


ADDENDUM D

 PALOMAR POMERADO HEALTH	<input checked="" type="checkbox"/> POLICY	Title: Expenditure and Requisition Approval Authority	
	<input type="checkbox"/> PROCEDURE	Effective Date	Category / Originating Source
	<input type="checkbox"/> STANDARDIZED PROCEDURE		System policy/ procedure/ plan #: FIN-12
<input type="checkbox"/> PLAN			
Applicable To: <input checked="" type="checkbox"/> ALL PPH ENTITIES—00 <input type="checkbox"/> PMC—02 <input type="checkbox"/> POM—03 <input type="checkbox"/> PCCC—02 <input type="checkbox"/> VILLA—03 <input type="checkbox"/> HH—02 <input type="checkbox"/> Innovation—01 <input type="checkbox"/> ESC—02	Affected departments: ALL JCAHO / Legal References: GO		
The following PPH Authorized Officer hereby approves this policy: Authorized Promulgating Officer: <u>Dr. Marcelo Rivera, Board of Directors' Chairman</u> Date: _____ Originator/Title: <u>Michael H. Covert, F.A.C.H.E., President & CEO</u> Date: _____ Committee Approvals: _____ Date: _____ _____ Date: _____			

I. PURPOSE:

- A. Palomar Pomerado Health is a large and complex health care district with many different types of transactions. In order to safeguard the district’s assets, the Board of Directors has established a set of approval thresholds that must be followed to ensure appropriate review and approval to spend or commit funds.
- A. In order to safeguard Palomar Pomerado Health’s assets and ensure that key transactions are executed in accordance the Board of Directors’ intentions and plans, certain limits are placed on the authority of individuals to authorize the expenditure or commitment of funds.

II. DEFINITIONS:

A. Contracting Authority:

The authority designated to specified representatives to administer, approve, and execute contracts and agreements on behalf of Palomar Pomerado Health.

B. Responsible Officer:

A responsible officer is the primary contracting officer for all Palomar Pomerado Health external commitments/transactions he/she administers. A responsible officer may designate other contracting officers in a written plan of delegation that must be provided to the President and CEO for approval.

C. Transaction:

A transaction is an act that commits Palomar Pomerado Health to spend or receive funds or assets or otherwise contractually commit to certain actions. The size of a transaction is its collective amount over the entire period of commitment.

III. TEXT / STANDARDS OF PRACTICE:

- A. The CEO of Palomar Pomerado Health is the contracting authority authorized to approve any transactions that are part of a Board approved Palomar Pomerado Health budget and not specifically identified as requiring Board of Directors' action.
- B. The CEO of Palomar Pomerado Health is authorized to approve any capital or operating non-budgeted transaction up to \$500,000 and any non-budgeted Construction in Progress transactions up to \$500,000. The Board of Directors must approve all non-budgeted transaction above this amount.
- C. The CEO has authorization from the PPH Board of Directors to allow, compromise or settle any claims if the amount paid from the Districts treasury does not exceed \$500,000. The designated representative of the CEO may approve these settlements up to \$10,000 on behalf of the CEO. All claims above \$10,000 will be personally approved by the CEO.
- D. The CEO has authorization from the PPH Board of Directors for emergency non-budgeted expenditures up to \$500,000. A higher approval level is always acceptable in response to a disaster or other emergency situation when an authorized individual cannot be contacted. The designated representative of the CEO may approve expenditures on behalf of the CEO in the CEO's absence and must indicate same when signing the document.
- E. The CEO shall review with the Board of Directors any emergency or non-budgeted construction in progress expenditures \$250,000 or over at the next scheduled meeting of the Board or the next scheduled Board Finance Committee meeting, whichever comes first.
- F. The CEO may delegate to responsible officers expenditure and requisition approval authority levels for specific types of transactions.
- G. The responsible officers delegated by the CEO to approve expenditures and requisitions may further delegate this approval authority for specific types of transactions in a written plan of delegation that must be provided to the CEO for approval. Responsible officers delegating this approval authority must ensure that all such transactions are approved in accordance with applicable procedures.

IV. ADDENDUM:

V. DOCUMENT / PUBLICATION HISTORY:

This policy supersedes:

- A. Board of Directors Resolution No. 06.14.93(03) dated June 14, 1993.
- B. PPHS Policy and Procedure Signature Authorization Matrix dated January 12, 2001.

VI. CROSS-REFERENCE DOCUMENTS:

- A. Bylaws Of Palomar Pomerado Health Board Of Directors
- B. Contract Development, Review and Approval Procedure
- C. Contracting Authority Procedure
- D. Directives, Development and Approval Process