



BOARD OF DIRECTORS MANUAL

CATEGORY: FINANCE
ISSUED BY: FINANCE & AUDIT COMMITTEE
APPROVED BY: BOARD OF DIRECTORS
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SIGNING AUTHORITIES

Purpose:

To safeguard the resources of the Hospital and minimize corporate risk. Contracts and other documents that are executed without the appropriate signatures can be considered null and void in a court of law. Inappropriately executed contracts and other documents can result in lost resources of the Hospital. Contracts and other documents that have not been reviewed by the appropriate officers of the Hospital may result in errors and/or unacceptable commitments.

Policy:

The Hospital will ensure that all contracts, agreements, conveyances, mortgages, and other documents which can create obligations on the Hospital will be executed by the approved signing officers, as per the Hospital By-laws.

Signing Officers:

The following categories are the hospital positions approved as signing officers with limitations of authority outlined in the procedures:

Board Officers	Executives	Management
Chair Vice-Chair	Chief Executive Officer Chief Financial Officer Vice Presidents	Directors Managers

Definitions:

Contract: All contracts, agreements, conveyances, mortgages and other such documents which can create obligations on the Hospital.

Purchase Order: All purchase requisitions and orders used in the normal course of business for procuring goods, services, or equipment for the Hospital operations.

NOTE: This is a CONTROLLED document as are all management system files on this server. Any documents appearing in paper form are not controlled and should ALWAYS be checked against the server file versions (electronic version) prior to use.

Procurement: Acquisition by any means, including by purchase, rental, lease or conditional sale, of goods or services.

Procurement Value: The estimated total financial commitment resulting from procurement, taking into account operational extensions, but excluding applicable sales taxes. The overall value of procurement cannot be reduced by dividing a single procurement into multiple procurements.

Procedure:

1. Signing Officers for Budgeted Contracts

- a. Any one of the Board Chair or Board Vice Chair, together with either the Chief Executive Officer or the Chief Financial Officer jointly shall sign on behalf of the Hospital and affix the seal to all contracts in excess of \$1 million in total procurement value, or which can only be terminated with more than one (1) years notice.
- b. The CEO shall sign contracts of \$1 million or less in total procurement value.
- c. The CFO shall sign contracts of \$750,000 or less in total procurement value.
- d. Any one of the Vice Presidents, together with either the Chief Executive Officer or the Chief Financial Officer jointly shall sign contracts of \$300,000 or less in total procurement value.
- e. The Materials Management Manager shall sign contracts of \$50,000 or less in total procurement value.

**Any non-budgeted contracts will require sign-off from the more senior level of authority.*

2. Signing Officers for Purchase Orders

- a. Any two of the Executives together shall sign purchase orders in excess of \$100,000 in total procurement value.
- b. Any one of the Executives or Management shall sign purchase orders of \$100,000 or less in total procurement value based on Schedule A of Policy ADM III-001.

**Any non-budgeted purchase orders will require sign-off from the more senior level or authority.*

3. Signing Officers for Cheques

Any two of the Board Chair, Board Vice-Chair, Chief Executive Officer and Chief Financial Officer jointly shall sign cheques. Cheques over the value of \$250,000 must have manual signatures.

4. Signing Officers for Electronic Fund Transfers

All electronic fund transfers must be approved by any two of the Chief Executive Officer, Vice Presidents, Chief Financial Officer or Director/Manager, Finance.

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References:

Hospital By-law 10.03

Broader Public Sector Procurement Directive July 1, 2011

Northumberland Hills Hospital Administrative Manual Finance Policy ADM III-001

Approved:

November 30, 1998

January 2007

November 2008

September 2011

March 2014 reviewed

March 2016 revised

February 2017 reviewed

February 2018 reviewed

February 2019 reviewed

February 2020 reviewed

March 2021 reviewed

May 2022 revised

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