

NORTH BAY REGIONAL HEALTH CENTRE (NBRHC)

Policy and Procedure		Policy Number	ADM-BO-015	
Title Delegation of Authority – Non-Compensation and Capital		Policy category		<input type="checkbox"/> Departmental <input type="checkbox"/> Organization Wide <input checked="" type="checkbox"/> Board
		Manual		
		<input type="checkbox"/> New	<input checked="" type="checkbox"/> Minor	<input type="checkbox"/> Major
Origination Date		Developer		
Effective Date (date this version came into effect)	Reviewed by Governance November 24, 2016; Approved by Board December 8, 2016 Reviewed by Governance January 26, 2017 Approved by Board February 9, 2017 Reviewed by Governance March 28, 2019 Approved by Board April 18, 2019			
Cross References (NBRHC or legacy organization policies) Corporate Credit Card Policy – ADM-FI-001;; Purchasing and Competitive Procurement Policy – AMD-022; Capital Budgeting, Planning and Expenditures Policy – ADM-FI-007		Comparable Policy from service provider within NBRHC Facility		

NOTE: This is a **CONTROLLED** document. Any document appearing in a paper form should **ALWAYS** be checked against the online version prior to use.

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1.0 Purpose

The Board of Directors governs the organization by setting the strategic direction and overseeing the organization's achievement of that direction, and to empower the President and CEO, management and staff to operate the organization and make decisions affecting the business and affairs of the North Bay Regional Health Centre, as long as those decisions are consistent with the strategic direction, policy and budget.

2.0 Policy Statement

The Board delegates to the President and CEO the authority (specific approval and reporting authority levels) to manage and supervise the business and affairs of the North Bay Regional Health Centre, including making of all decisions regarding operations that are not specifically reserved for the Board, as outlined in this Policy.

The President and CEO will delegate approval and reporting authority levels throughout the Corporation. These delegated levels will be reviewed by the Board or the Governance Committee for oversight purposes every two years. In all circumstances of approving expenditures, consideration will be given to the hospital's financial capacity to accommodate the expenditure.

The Delegation of Authority applies to purchases for operating expenses and capital. Operating expenses are ongoing and do not have a future value (i.e. utilities, office supplies, drugs medical and surgical supplies). Capital purchases are greater than \$3,000, have future value and will be depreciated (i.e. furniture, fixtures, diagnostic imaging equipment, building construction contracts).

In the event of an emergency the President & CEO may authorize expenditure beyond the approved annual budget of up to \$1,000,000. This expenditure will be reported to the Board at the next possible opportunity.

Capital expenditures are reviewed and prioritized by the Senior Leadership Team and submitted to the Resource/Finance & Audit Committee and Board for review and approval as part of the annual budget process. From time to time, it may be necessary for the Hospital to preserve its cash by limiting or temporarily

suspending capital expenditures, The President and CEO will issue this directive as appropriate. Such directives will supersede any standing authority for expenditure, until the President & CEO provides further notice.

The Delegation of Authority is intended to match spending authority to a level of responsibility in the organization.

In recognition of the oversight responsibility of the Board, the Chief Financial Officer shall provide the Board, through the Resource, Finance & Audit Committee, with an annual report outlining compliance with this policy and any exceptions.

Spending limits by position are defined in the attached “Delegation of Authority Limits” tables.

3.0 Minor Revision History

N/A major revisions.

4.0 Definitions

Not applicable.

5.0 Materials required

Not applicable.

6.0 Procedure

- Approval will be made by signature. Signing Authority Form #NB1047 shall be kept in Finance and reviewed periodically for changes/updates.
- Any delegation of authority will be identified on Form #NB1047, used to capture the signatures of authorized individuals as well as list all departments and any approved exceptions; e.g. approval of monthly utility invoices; approving invoice listing multiple departments
- Individuals can only approve expenses that are charged against the budget that the person has responsibility for unless specific authority has been given as noted above.
- The process for purchasing goods and services as described by the Materials Management group must be followed;
 - I. For purchases made using a purchase order, the purchase order must be approved following the attached delegation of authority prior to the purchase order being issued.
 - II. For services, the commitment must be approved following the delegation of authority attached.
- A person given authority can purchase below their limit, but not above unless given specific authorization to do so.

- Spending limits are based on a combined purchase. Therefore, if 4 items at \$300 each are purchased for a total of \$1,200, such a purchase would be above the Supervisor limit and would need approval by the Manager. The same principal applies to expenditures that relate to projects that are purchased over a period of time or through separate invoices.

Application of the Policy based on method of purchase

6.1 One-Time Purchase Order

Items purchased using this method may include items such as;

- Non-medical equipment
- Medical equipment
- Supplies
- Food products
- Drugs
- Medical supplies
- Maintenance items
- Consulting services
- Rental cars
- Construction services

Application of Delegation of Authority;

- The approval of the purchase requisition/order must follow the delegation of authority for all items above.
- The purchase and payment process for purchases made with purchase orders must be followed.

6.2 Standing/Blanket Purchase Order

Items purchased using this method may include items such as;

- Medical supplies
- Drugs
- Food products
- Maintenance items

Application of Delegation of Authority;

- The approval of the standing/blanket purchase order must follow the delegation of authority for all of the above items. The total amount of the blanket order would determine what position in the organization is required to approve the purchase order based on the Delegation of Authority.

- Releases against the standing/blanket purchase order would also follow the Delegation of Authority for all of the above items. The amount of the individual purchase orders would determine the position required to approve the purchase.

6.3 Non-PO Purchases

Items purchased using this method may include items such as;

- Utilities
- Some consulting services

Application of Delegation of Authority;

- The approval of the purchase and the approval on the invoice must follow the Delegation of Authority.

6.4 Contracts

Items purchased using this method may include items such as;

- Construction
- Consulting
- Legal
- Audit

Application of the Delegation of Authority;

- Obtain legal review when dealing with a new type of contract or a very different contract model.
- All contracts must be signed by authorized signatories of the organization.
- The approval of the contract, and/or invoice approval must follow the Delegation of Authority based on the total amount of the invoice or contract.

6.5 Leases

Items purchased using this method;

- Space
- Medical equipment
- IT equipment

Application of the Delegation of Authority;

- Leases should be reviewed by legal as required and will be evaluated on a case by case basis by the appropriate V.P. and Director of Facilities.
- The total amount payable on the lease (not the monthly lease payment) would be the threshold to determine the position that would be required to approve the lease based on the Delegation of Authority.

- All leases must be signed by signing officer(s) of the organization.

6.6 Travel and Expense Claims

- All travel and expense expenditures (including training and education) would follow the Travel Expense Reimbursement policy.
- The President and CEO's expense claim must be approved by the Board Chair.
- All Board member expenses will be reviewed and approved by the President and CEO.
- The expenses of the Board and Senior Leadership Team are publicly disclosed as per legislation semi-annually.
- Expense reports for staff reporting directly to the President must be approved by the President.
- All other staff will have expense reports approved by the staff member's immediate supervisor, assuming the immediate supervisor has the authorization to approve the related expense items.

6.7 Education and Training Courses

The Delegation of Authority would apply to the approval of courses and training that would be charged to the department of the person attending the course.

6.8 Write Offs

This will follow the limits as noted in the separate Delegation of Authority table. This includes the write-off of all assets (receivables, investments, rental assets, etc.). Valuation of the asset is based on the net book value at the time of write-off.

6.9 Investments in Debt and Equity and Capital Instruments

This will follow the limits as noted in the separate Delegation of Authority table:

- Responsibility for the Investment Policy and investment transactions are delegated to the VP Corporate & Chief Financial Officer.
- All investments are subject to the maximum risk ratings and limits outlined in the Investment Policy.
- A quarterly report of all investments will be prepared and provided by the Chief Financial Officer to the Resource, Finance and Audit Committee.

6.10 Borrowing, Pledging or Assigning of Assets

This will follow the limits as noted in the separate Delegation of Authority table. The Resource and Finance Committee monitors all borrowings and pledging of assets.

6.11 Limits

Refer to following tables;

Delegation of Authority Limits						
	Supervisors	Managers	Directors	Vice- President/ Chief of Staff	President & CEO	Board of Directors
Limits						
<=1,000 Within approved budget	X	X	X	X	X	
<=25,000 within approved budget		X	X	X	X	
<=250,000 within approved budget			X	X	X	
<=\$1,000,000 within approved budget				X	X	
Over \$1,000,000 within approved budget (competitive procurement)					X	
Over \$1,000,000 (non- competitive procurement)						X
Over \$1,000,000 and outside approved budget						X

Delegation of Authority Limits			
Write-offs			
	Board	CEO	VP
More than \$500,000	X		
\$500,000 or less		X	
\$100,000 or less			X

Delegation of Authority Limits		
Investments in debt and equity capital instruments		
	Board	CEO
More than \$500,000	X	
\$500,000 or less		X

Delegation of Authority Limits		
Borrowing, Pledging or Assigning of Assets		
	Board	CEO
More than \$1,000,000	X	
\$1,000,000 or less		X

7.0 Signing Officers

Authorized signatories for the North Bay Regional Health Centre:

- President and CEO
- Board of Directors: Chair
- Board of Directors: Vice-Chair
- Board of Directors – Vice-Chair
- Chair of Resource, Finance and Audit Committee
- VP Corporate & Chief Financial Officer
- VP Clinical & CNE
- VP Mental Health

8.0 Documentation

8.1 NBRHC Documentation Standard

- When 'Instructions for Use' accompany forms, document on the form according to the instructions.
- Only NBRHC Forms Management Team approved forms or government forms will be used if they are to be included in the patient record.
- When documentation is to be done electronically ensure that documentation occurs in the applicable Meditech Module(s). Refer to policy Down Time – Process for Electronic Documentation ADM – IS – 005 in the event computers are not available.
- All narrative notes are to be recorded according to the NBRHC's approved documentation methodology.

9.0 Appendices/Educational Materials

Signing Authority Form – NB1047

10.0 References

11.0 Content Experts/Stakeholders

Content Expert/Stakeholder	Date Sent
Materials Management	September 2016
Manager, Financial Services & Capital Planning	September 2016
Vice President Corporate & CFO	September 2016 February 2019
President and CEO	September 2016
Resource, Finance and Audit Committee	October 2016

Governance Committee	November 2016 January 2017 March 28, 2019
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12.0 Signing Authority Approval

Position	Date Signed
Chair, Board of Directors	