

**BOARD MANUAL**

<b>SUBJECT: Approval &amp; Signing Authority</b>	<b>NO.: 2-C-34</b>
<b>SECTION: Corporate Performance and Oversight</b>	
<b>APPROVED BY: Board of Directors</b>	<b>DATE: May 1, 2024</b>

**Policy**

The President & Chief Executive Officer (CEO) shall 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. This policy sets out the approvals required to commit CMH resources and to identify individuals who are authorized signing officers on behalf of the Corporation. This information is supplemented by the Approval Authority Schedule set out in hospital policy 7.85 Corporate Supply Chain Directive – Procurement Policy and Procedures.

The Board authorizes the CEO to make commitments contained within the approved operating and capital plan or otherwise approved by motion of the Board or its delegated authorities, including all: contracts, requisitions, purchase orders, travel authorizations and any other agreement, financial or otherwise.

If emergency expenditures or commitments are necessary, the CEO must secure the support of the Board Chair and Chair, Resources Committee before committing to the expenditure. The Board or its delegated authority must be informed at their next appropriate meeting.

Prior approval of the Board is required for the following:

1. The annual operating and capital plans
2. Capital purchases in excess of the annual approved capital plan
3. Hospital Service Accountability Agreement (HSAA) and the Multi-Sector Accountability Agreement (MSAA) between CMH and Ontario Health (OH)
4. Redevelopment-related approvals as required by the Ministry of Health and/or Infrastructure Ontario
5. Subject to applicable Ministry of Health (MOH) asset disposition policies, the sale or transfer of any assets of the Corporation, which individually or cumulatively exceeds \$100,000
6. The taking or instituting of proceedings for the winding-up, reorganization or dissolution of the Corporation
7. The enactment, ratification or amendment of any by-laws of the Corporation
8. The sale, lease, exchange or other disposition of all or substantially all of the assets or undertakings of the Corporation
9. The provision of financial assistance, whether by loan, guarantee or otherwise to any person whatsoever

10. Real estate purchases and sales
11. Internal and external space leases greater than \$50,000 per annum
12. 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 way 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.

Electronic signatures may be used to automate the disbursement authorization process, subject to appropriate safeguards. CMH uses a recognized third party software, for electronic signatures where possible, which has built in security features to validate the signature, based on the user login credentials. If third party software is unavailable, the use of an electronic picture of an individual's signature with email approval from the signer noting its use will suffice.

In conjunction with CEO, the Board will identify the designated signing officers of the Corporation and their authority and will review the slate of 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.

### **Reporting Requirements**

The CEO or designate will report to the Board annually on compliance with this policy. The reporting will be at least annually unless there are significant breaches to these rules and/or controls. In that case, the CEO will inform the Resources Committee and the Board at their next regularly scheduled meeting.

### **Policy Compliance**

The Finance and Procurement departments shall put in place processes to ensure that the above authorization policies are adhered to. The Finance and Procurement department shall report instances of unauthorized expenditure or commitment to the CEO as soon as possible and, where material, the CEO will inform the Resources Committee of the Board at their next regularly meeting. "Material" in this context would include unauthorized expenditures or commitments which are beyond the authority of the CEO or lesser amounts at the discretion of the CEO.

## **Signing Authorities For Disbursements:**

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

- Chair of the Board
- Vice-Chair of the Board

- CEO
- Vice President, Finance and Corporate Services and CFO
- Vice President of Clinical Programs and Chief Nursing Executive
- Director of Finance
- Controller

For disbursements (including HST, payroll and HOOP payments)

- Less than \$100,000, any two of the above signatures are required
- Over \$100,000 requires the signature of two of the following: CEO, Chair of the Board, Vice-Chair of the Board, Vice President, Finance and Corporate Services and CFO or Vice President of Clinical Programs and Chief Nursing Executive

Unless otherwise set out in this policy, this authority may not be further delegated. No other staff or Board member may sign disbursements on behalf of the Corporation.

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 amended 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.

The total value of a disbursement shall not be split into smaller segments to avoid the approval requirements and signing authorities set out in this policy.

### **Signing Authorities For Staff And Board Member Expenses**

All reimbursable expenses incurred by CMH staff or Board members must be approved by one level higher than the individual claiming the expenses as follows:

- (i) Staff requires their leader/manager approval
- (ii) Vice President requires CEO approval
- (iii) CEO requires Board Chair approval
- (iv) Board Members require Board Chair approval
- (v) Chief of Staff requires Board Chair approval
- (vi) Board Chair requires Chair of Resources Committee

### **Signing Authorities**

The CEO will ensure that the organization does not order, receive or process goods in a manner that does not meet good business practices, the Ontario Broader Public Sector Directive and applicable CMH procurement policies.

All purchases of supplies, services, capital, or for a contract, lease or agreement, shall be completed in accordance with the signing authorities set out in the Policy 7.85 Supply Chain Directive – Procurement Policy and Procedures.

All purchases in excess of \$5,000, require a purchase order except for:

- (i) Collective Agreements
- (ii) Employment Contracts

- (iii) Utilities Agreements
- (iv) Transfer Payments to other Health Service Providers
- (v) Payroll disbursements
- (vi) Physician payments
- (vii) Staff Expense Reimbursements

### **Signing Officers For Specific Legal Documents**

#### **a. Changes to Capital Project Budgets**

All changes to capital project cost will be approved and signed in accordance with CMH Capital Projects Change Order Request and Approval Policy 2-C-40.

#### **b. Contracts for which CMH Receives Money or Monies Worth (i.e. Property; Goods; or Services); Affiliation Agreements; Service Transfer Agreements; Estate Administration; Performance Contracts (i.e. Wait Times)**

The President & CEO or individual(s) designated set out in this policy or otherwise established in writing by the President & CEO shall have the power to sign contracts, documents or instruments in writing where CMH will receive money or monies worth (i.e. property, goods, services).

This section also applies to contracts where CMH is transferring a service to another service provider, affiliation agreements and estate administration documents.

#### **c. Research Agreements & Physician / Professional Staff Agreements**

The President & CEO or delegate, is authorized to sign the following documents:

- (i) Affiliation Agreements with Colleges (Private and Public) and Universities;
- (ii) Affiliation Agreements with other public entities for education;
- (iii) Memorandum of Understandings (Research and Education);
- (iv) Research contracts – every research project;
- (v) “Notification of Research Study to Commence” authorization letters;
- (vi) Clinical Trials Ontario (“CTO”) attestation documents. For the purpose of CTO documents, the Vice-President of Clinical Programs and Chief Nursing Executive has specifically designated the Privacy & Risk Lead / Privacy Officer as the Primary Institutional Representative for CMH and authorized signatory for attestations or other CTO documents.

The Chief of Staff and President & CEO (or designates) are authorized to sign the following documents if the financial commitment does not exceed \$500,000:

- (i) Physician Clinical Service Agreements / Contracts; and
- (ii) Physician Leadership Agreements / Agreements.

#### **d. Confidentiality/Data Sharing Agreements**

Confidentiality/data sharing agreements may be signed by any two of the President & CEO, a Vice President, a Director (corporate employee) or Chief of Staff. The President & CEO may also designate in writing specific individuals not listed under this category who may sign confidentiality agreements on behalf of CMH.

All confidentiality/data sharing agreements relating to the collection, use, disclosure and/or access to personal health information must be reviewed by Health Information Management and the Privacy Officer prior to signature.

#### **e. Commercial Leases; Real Property**

All lease documents, regardless of the term or financial commitment must be reviewed, approved and signed by any one of the President & CEO or Vice President, Finance and Corporate Services and CFO (or designates). This also applies to leases where CMH's space is leased to third parties.

Subject to Ontario Government requirements, the sale, mortgage hypothecation (i.e. pledging something as security for a loan), or other disposition of real property shall be authorized with the approval of 2/3rds of the Board. Once approved, the legal document may be signed by any two of the Board Chair, Vice-Chair, President & CEO, or such other person or persons as approved by a Board resolution.

#### **f. Bank Signing Authority**

Any two of the following individuals (or designates) are the designated signing officers for banking transactions.

- Chair, Board of Directors
- President & CEO
- Vice President, Finance and Corporate Services and CFO
- Vice-President of Clinical Programs and Chief Nursing Executive
- Director of Finance
- Controller

**New Bank Accounts:** All bank accounts holding hospital funds must be opened in the name of Cambridge Memorial Hospital. Documentation for all new and existing accounts requires signatures of two (2) of the CMH designated signing officers described above.

**Cash Transfers:** Authorized Controller are permitted to transfer funds between CMH bank accounts, subject to the approval of the Director of Finance, regardless of the amount transferred. All transfer approvals and bank statements indicating the transfer will be retained by Finance.

**Cheque Release Approvals:** Prior to the release of cheques, the Director of Finance, or delegate, will approve the cheque register and/or the Electronic Funds Transfer (EFT) listing. All cheques/EFTs that do not have a purchase order will be reviewed prior to approval.

Release of Banking Information:

- (i) Release of banking information to vendors must be authorized by a Controller.
- (ii) Banking information for the purposes of pre-authorized payments must be supported by the appropriate internal documentation. A vendor request for banking information must be completed and approved.
- (iii) The release of banking information will be sent directly from Finance to the approved vendor.
- (iv) Copies of all documentation are to be retained in the Finance Department.

Documentation of Authorized Signatures: A list of authorized personnel and sample signatures will be maintained by the Accounts Payable department.

**Reporting Requirements**

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.

DEVELOPED: March 26, 2012		REVISED/REVIEWED:
January 29, 2013	September 24, 2014	November 24, 2014
January 24, 2018	April 28, 2021	Click or tap to enter a date.
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