


POLICY	 Winnipeg Regional Health Authority <i>Caring for Health</i>		Office régional de la santé de Winnipeg <i>À l'écoute de notre santé</i>	WRHA GOVERNED SITES Applicable to programs, departments and services of the WRHA governed and integrated sites	Level: 2A
	Policy Name: Financial Commitments Authorization		Policy Number: 10.00.050		Page: 1 of 11
	Approval Signature: <i>Original signed by WRHA Board Chair, Dr. Jerry Gray</i>		Section: GOVERNANCE & GENERAL ADMINISTRATION		
	Date: June 2015		Supercedes: September 2010 Signing Authority Limits		

Note: Until such time as a policy with regard to Non-Financial Commitments (as defined herein) has been implemented, all Non-Financial Commitments may be approved and signed, when a signature is required, by the WRHA President and Chief Executive Officer, or his/her delegate.

1.0 **PURPOSE:**

To ensure that appropriate controls are in place respecting Financial Commitments made on behalf of the Winnipeg Regional Health Authority (“WRHA”) and WRHA Facilities.

2.0 **DEFINITIONS:**

2.1 **Capital Project Commitment:** means a Financial Commitment for assets including, but not limited to, land, buildings, furniture, software and equipment that:

- 2.1.1 have a Value of \$2,000 or more;
- 2.1.2 have more than one year useful life; and
- 2.1.3 directly relate to an approved capital project (i.e. either new construction or renovation) which may include capital equipment and capital projects for Manitoba eHealth.

2.2 **Contract for Service Agreement:** means contracts with individuals who are not employees to provide non-medical services to the WRHA, not including Regional Financial Commitments and Capital Project Commitments.

2.3 **Financial Commitment:** means any obligation, by way of contract, purchase order, lease, or other agreement or arrangement eventually settled through: cash payment, provision of equipment, goods or services, exchange of equipment, goods or services of equivalent value, or any combination thereof. Without limiting the foregoing, a Financial Commitment shall also include, but not be limited to, any situation in which the WRHA or a WRHA Facility has agreed to provide equipment, goods or services or other valuable consideration in exchange for a cash payment or exchange of equipment, goods or services of equivalent value, or both. Goods, services or equipment ordered for an evaluation period are Financial Commitments that should be based on their fair market value.

DISCLAIMER: Please be advised that printed versions of any policy, or policies posted on external web pages, may not be the most current version of the policy. Although we make every effort to ensure that all information is accurate and complete, policies are regularly under review and in the process of being amended and we cannot guarantee the accuracy of printed policies or policies on external web pages. At any given time the most current version of any WRHA policy will be deemed to apply. Users should verify that any policy is the most current policy before acting on it. For the most up to date version of any policy please call 204-926-7000 and ask for the Regional Policy Chair's office.

- 2.4 Hospital: means a hospital as defined pursuant to *The Hospitals Act* (Manitoba) and that is: (1) owned by WRHA; or (2) an Integrated Site as set out in an Operating Agreement with the WRHA.
- 2.5 Human Resources/Labour Relations Commitments: means, and shall be limited to:
- 2.5.1 essential services agreements;
 - 2.5.2 memorandums of agreement or memorandums of understanding relating to the settlement of grievances;
 - 2.5.3 memorandums of agreement or memorandums of understanding related to the settlement of employment disputes; and
 - 2.5.4 memorandums of understanding or letters of understanding to be appended to the collective agreement affecting a single site or program.
- 2.6 Integrated Site: means a site that, by written agreement with the WRHA, utilizes WRHA's Integrated Shared Services (eg. human resources, finance, purchasing services).
- 2.7 Minister: means the member of the Executive Council of Manitoba charged by the Lieutenant Governor in Council of Manitoba with the administration of *The Regional Health Authorities Act (Manitoba)*.
- 2.8 Non-Financial Commitment: means any obligation by way of a legal document or otherwise that contains no financial Value and has no specific financial impact. Non-Financial Commitments shall be signed in accordance with the Non-Financial Commitments Authorizations Policy (policy under development see Note on page 1).
- 2.9 Official Inventory: means the specific inventory that has been accounted for in the WRHA Enterprise Resource Planning System ("ERP System") as inventory.
- 2.10 Regional Financial Commitment: means a Financial Commitment for the acquisition of equipment, goods and/or services made on behalf of the WRHA or a WRHA Facility in accordance with Purchasing Policy 30.10.130.
- 2.11 Trade Agreement: means the Agreement on Internal Trade or any interprovincial or international treaty or agreement respecting the purchase, sale or trade of goods or services that is applicable to the WRHA.
- 2.12 Unanticipated Absence: means an absence which arose as a result of an emergency or any unexpected circumstances.
- 2.13 Value: means:
- (a) in respect of a Financial Commitment for purchase, lease or acquisition of equipment, goods or services:
 - (1) the total indebtedness to be incurred by the WRHA as a result of the commitment being made, before related taxes and freight charges; or
 - (2) where the equipment, goods or services have been acquired at substantially less than the fair market value, then the Value shall be the fair market value of the equipment, goods or services.

For example, a contract for 9 monthly payments of \$100,000 before taxes and freight would be a Financial Commitment valued at \$900,000.

(b) in respect of a Financial Commitment for provision, sale or disposition of equipment, goods or services: *the greater of*:

(1) the amount of the funds to be actually received by the WRHA and/or WRHA Facility; or

(2) the fair market value of the equipment, goods or services being provided by the WRHA and/or WRHA Facility regardless of the amount of any consideration to be received by the WRHA and/or WRHA Facility as noted in the Financial Commitment document(s) including funds, equipment, goods and/or services.

2.14 WRHA Facility or WRHA Facilities: means one or more of the following: (1) a Hospital; (2) Manitoba eHealth Program; or (3) other facilities or sites within the Winnipeg-Churchill Health Region that are owned or directly operated by the WRHA.

2.15 WRHA Logistics Services Contract: means a contract negotiated by WRHA Logistics Services for Regional Financial Commitments, which may include, but are not limited to: Logistics site specific contracts and group contracts for goods and/or services, including contracting for equipment (see Purchasing Policy 30.10.130).

3.0 **POLICY:**

3.1 Subject to sections 3.3, 3.4 and 3.5 hereof, Financial Commitments shall only be approved and signed, when a signature is required, by individuals who:

- (1) have direct financial responsibility for an operating or capital budget; and
- (2) are given authority pursuant to this policy.

3.2 **Signing Authority Limits for Financial Commitments**

Subject to section 3.1 the following signing authority limits for Financial Commitments shall apply:

3.2.1 **Signing Authority Levels**

Level 1

A Financial Commitment with a Value greater than \$5,000,000 (five million dollars) may only be approved by the WRHA Board of Directors and signed by:

- (1) One of the Chair of the WRHA Board of Directors, or the Vice-Chair, or if neither is available a member of the WRHA Board Governance Committee; together with
- (2) One of the Secretary or Treasurer or any other Director or person designated by the WRHA Board of Directors by resolution.

Level 2

The following individual is authorized to approve and sign, when a signature is required, Financial Commitments with a Value up to \$5,000,000 (five million dollars):

- WRHA President and Chief Executive Officer

Level 3

The following individual is authorized to approve and sign, when a signature is required, Financial Commitments with a Value up to \$2,000,000 (two million dollars):

- WRHA Vice President and Chief Financial Officer

Level 4

Any one of the following individual(s) is authorized to approve and sign, when a signature is required, Financial Commitments with a Value up to \$1,000,000 (one million dollars):

- Chief Operating Officer of a Hospital or other WRHA Facility (e.g. Chief Operating Officer of WRHA Pan Am Clinic)
- WRHA Chief Operating Officer
- Chief Information Officer of the WRHA
- All other WRHA Vice Presidents

Level 5

Any one of the following individual(s) is authorized to approve and sign, when a signature is required, Financial Commitments with a Value up to \$250,000 (two hundred fifty thousand dollars):

- WRHA Regional, Divisional, Program, Community Area Directors or equivalents that have direct financial responsibility for the operating or capital budget affected by the particular Financial Commitment.
- WRHA and any WRHA Facility's Chief Administrative Officers that have direct financial responsibility for an operating or capital budget affected by the particular Financial Commitment
- Site Chief Financial Officer, Chief Medical Officer, Chief Nursing Officer, Executive Directors or equivalents that have direct financial responsibility for the operating or capital budget affected by the particular Financial Commitment.

Level 6

Any one of the following individual(s) is authorized to approve and sign, when a signature is required, Financial Commitments with a Value up to \$100,000 (one hundred thousand dollars):

- WRHA directors, WRHA Facility directors or equivalents that have direct financial responsibility for the operating or capital budget affected by the particular Financial Commitment.

Level 7

Any one of the following individual(s) is authorized to approve and sign, when a signature is required, Financial Commitments with a Value up to \$10,000 (ten thousand dollars):

- WRHA managers, site managers or equivalents that have direct financial responsibility for the operating or capital budget affected by the particular Financial Commitment.

3.2.2 Exceptional Circumstances

In exceptional circumstances, individuals may be assigned a signing authority not consistent with the above levels of signing authority, not exceeding a level

4, if authorized in advance and in writing by the WRHA Chief Financial Officer or, in the WRHA Chief Financial Officer's unanticipated absence, by the WRHA Chief Operating Officer.

3.3 Exceptions

The following exceptions to section 3.1 shall apply:

WRHA Logistics Services staff and a WRHA Facility's purchasing staff are authorized to approve and sign, when a signature is required, Financial Commitments on behalf of a signing authority provided there is sufficient and appropriate documentation of the approval. Any approval of a Financial Commitment is granted based on the original estimated Value of a Financial Commitment. However, if the Value of a Financial Commitment, or agreed upon price, increases by more than a predetermined tolerance (set within the WRHA ERP System) of the original estimated Value of a Financial Commitment, for any reason (e.g. renewed option or contract extension, contract change order, etc.), the Financial Commitment will have to be re-approved by the appropriate signing authority. The Purchasing Policy 30.10.130 must still be adhered to in conjunction with this policy.

The following exceptions to section 3.2 shall apply:

3.3.1 Recurring Payments for Purchased Services

The WRHA may have regular recurring payments for purchased services with a Value in excess of \$5,000,000 (five million dollars). The WRHA President & Chief Executive Officer is authorized to approve and sign, when a signature is required, Financial Commitments (without WRHA Board of Directors resolution) for regular recurring payments for purchased services provided the WRHA Board of Directors has approved the initial service purchase agreement with the service provider.

3.3.2 Recurring Payments for Payroll

Regular recurring payments related to payroll shall be governed by the procedures of the WRHA Finance Department related to WRHA Human Resource Shared Services notwithstanding that they may have a Value that exceeds \$5,000,000 (five million dollars).

3.3.3 Payroll Premiums

The individual(s) responsible for approving the staff's time at each WRHA Facility are authorized to approve and sign, when a signature is required, payroll premiums such as overtime, shift or responsibility premiums.

3.3.4 Capital Project Commitments (Excluding Manitoba eHealth)

The WRHA Chief Financial Officer is authorized to approve and sign, when a signature is required, all Capital Project Commitments and related documents in the following situations:

- 3.3.4.1. Where the budget is for a WRHA funded Capital Project Commitment and has been approved by the WRHA Board of Directors, WRHA Senior Management and the Minister; or
- 3.3.4.2. If funding for the Capital Project Commitment has been provided by the Minister and the Capital Project Commitment has been approved by the Minister and where notice of the same has been provided to the WRHA Board; or
- 3.3.4.3. Where the Capital Project Commitment relates to a leased space renovation project funded through a tenant improvement allowance included as part of a lease agreement approved by the WRHA Board of Directors, WRHA Senior Management and approved by the Minister.
- 3.3.5. Where the WRHA Vice President and Chief Financial Officer has authorized and signed, when a signature is required, a Capital Project Commitment in accordance with 3.3.4, then the WRHA Regional Director, Capital Planning is authorized to approve, and sign, when a signature is required, all expenditures related to the same Capital Project Commitment.
- 3.3.6. **Manitoba eHealth Capital Project Commitments**
- If a Capital Project Commitment relates to the Manitoba eHealth Program, the WRHA Chief Information Officer is authorized to approve and sign, when a signature is required, all Capital Project Commitments and related documents in the following situation:
- 3.3.6.1. Where the budget is for a Manitoba eHealth funded Capital Project Commitment has been approved by the Manitoba eHealth Program Council, the WRHA Board of Directors and the Minister; or
- 3.3.6.2. If the funding for the Capital Project Commitment has been provided by the Minister and the Capital Project Commitment has been approved by the Minister and where notice of the same has been provided to the WRHA Board.
- 3.3.7. Where the WRHA Chief Information Officer has authorized and signed, when a signature is required, a Capital Project Commitment in accordance with section 3.3.6, then WRHA Chief Information Officer may designate one or more individuals who are authorized to approve and sign, when a signature is required, expenditures related to the same Capital Project Commitment, to the extent so designated by the Chief Information Officer.
- 3.3.8. **Real Property Lease Commitments**
- If a Financial Commitment relates to a real property lease commitment, the WRHA President and Chief Executive Officer is authorized to approve, and sign, when a signature is required, the lease agreements, in the following situations:

- 3.3.8.1. Where, prior to the execution of the lease agreement, the lease terms and the budget for the lease has been approved by the WRHA Board of Directors, WRHA Senior Management and the Minister; or
- 3.3.8.2. Where, at the time of the execution of the lease agreement the lease, and the WRHA's obligation therein, are made expressly conditional upon receipt of the approval of the WRHA Board of Directors, WRHA Senior Management and/or the Minister, as required.

3.3.9. **Regional Financial Commitments**

- (a) The WRHA Regional Director, Supply Chain is authorized to approve, and sign, when a signature is required, Regional Financial Commitments in the following situations:
- For Regional Financial Commitments with a Value up to \$1,000,000 (one million dollars), where the Financial Commitment relates to WRHA Logistics Services Contract and the PRES Policy (see PRES Policy 40.00.070) has been applied; or
 - For Regional Financial Commitments with a Value that exceeds \$1,000,000 (one million dollars), where there is direction to proceed with documented approval from the appropriate level of signing authority for the Regional Financial Commitment.
- (b) For any Regional Financial Commitment that is related to or could reasonably be expected to have a material impact on the Manitoba eHealth Program, the WRHA Chief Information Officer's approval and signature is also required, in addition to the WRHA Regional Director, Supply Chain and the appropriate level of signing authority for the Regional Financial Commitment.

3.3.10 **Human Resources/Labour Relations Commitments**

A WRHA or a WRHA Facility Chief Human Resources Officer or human resources director is authorized to approve and sign, when a signature is required, Human Resources/Labour Relations Commitments related to the WRHA or a WRHA Facility director's program or site.

The WRHA Vice President and Chief Human Resources Officer is authorized to approve and sign, when a signature is required, Human Resources/Labour Relations Commitments which directly affect more than one WRHA program or WRHA Facility.

The appropriate WRHA human resources individual is authorized to sign letters of offer for employment provided the position has been previously approved by the WRHA President and Chief Executive Officer.

3.3.11 **Inventory Management**

The WRHA Facility's material manager or designated material management staff are authorized to approve Financial Commitments related to the stocking of Official Inventory locations.

3.3.12 Specific Contractual Commitments

Notwithstanding anything else contained within this policy, the following individuals are authorized to approve and sign, when a signature is required, the following Financial Commitments:

Agreements specific to the WRHA Board of Directors:

Signing authority to approve and sign, when a signature is required, the below commitments of the WRHA shall remain with the WRHA Board of Directors:

- funding agreements for operational purposes pursuant to section 44.1(1) of *The Regional Health Authorities Act* (Manitoba); and
- employment agreement with the WRHA President and Chief Executive Officer (subject to approval by the Minister)

Agreements specific to the WRHA President and Chief Executive Officer:

The WRHA President and Chief Executive Officer is authorized to approve and sign, when a signature is required, the below commitments of the WRHA, with a Value up to \$5,000,000 (five million dollars):

- clinical placement agreements;
- educational institution affiliation agreements;
- employment agreements (excluding letters of offer for employment where the position has been previously approved);
- collective bargaining agreements (even with a Value exceeding \$5,000,000) governing WRHA owned sites and programs; and
- Subject to approval by the Minister, agreements with:
 - the government of Canada;
 - the government of a province other than Manitoba;
 - the government of a territory;
 - an agency of one of the governments set out above; or
 - an Indian Band, as defined in the *Indian Act (Canada)*.

eHealth and with a Value of \$1,000,000 or less: Notwithstanding the foregoing, if a Financial Commitment relates to the Manitoba eHealth Program, then subject to approval by the Minister, the WRHA Chief Information Officer is authorized to approve and sign, when a signature is required, agreements with a Value up to \$1,000,000 (one million dollars) with:

- the government of Canada;
- the government of a province other than Manitoba;
- the government of a territory;
- an agency of one of the governments set out above; and
- an Indian Band, as defined in the *Indian Act (Canada)*.

Agreements specific to the WRHA Senior Vice President and Chief Medical Officer:

The WRHA Senior Vice President and Chief Medical Officer is authorized to approve and sign, when a signature is required, the below commitments of the WRHA, with a Value up to \$1,000,000 (one million dollars):

- Agreements with physicians for health services provided by the physician or their medical corporation, including Geographical Fulltime Agreements with the University of Manitoba; and
- Quarterly payments for the Dean of Medicine Fund.

Agreements specific to the WRHA Chief Operating Officer:

The WRHA Chief Operating Officer is authorized to approve and sign, when a signature is required, the below commitments of the WRHA, where the Value of the commitment does not exceed a Value of \$1,000,000 (one million dollars) and where the commitment relates to more than one WRHA Facility:

- repayable award agreements; and
- secondment agreements.

Agreements specific to WRHA Facility Chief Operating Officer:

The WRHA Facility Chief Operating Officer is authorized to approve and sign, when a signature is required, the below commitments of the WRHA, where the Value of the commitment does not exceed a Value of \$1,000,000 (one million dollars) and where the commitment relates to only the Chief Operating Officer's own WRHA Facility:

- repayable award agreements; and
- secondment agreements.

Agreements specific to an Integrated Site Chief Operating Officer:

Integrated Site Chief Operating Officer is authorized to approve and sign, when a signature is required, the below commitments of the WRHA, where the commitment relates to only the Chief Operating Officer's own WRHA Facility:

- collective bargaining agreements which govern only the Integrated Site (even with a Value exceeding \$5,000,000).

3.3.13 Contract for Services Agreements:

Subject to a Trade Agreement: The WRHA Regional Director, Supply Chain, is authorized to approve and sign, where a signature is required, all Contract for Service Agreements which are subject to any Trade Agreement, up to a Value of \$1,000,000 (one million dollars) regardless of the duration.

Not subject to a Trade Agreement but with a Value of \$25,000 or more or have a duration of 6 months or more: The WRHA President and CEO is authorized to approve and sign, where a signature is required, all Contract for Service Agreements which are not subject to a Trade Agreement and which have a Value of \$25,000 or more or have a duration of 6 months or more.

Not subject to a Trade Agreement but with a Value less than \$25,000 and a duration of less than 6 months: The WRHA Chief Operating Officer of the impacted WRHA Facility is authorized to approve and sign, where a signature is required, Contract for Service Agreements which are not subject to a Trade Agreement and which have a Value of less than \$25,000 and have a duration of less than 6 months.

3.3.14 Out of Town Travel Expenses: The approval for Financial Commitments respecting out of town travel expenses shall be made in accordance with the Business Travel & Expenses Policy 30.10.055.**3.3.15 Designated Office Supplies:** Designated office supplies can be ordered from the regional contracted supplier by approved office personnel.

3.3.16 **Clinical Trial Agreements:** The WRHA Facility Chief Operating Officer or designate together with the Director of Research or equivalent are authorized to approve and sign clinical trial agreements applicable to their respective WRHA Facility with a Value up to \$1,000,000 (one million dollars).

3.3.17 **Provision of food or rental of meeting space for staff meetings:** The WRHA President and Chief Executive Officer, the responsible WRHA Vice President, the responsible WRHA Facility Chief Operating Officer of a Hospital, the Chief Information Officer or the Manager of Administration - Executive Offices is authorized to approve and sign, when a signature is required, all Financial Commitments related to the provision of food or the rental of additional meeting space for their respective internal staff meetings in accordance with the Meeting Expenses Policy 30.30.020.

3.4 Temporary Delegation of Signing Authority for Absences

3.4.1 Individuals shall delegate only the authority granted to them directly by this policy and such delegation shall be granted only in accordance with this section 3.4.

3.4.2 In the event of an absence by the WRHA President and Chief Executive Officer, all of his/her signing authorities under this policy shall temporarily be delegated in accordance with WRHA Board resolution.

3.4.3 In the event of an absence of an individual with:

- An Exception to Signing Authority Limits signing authority, he/she is required to delegate his/her authority.
- A Financial Commitment signing authority of Level 2 to Level 4, he/she is required to delegate his/her authority.
- A Financial Commitment signing authority of Level 5 to Level 7, he/she may delegate his/her authority.

3.4.4 Any delegations pursuant to this policy shall be:

- made in writing, if not using the ERP System;
- for the full signing authority held by the individual granting the delegation of the authority;
- given to a specified position or individual;
- time limited to a maximum of sixty (60) days; and
- provided to the delegating individual's immediate supervisor(s) and to the applicable WRHA Facility's site finance department.

3.4.5 Regardless of any delegation of signing authority made, financial accountability rests with the individual with the original signing authority provided the delegate acts in good faith and within the scope of its authority, as delegated and in accordance with this policy.

3.4.6 An individual holding both a Financial Commitment signing authority and an Exception to the levels of signing authority may delegate each authority separately but such delegation shall be for the full authority held under each signing authority level or exception thereto, as applicable.

3.4.7 Delegations of authority granted pursuant to subsections 3.3.1 to 3.3.12 shall be, and will not be effective unless, identified separately and distinctly from other delegations and shall not be included in a general delegation.

WRHA Policy Name: Financial Commitments Authorization	Policy Number: 10.00.050	Page 11 of 11
---	-----------------------------	------------------

3.4.8 An individual cannot delegate signing authority that has been delegated directly to that individual pursuant to this policy.

3.5 **Other:**

3.5.1 Individuals cannot approve Financial Commitments and related documentation in which they have a Private Interest or are in a Conflict of Interest, as both of those terms are defined in the Conflict of Interest Policy 20.10.011. For such Financial Commitments and/or Non-Financial Commitments, a higher level of signing authority must approve, and sign, when a signature is required.

3.5.2 For all Financial Commitments with a provision for the automatic renewal or extension of the commitment, a review date for such commitments shall be established. For the purposes of section 2.2, the Value of Financial Commitments with a provision for the automatic renewal or extension of the commitment, shall be the total indebtedness to be incurred by the WRHA during the review or extension period or until the next review date, whichever is later.

3.5.3 Any regional financial commitment with terms and conditions that do not match the WRHA standard terms and conditions, shall be reviewed with WRHA Logistics Services prior to being approved.

4.0 **PROCEDURE:**

4.1 For all Financial Commitments which will result in an agreement between a third party and the WRHA or a WRHA Facility, the individual with the authority to approve the Financial Commitment shall ensure, prior to its execution, that:

4.1.1 the agreement has been reviewed by the appropriate subject matter experts which may include but are not be limited to individuals from the following departments: legal, insurance, finance, clinical engineering and logistics services;

4.1.2 the agreement and the signing of the agreement is consistent with WRHA policy; and

4.1.3 if the agreement requires Ministerial approval, the agreement will have either received the requisite approval or is made subject to receipt of the requisite approval and that the Agreement will be put forward for such approval.

5.0 **REFERENCES:**

- 5.1 PRES Policy 40.00.070
- 5.2 Business Travel & Expenses Policy 30.10.055
- 5.3 Purchasing Policy 30.10.130
- 5.4 Conflict of Interest Policy 20.10.011
- 5.5 Meeting Expenses Policy 30.30.030

(WRHA Policies are available in INSITE – <http://home.wrha.mb.ca/corp/policy/policy.php>)

Policy Contact: Michael Powell, Director of Finance
Responsible V.P. Glenn McLennan, CFO