

 <p>MORONGO BASIN HEALTHCARE DISTRICT</p>	<p>DEPARTMENT / MANUAL: ADMINISTRATIVE MANUAL</p>
<p>ORIGINAL DATE: June 1991</p>	<p>REVIEW & REVISION DATES: (supersedes LD-222) 1/94, 1/96, 4/00, 12/00, 4/01, 9/07, 1/08, 6/08, 6/11, 6/13, 11/14, 10/15, 7/16; 5/17; 8/19</p>
<p>TITLE: LEVELS OF AUTHORIZATION</p>	<p>APPROVED BY:</p> <p>ADMIN: _____ Date: _____</p> <p>CEO: <u>Jafer Comb</u> Date: <u>8/1/19</u></p> <p>GOVERNING BOARD: <u>[Signature]</u> Date: <u>8/1/19</u></p>

PURPOSE

The purpose of this policy is to define the levels of authority that each member of Morongo Basin Healthcare District (MBHD) management possesses relating to conducting all aspects of District business.

POLICY

It is the policy of the District to strictly observe specific levels of authority in conducting District business. It is further the policy of MBHD to periodically reevaluate the levels of authority to ensure that it meets the District's needs and promotes efficiency in conducting district business while ensuring an adequate system of internal controls.

PROCEDURE

1. The levels of authority as approved by the district Board of Directors is outlined in the attached Authorization Level Matrix.
2. Compliance with these levels of authority is the responsibility of all district management staff.
3. Approvals requiring higher levels of authority should also reflect all prior approvals, which are cumulative and consistent with organization structure.
4. Non-compliance with the levels of authority outlined in the Authorization Matrix may subject the personnel involved to disciplinary action.
5. The Administrative Team is responsible for periodically reviewing the Authorization Matrix to ensure that it meets district needs and promotes efficiency in conducting district business.

Attachment: Authorization Level Matrix

Morongo Basin Healthcare District Authorization Level Matrix
Accounts Payable Functions

Function	Approval	Dollar Limits	Notes
Check Signatures Changing Bank Signer on Account	<ul style="list-style-type: none"> ▪ One signature: Director or CEO ▪ 2 signatures: Director and CEO ▪ 2 signatures: Director or CEO and one board member 	<ul style="list-style-type: none"> ▪ Up to \$10,000 ▪ \$10,001 to \$75,000 ▪ Over \$75,000 	Requires Board Resolution
Check Requests	<ul style="list-style-type: none"> ▪ Director ▪ CEO 	<ul style="list-style-type: none"> ▪ Up to \$5,000 ▪ Over \$5,000 	<p>Check requests should pertain only to operating expense items, Purchase of capital equipment should not be handled through the check request process.</p> <p>All check requests must have appropriate supporting documents attached. Original vendor invoices are the preferred source document for payment. Never initiate a check request when a vendor invoice can be obtained.</p> <p>All employee expense check request, but must be approved by the appropriate authority level above the person requesting payment.</p>
Subscriptions, membership dues, permits, licenses, inspection fees, finger printing, hotel deposits, seminar fees, guest speakers	<ul style="list-style-type: none"> ▪ Director ▪ CEO 	<ul style="list-style-type: none"> ▪ Up to \$5,000 ▪ Over \$5,000 	Invoices for payment should be forwarded directly to accounts payable. The ordering person must validate the invoice with their signature.
Advertising and consultants; contracted services	<ul style="list-style-type: none"> ▪ Director ▪ CEO 	<ul style="list-style-type: none"> ▪ Up to \$10,000 ▪ Over \$10,000 	Consultants and contracted services that will be capitalized (construction in progress, building, etc.) require a Capital Expense Request.
Litigation, settlements and legal fees	<ul style="list-style-type: none"> ▪ CEO ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ Up to \$100,000 ▪ Over the \$100,000 	Requires Resolution
Temporary work services	<ul style="list-style-type: none"> ▪ Directors ▪ CEO 	<ul style="list-style-type: none"> ▪ Up to \$10,000 ▪ Over \$10,000 	A record of time worked is to be kept by the requesting party or their designee within the department.
Supply orders	<ul style="list-style-type: none"> ▪ Director ▪ CEO 	<ul style="list-style-type: none"> ▪ Up to \$5,000 per item ▪ Over \$5,000 per item 	There should always be a separate initiator and approval for all non-stock requisitions. Purchase of minor equipment is included.
Capital Equipment Requests (CER) BUDGETED	<ul style="list-style-type: none"> ▪ Controller and CEO ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ Up to \$100,000 ▪ Over \$100,000 	All CER forms must be signed by Controller Requires Resolutions
Capital Equipment Requests: UNBUDGETED or cost exceeding 10% of the budgeted amount	<ul style="list-style-type: none"> ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ Any dollar amount ▪ Over \$50,000 	All unbudgeted capital equipment or costs exceeding 10% of the budgeted amount must be reviewed by the Controller and approved by the Board. All capital equipment must be submitted on a Capital Equipment Request form. Requires Resolution

Function	Approval	Dollar Limits	Notes
Disposal of District Equipment	<ul style="list-style-type: none"> ▪ Director ▪ Controller 	<ul style="list-style-type: none"> ▪ None / any equipment 	<p>Fixed assets are not to be disposed or traded-in prior to receiving all proper approvals. Disposal forms should be forwarded to the CEO/Controller for appropriate processing</p> <p>Requires Resolutions</p>

**Morongo Basin Healthcare District Authorization Level Matrix
Business Travel Expense Functions**

Function	Approval	Dollar Limits	Notes
Tuition Reimbursement	<ul style="list-style-type: none"> ▪ Director ▪ Director Business Operation (HR Function) ▪ CEO 	Follow Policy HR 262	Approvals should be consistent with administrative policy HR-262 guidelines.
Workshops and Seminars	<ul style="list-style-type: none"> ▪ Director ▪ CEO 	<ul style="list-style-type: none"> ▪ Up to \$5,000 ▪ Over \$5,000 	
Expense Reports	<ul style="list-style-type: none"> ▪ Director ▪ CEO 	<ul style="list-style-type: none"> ▪ Up to \$1,500 ▪ Over \$1,500 	<p>Use the Expense Report form to reimburse for travel and related expenses paid for by the employee. No employee can approve his/her own expense report.</p> <p>Accounts payable performs expense report audits on a regular basis.</p>

**Morongo Basin Healthcare District Authorization Level Matrix
Contracts / Agreements**

Function	Approval	Dollar Limits	Notes
Maintenance and service contracts	<ul style="list-style-type: none"> ▪ Director ▪ CEO ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ Up to \$1000 / monthly contract or \$5000 per project ▪ Over \$1000 / monthly contract or over \$5000 per project ▪ \$75,000 or more per annual contract or per project 	Requires Resolution
Vendor agreements such as special pricing and buyer groups	<ul style="list-style-type: none"> ▪ CEO 	<ul style="list-style-type: none"> ▪ Not applicable 	These contracts are signed for special pricing and discounts for the District. Not tied into dollar limit. Guarantees special pricing. Agreements are maintained by the Finance Department.
Professional Services Agreements BUDGETED	<ul style="list-style-type: none"> ▪ CEO ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ Up to \$100,000 annually ▪ Over \$100,000 	<ul style="list-style-type: none"> ▪ Requires Resolution
Professional Services Agreements UNBUDGETED	<ul style="list-style-type: none"> ▪ CEO ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ Up to \$50,000 annually ▪ \$50,000 or over 	<ul style="list-style-type: none"> ▪ Requires Resolution <p>The CEO will be involved in contract negotiations for services that include consultants, architectural services, engineering services, audit fees, etc.</p>
Construction contract for BUDGETED projects and change orders	<ul style="list-style-type: none"> ▪ CEO ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ Up to \$100,000 annually ▪ Over \$100,000 annually or change orders over 15% of the budgeted construction contract 	Requires Resolutions

Function	Approval	Dollar Limits	Notes
Construction contract and project change order for UNBUDGETED projects or amounts	<ul style="list-style-type: none"> ▪ CEO ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ Up to \$50,000 annually ▪ Over \$50,000 annually or change orders over 15% of the approved construction contract 	Requires Resolution
Physician and Medical Directorship Agreements	<ul style="list-style-type: none"> ▪ Board of Directors 	<ul style="list-style-type: none"> ▪ All contracts 	

**Morongo Basin Healthcare District Authorization Level Matrix
Human Resource Function**

Function	Approval	Dollar Limits	Notes
CEO <ul style="list-style-type: none"> ▪ Employment Contract ▪ Performance Evaluation ▪ Expense Report 	<ul style="list-style-type: none"> ▪ Board of Directors 	All contract amounts Per Employment Contract	Requires Resolution
Employees <ul style="list-style-type: none"> ▪ Employment offers ▪ Change in pay ▪ Promotion ▪ Demotion / Voluntary change in pay rate ▪ Performance Evaluation ▪ Employee Corrective Action ▪ Employee Termination 	<ul style="list-style-type: none"> ▪ Director ▪ Director Business Operation (HR Function) ▪ CEO 		Refer to appropriate HR policy Merit raise percentages are based upon policy consistent with rates approved by Board of Directors in budget at the beginning of each fiscal year.
Employee Accidents	<ul style="list-style-type: none"> ▪ Director ▪ Director Business Operation (HR Function) ▪ CEO 		Refer to policies HR-226
Job Descriptions	<ul style="list-style-type: none"> ▪ Director ▪ Director Business Operation (HR Function) 		When a job description is revised or updated it must be approved by the appropriate Admin Executive.
Employee Requisition	<ul style="list-style-type: none"> ▪ Director ▪ Director Business Operation (HR Function) 		Requisition to fill unbudgeted positions must be approved by the CEO. Excludes temporary employees.
Leave of Absence Request	<ul style="list-style-type: none"> ▪ Director ▪ Director Business Operation (HR Function) 		Leave of absence form must be completed and forwarded to HR prior to start of LOA.

(S: Administrative Policies / Policies / LD-Leadership / LD Policy writable versions /LD208 Attachment grid)