



<b>TITLE:</b>	<b>Signing Authority</b>		
<b>Manual/Policy#:</b>	MRHA Boards of Directors # IV-1	<b>Entity:</b>	AGH/ CPDMH
<b>Original Issue:</b>	AGH: January 2012 CPDMH: March 2019	<b>Issued by:</b>	Allied Boards Chair and Allied Boards Secretary
<b>Previous Date Reviewed:</b>	January 2024	<b>Approved by:</b>	Allied Boards of Directors
<b>Last Date Reviewed:</b>	September 2024	<b>Cross Reference(s)</b>	N/A

### **1. POLICY STATEMENT:**

The Almonte General Hospital Corporation (including Fairview Manor and Lanark County Paramedic Service) and the Carleton Place and District Memorial Hospital Corporation (the "Corporations") are committed to meeting all leading practices and guidelines for ensuring that the appropriate controls are in place respecting financial commitments made on behalf of the Corporations.

### **2. SCOPE**

The purpose of this policy is to establish rules for the approval of financial commitments which include any obligation, by way of contract, purchase order, timesheet, lease or other agreement or arrangement eventually settled through either cash payment or exchange of equipment, goods or services of equivalent value. The value of financial commitment means the total indebtedness to be incurred by the Corporations as a result of the commitment being made, including all related taxes and freight charges.

### **3. GUIDING PRINCIPLES:**

This policy is based on the following principles:

1. Approval of the annual operating and capital budgets by the Allied Boards confers authority to the President and CEO (CEO) to make expenditures within the amounts and scope allocated in the budgets of the Corporations in accordance with policies, procedures and values of the Corporations. In absence of approved budgets, interim spending power must be granted by the Allied Boards to establish such authority. For the Lanark County Paramedic Service, the Lanark County Council must also grant authority for reimbursement of expenditures through its budget setting process.
2. The CEO assigns financial signing authority to Officers of the Corporations to balance the needs of operational efficiency and effective control.

3. The level of authority required to enter into contracts and agreements relating generally to the operation of the Corporations shall depend on the dollar amount, terms and duration of such agreements as set out in this policy;
4. Signing Officers may delegate their signing authority to accountable nominees during periods of absence from the Corporations, subject to the following conditions:
  - The Vice-President & CFO (CFO) must be notified in writing of the designated signing
  - authority delegate;
  - The authorized dollar limits shall not exceed the normal limits set out for the original signing authority;

Accountability for expenditures, agreements and transactions authorized during this acting period will rest with the designating individual.

5. The signing authority or delegate for the Corporations cannot authorize disbursements for which they are the recipient (e.g. travel/employee expense reimbursement) and wherever there may be a potential or perceived conflict of interest, approval must be provided by the next higher authority.
6. The enclosed approval authority levels do not relieve the signing authority from meeting budgetary obligations as approved by the Allied Boards.
7. Participation within a buying group allows the Corporations to benefit from negotiations of a larger group with vendors to receive better pricing and terms on goods and services.

#### Code of Ethics

Signed Officers are required to inform the CFO of any commitments that are sensitive in nature, including those that might bring the activities of the Corporations under public scrutiny or involve controversial matters.

#### 4. DEFINITIONS:

N/A

#### 5. PROCEDURES:

In addition to the authority granted through the budget's approval process, the Allied Boards also grant signing authority for financial instruments including cheques, bank transfers and contractual arrangements.

Signed Officers can approve commitments or expenditures within the context of the budgets or funding for which they are responsible.

The authority for payroll processing is delegated to the payroll department, subject to review by the CEO, CFO and departmental signing authorities.

Where policies of the Corporations have been issued relative to specific financial transactions, then that policy shall prevail (e.g. Expense Policy).

In most financial transactions, signing authority is required for approval of the document that best represents the point of decision to make the financial commitment, such as a purchase requisition or contract. Where a purchase order or contract has been issued, and goods/services have been received, an invoice may be processed for payment by the Accounts Payable Department after appropriate matching. Where a purchase order or contract has not been issued, the appropriate signing authority must approve the vendor invoice prior to payment.

As additional verification, the Finance Manager will review all payments prior to the cheque being issued and the CFO will review the monthly list of cheques issued with the associated bank reconciliation.

The CEO will sign the bank reconciliation for months in which a third authority is absent to ensure segregation of duties.

From time to time, the CFO may invite existing buying groups to the Allied Boards Finance Resources and Audit Committee (FRAC) for the purpose of education and to provide the FRAC with a review of the buying group's processes of procurement to ensure that the Corporations meet its legislative obligations.

When entering into an arrangement with a new buying group, a summary of due diligence, procurement processes in place and other relevant information will be shared with the FRAC to ensure that legislative obligations are met under the Broader Public Sector Accountability Act.

Contracts within the buying group do not require Allied Boards approval regardless of duration of contract.

## **6. REFERENCES:**

N/A

## **7. APPENDIXES:**

#1 – Signing Authorities Framework

### **Evaluation:**

This policy will be evaluated every two years.

### APPENDIX 1: SIGNING AUTHORITIES FRAMEWORK

The following individuals are authorized to enter into financial and contractual agreements on behalf of the Corporations, in accordance with budgetary and noted approvals:

#### **Signing Authority for Banking Transactions**

<b>Transaction Type</b>	<b>Signing Authority Required</b>
Line of Credit	<ul style="list-style-type: none"> <li>Changes to credit limits require Allied Boards approval</li> </ul>
Investments	<ul style="list-style-type: none"> <li>Authority to make investments is delegated by the Allied Boards to one or more Investment Advisors within the bounds established by the Allied Boards approved Investment Policy.</li> </ul>
Bank Signing Authorities	<p>Any two of:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> Allied Boards Chair</li> <li><input type="checkbox"/> Allied Boards Vice-Chair</li> <li><input type="checkbox"/> Allied Boards Finance Resources and Audit Committee Chair</li> <li><input type="checkbox"/> President &amp; CEO (CEO)</li> <li><input type="checkbox"/> Vice-President &amp; CFO (CFO)</li> <li><input type="checkbox"/> Vice President Corporate Support Services and Capital Projects</li> </ul>
Credit Cards – Issuance and Limits	<ul style="list-style-type: none"> <li><input type="checkbox"/> Requires Allied Boards approval</li> </ul>

#### **Contracts and Agreements**

<b>Transaction Type</b>	<b>Signing Authority Required</b>
Term of Agreement does not exceed current fiscal year and is within approved budget.	<ul style="list-style-type: none"> <li>CFO and Vice President of Department</li> </ul>
Term of Agreement does not exceed current fiscal year and exceeds approved budget.	<ul style="list-style-type: none"> <li>CFO and CEO</li> </ul>
Term of Agreement exceeds current fiscal year and is less than or equal to 5 years.	<ul style="list-style-type: none"> <li>CFO and CEO</li> </ul>
Term of Agreement exceeds 5 years excluding buying group.	<ul style="list-style-type: none"> <li>Allied Boards Approval</li> </ul>

#### **Operating Expenditure Purchase/Cheque Requisitions (one-time product/service commitment)**

<b>Transaction Type</b>	<b>Signing Authority Required</b>
Less than \$10,000	<ul style="list-style-type: none"> <li>Department Manager</li> </ul>
Greater than \$10,000 and less than \$25,000	<ul style="list-style-type: none"> <li>Department Manager and Vice President</li> </ul>
Greater than \$25,000	<ul style="list-style-type: none"> <li>Department Manager and Vice President and CEO</li> </ul>

#### **Human Resources & Payroll**

<b>Transaction Type</b>	<b>Signing Authority Required</b>
Permanent postings within existing budget	<ul style="list-style-type: none"> <li>Department Manager and Vice President of Human Resources</li> </ul>
Additions to Staff Complement in excess of approved departmental operating budget	<ul style="list-style-type: none"> <li>Department Manager and Senior Team</li> </ul>
Posting for temporary replacement of staff on leave	<ul style="list-style-type: none"> <li>Department Manager and Vice President of Human Resources</li> </ul>
Approval of hours worked	<ul style="list-style-type: none"> <li>Departmental Manager</li> </ul>

---

This material has been prepared solely for use at the Almonte General Hospital (AGH), Carleton Place and District Memorial Hospital (CPDMH), Fairview Manor (FVM) and Lanark County Paramedic Services (LCPS). AGH/CPDMH/FVM/LCPS accepts no responsibility for use of this material by any person or organization not associated with AGH/CPDMH/FVM/LCPS. No part of this document may be reproduced in any form for publication without permission of AGH/CPDMH/FVM/LCPS.

**Other**

<b>Transaction Type</b>	<b>Signing Authority Required</b>
Authorization of Expenses for all Directors of the Allied Boards of Directors	<ul style="list-style-type: none"><li>• Per Expense Policy</li></ul>
Travel and Expense reimbursement	<ul style="list-style-type: none"><li>• Per Expense Policy</li></ul>
Capital Expenditures within approved Capital Budget less than \$10000.	<ul style="list-style-type: none"><li>• Departmental Manager</li></ul>
Capital Expenditures within approved Capital Budget greater than \$10,000 and less than or equal to \$25,000.	<ul style="list-style-type: none"><li>• Department Manager and Vice President</li></ul>
Capital Expenditures within approved Capital Budget greater than \$25,000.	<ul style="list-style-type: none"><li>• Department Manager, Vice President and CEO</li></ul>
Capital Expenditures outside of approved Capital Budget and Capital Contingency Budget	<ul style="list-style-type: none"><li>• Requires Allied Boards approval</li></ul>
Real Estate Property Transactions	<ul style="list-style-type: none"><li>• Requires Allied Boards approval</li></ul>

**Note:**

Where the purchase of a capital asset is bundled with the purchase of a maintenance contract, the maintenance contract should be considered separately under the rules for operating expenditures.