and controls that govern disbursement by any other payment mechanism.

### **Purchases, Contracts and Leases**

The CEO will ensure that the organization does not order, receive or process goods in a manner that does not meet good business practices.

All purchases of supplies, services, or capital, or for a contract, lease or agreement, shall be completed in accordance with Corporate Policy 7-85 - *Supply Chain Guidelines – Procurement Policies and Procedures should be referenced for further information.*

### **Reporting Requirements**

The Board will satisfy itself, through reporting from the CEO or his/her designate, that Cambridge Memorial Hospital is acting in accordance with rules as established and that sound financial controls have been implemented and are being followed by the organization. The reporting will be at least annually unless there are significant breaches to these rules and/or controls. In that case, the Resources Committee and the Board will be informed at their next regularly scheduled meeting.

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<sup>1</sup> Person, as defined in the *Interpretation Act* (Ontario).