

 <p>MORONGO BASIN HEALTHCARE DISTRICT</p>	<p>DEPARTMENT/MANUAL: FINANCE</p>
<p>ORIGINAL DATE: June 1991</p>	<p>REVIEW & REVISION DATES: (Supersedes LD-208) 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, 2/22, 9/22, 6/24, 11/24</p>
<p>TITLE: LEVELS OF AUTHORIZATION</p>	<p>APPROVED BY:</p> <p>Admin:  Date: <u>12/05/2024</u></p> <p>CEO:  Date: <u>12/05/2024</u></p> <p>Governing Board:  Date: <u>12/05/2024</u></p>

PURPOSE

The purpose of this policy is to define the check signing signature policy and the levels of authority each member of the Morongo Basin Health District (MBHD) management possesses relating to conduction of all aspects of District business.

POLICY

- Check signing is independent of approvals for expenses/limits of authority. Check signing may require one or two signatures, depending upon the dollar amount of the check, as per the table below:

One signature: CEO or Board Member	Up to \$50,000
Two signatures: CEO and Board Member	Over \$50,000
- Limits of Authority:** 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 re-evaluate 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. Compliance with these levels of authority is the responsibility of all District management. Non-compliance with the levels of authority, outlined below, may subject the personnel involved to disciplinary action. The Administrative Team is responsible for periodically reviewing this policy to ensure that it meets District needs and promotes efficiency in conducting District business.

Approvals requiring higher levels of authority should also reflect all prior approvals, which are cumulative and consistent with organization structure.
- Limits of Authority (General):** The following limits of authority are solely for operational expenses, and specifically exclude monthly/recurring expenses, provider/directorship contracts, and capital items, that meet certain parameters (see section 6).

CEO with one Board Signer	over \$50,000
CEO	up to \$50,000
Directors	up to \$ 5,000
District Officers	up to \$10,000
Program Manager	up to \$ 1,000

District officers include the Chief Clinical Operations Officer, Patient Experience Officer, Chief Financial Officer, Chief Executive Officer, or any other title that includes the word Officer in it. In the case of the CFO, another Officer or Board member should co-approve any authorization over \$1,000.

In addition to the above approvers, a secondary review will be performed prior to payment by either the CFO or Controller.

4. Limits of Authority (Monthly/Recurring Expenses)

The following limits of authority are solely for monthly/recurring expenses. Monthly/recurring expenses include rental, software, provider, contracted, and service payments that have a valid contract on file. It also includes expenses such as recurring utility bills (gas/electric/trash/water), recurring internet & phone usage bills, monthly gasoline payments, monthly director fee payments, lease payments for a valid contract on file, employee benefit payments (such as health/dental/life insurance), and monthly insurance payments for which a certificate of insurance is in force.

CEO	up to \$125,000
CEO with one Board Signer	over \$125,00

5. Limits of Authority (Provider/Directorship Contracts):

Provider/Directorship contracts, no matter the dollar amount, should be approved by the CEO with secondary review by the CFO.

6. Limits of Authority (Capital):

- a. Approved Capital Expenditures – Every effort will be made to include known capital expenses on the capital budget. However, not all capital expenditures can be predicted and known ahead of time. As such, capital expenditures (both approved and not approved on the annual capital budget) shall use the limits of authority (general).
- b. All unapproved capital expenditures will be presented to the Board of Directors at the next regular monthly business meeting.
 1. If a prior approved capital item exceeds 25% of the amount originally budgeted or is \$50,000 more than originally budgeted, then said item will need to go back to the Board for re-approval.
- c. Capital items that meet these parameters will be submitted for approval to the Board of Directors on a Capital Equipment Request Form.

PROCEDURE

For authorizations that pertain to contracted goods or services:

1. For the sole purpose of this policy, this includes all rental agreements, lease agreements, service contracts, contracts for professional services, and Provider/directorship contracts. The limits of authority above shall consider the total value of such agreements, which shall be the sum of all periodic payments that are required by the terms of the agreement, including down payments and/or residual payments at the end of the agreement.
2. Prior to execution, all potential contracts, including Provider/Directorship Contracts, will be reviewed by the appropriate person(s), depending upon the type of contract and limits above.

3. All executed contracted will be signed by the appropriate person(s), depending upon the type of contract and limits above.
4. If Board approval is needed due to the amount of the contract, Board approval will be sought before the signing of the contract by the appropriate person(s). Board minutes shall document Board approval.
5. A copy of all contracts, once executed, should be routed to accounting.
6. Requests for disbursement that pertain to said contracts will be presented for authorization to the appropriate person(s), depending upon the type of contract and limits above, within 3 days of receipt by the finance department. Authorization will be documented by the signing or initialing of the appropriate person(s). Should a Board member signature be required, the finance department and/or the CEO will coordinate efforts to obtain the signature required.
7. The CFO will review all contracted cash disbursements in addition to the procedures above, as evidenced by his/her signature or initials.

For authorizations that pertain to recurring, non-contracted disbursements:

1. For the sole purpose of this policy, this includes disbursements that are recurring monthly, bi-monthly, quarterly, semi-annually, and annually that do not have an agreement obligating the District to pay for such services for more than 1-2 months (IE: can cancel with no repercussions with only one month or two notice). Typical recurring, non-contracted disbursements may include utilities, trash service, pest control services, phone or internet services, landscaping services, tax remittances, and month to month software agreements.
2. Prior to the first recurring billing, the CFO should be informed by the appropriate person(s) that recurring, non-contracted vendor services will be starting. The CFO will then set up the vendor in the accounting system and the finance staff will obtain a W-2.
3. Requests for disbursement that pertain to recurring, non-contracted disbursements will be presented for authorization to the appropriate person(s), depending upon the type of contract and limits above, within 3 days of receipt by the finance department. Authorization will be documented by the signing or initialing of the appropriate person(s).
4. The CFO will review all recurring, non-contracted disbursements in addition to the procedures above, as evidenced by his/her signature or initials.

For authorizations that pertain to non-recurring, non-contracted disbursements:

1. For the sole purpose of this policy, this includes any one-time purchase for goods or services, including expense reimbursements and mileage reimbursements.
2. Prior to purchase, authorization must be obtained. The District utilizes check request forms, mileage, and expense reimbursement forms, and/or printouts from vendor websites of electronic approvals.
3. If a new vendor is being used, the CFO should be informed by the appropriate person(s) that a non-recurring, non-contracted vendor is going to be utilized. The CFO will then set up the vendor in the accounting system and the finance staff will obtain a W-2.

4. Requests for disbursement that pertain to non-recurring, non-contracted disbursements will be presented for authorization to the appropriate person(s), depending upon the type of contract and limits above, within 3 days of receipt by the finance department. Authorization will be documented by the signing or initialing of the appropriate person(s).
5. The CFO will review all non-recurring, non-contracted disbursements cash disbursements in addition to the procedures above, as evidenced by his/her signature or initials.

REFERENCES

N/A

ATTACHMENTS

N/A