



NORTHUMBERLAND HILLS
HOSPITAL
BOARD OF DIRECTORS MANUAL

CATEGORY: FINANCE NUMBER: III-003
ISSUED BY: FINANCE & AUDIT COMMITTEE PAGE: 1 OF 3
APPROVED BY: BOARD OF DIRECTORS
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SIGNING AUTHORITIES

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.

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.

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-Chairs	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.

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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 Contracts

- a. Any one of the Board Chair or Board Vice Chairs, 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. Any one of the Vice Presidents, together with either the Chief Executive Officer or the Chief Financial Officer jointly shall sign contracts of \$1 million or less in total procurement value.

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.

3. Signing Officers for Cheques

Any two of the Board Chair, Board Vice-Chairs, 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, Finance.

References:

Hospital By-law 10.03

Broader Public Sector Procurement Directive April 1, 2011

Approved:

November 30, 1998

January 2007

November 2008

September 2011

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