

SECTION: Finance

DIRECTIVE: III-F-20

SUBJECT: Signing Authority

AUTHORITY: Board of Governors

EFFECTIVE DATE			REVIEWED/REVISED DATE			POLICY	X	PROCEDURE	X
MON	DAY	YEAR	MON	DAY	YEAR				
11	26	2012				Applies to: Board of Governors			

POLICY

All signing responsibility will follow the direction as evidenced in the corporate by-laws.

PROCEDURE

1.0 Corporate By-laws Direction

1.1 Overriding Authority – Corporate by-law 11.2 Execution of Documents

Subject to section 11.3, deeds, transfers, assignments, contracts, agreements, mortgages, conveyances, obligations, certificates or any other instruments or documents requiring the signature of the Corporation, shall be signed by any one of the Chair or Vice Chair together with any one of the Chief Executive Officer or a Director and all instruments or documents so signed shall be binding upon the Corporation without any further authorization or formality.

1.2 Exceptions to Corporate By-law 11.2 – Corporate By-law 11.3 Other Signing Officers

In addition to the provisions of section 11.2, 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 seal of the Corporation to any instrument, resolution, by-law or other document of the Corporation to be a true copy.

NOTE – the following sections of this policy and procedure apply corporate by-law 11.3 above, in addition to corporate by-law 11.2

2.0 Board – Approval Annual Operating Budget

2.1 Contracts for Goods and Services

2.1.1 Goods ≤ \$50,000 Buyer plus Manager or Director of program or service
Goods ≥ \$50,000 Buyer plus Supply Chain Director plus Manager or Director of program or service.

2.1.2 Services ≤ \$25,000 Buyer plus Manager or Director of program or service
Services ≥ \$25,000 Buyer plus Supply Chain Director plus Manager or Director of Program or service.

Notes:

- i. Assumption is that all goods and services are acquired through/with the assistance of BCHS Purchasing Department to ensure provincial directives and hospital policies are adhered to.
- ii. The above amounts are for the cumulative, entire amount of the contract term (whether one year or more).

2.2 Acquisitions made pursuant to contracts (i.e. section 2.1)

2.2.1 All purchases made pursuant to approved contracts require the signature, on the relevant purchasing documents, of the manager accountable for the acquisition.

2.2.2 Individual acquisitions greater than \$15,000 must be signed by the Supply Chain Director in addition to the requirements of Section 2.2.1 above.

2.3 Acquisitions made not pursuant to the existing contract.**2.3.1 Purchases**

- Manager signs packing slip or Purchase Order
- Accounts Payable clerk matches all documents and signs code block on invoice
- Manager signs invoice.

3.0 Operating items outside the scope of a Board – approved Operating Budget

3.1 Individual items \leq \$5,000, not to exceed \$5,000 cumulative

- Manager/Director of Program/Service
- Documented notification to appropriate Vice President

3.2 Individual items $>$ \$5,000 \leq \$10,000, not to exceed \$20,000 cumulative

- Manager/Director of Program/Service
- Appropriate Vice President
- Documented notification to Senior Leadership Team (SLT), prior to Purchase Order execution.

3.3 Individual items $>$ \$10,000

- Manager/Director of Program/Service
- Appropriate Vice President/Chief Executive Officer, as appropriate
- Senior Leadership Team
- Board, at call of Chief Executive Officer, pursuant to CEO limitations

Expectation:

For any of the above, before committing to the acquisition, the following steps should be taken:

- i. Check other positive budget variances in the functional centre that could absorb the additional cost as at year end.
- ii. Check other positive budget variances in other functional centers for which you are accountable.
- iii. Negotiate with leaders of other programs and services with respect to sharing their positive budget variances in order to absorb the additional cost.

4.0 Capital Equipment

4.1 Annual budget approved in signed Board minutes

- Purchase Order signed by both respective Vice President, Manager and Director, Supply Chain
- Invoices signed by both respective Vice President, Manager and Director, Supply Chain

4.2 Substitutions must be approved by SLT or directly by the Chief Executive Officer, in writing prior to any acquisition effort.

4.3 Any acquisitions outside of a Board approved Capital equipment budget must be approved in writing as follows:

- Up to a cumulative amount of \$25,000 – by the Chief Executive Officer
- In excess of a cumulative amount of \$25,000 – by the Board.

5.0 Building Improvements (Eg. Major capital projects, renovations)

- The provisions outlined in Section 6.0 shall apply to building improvements.

6.0 Corporate Agreements

6.1 Corporate agreements (eg. Banking, audit, insurance) shall be signed as per Section 1.1 and shall be approved by Board resolution.

6.2 Exceptions to Section 6.1

- The CEO may sign agreements \leq \$25,000 without Board pre-approval. The Agreement must be reviewed at the next scheduled Fiscal Resources Committee of the Board.
- The CEO may sign agreements \leq \$100,000 which have been approved by the Board.
- In emergency situations, the CEO may override these exceptions provided that the Board Chair and Treasurer have given their approval to proceed. In the absence of any one of the Board Chair and Treasurer, the CEO shall obtain the approval of any other Board member provided that no less than two individuals give their approval to proceed. Additionally, the decision must be reviewed at the next scheduled Fiscal Resources Committee of the Board.

7.0 Cheques

7.1 A cheque stamp (with signatures of Chief Executive Officer and Board Chair) and kept in safekeeping in the safe in the Finance Department.

7.2 Chief Executive Officer/Initials stub of cheques \geq \$10,000

7.3 Finance Manager reviews cheques for all necessary signatures and backup and signs the cheque register and cheque log.