

Manual: Board of Directors

Title:	EXPENSE AND SIGNATURE AUTHORIZATION LIMITS		No.: CA-265
Section:	Orientation Guidelines	Effective Date:	2025-06-24
Issuing authority:	Board of Directors	Date of last revision:	2022-06-22
Approver:	Board of Directors Thomas Soucy, Chairperson 	Approved on:	2025-06-24
Facility(ies)/program(s):			

PURPOSE

The purpose of the policy is to set limits on expense and contract signing authorization to ensure sound governance, clear accountability and rigorous management of Vitalité Health Network (the 'Network') resources.

The policy sets out the powers delegated to the President and CEO (the 'CEO'), while specifying the powers that the Board of Directors (the 'Board') chooses to retain.

The policy clarifies roles and responsibilities in financial and contractual decision making, ensuring a balance between operational efficiency and strategic control.

DEFINITION

1. **Staff:** This includes employees and physicians paid on a fee-for-service or salaried basis.

POLICY

1. SIGNATORY

The Board designates the CEO as signatory on behalf of the Network by the Board and authorizes the CEO to delegate this signing authority and expense authorization to senior Network staff.

2. BOARD SIGNING AUTHORITY

The Board retains its authority to sign and authorize expenditures in the following cases:

1. Mortgage loans/debts;
2. Contracts representing a commitment exceeding \$5,000,000 that:
 - a. Was not part of the approved budget; or
 - b. Was not part of the Network's Regional Health and Business Plan; or

- c. Is related to commitments with or concerning staff (for which no source funding has been identified);
3. Any contract with a term of more than 10 years;
4. Any contract for the acquisition or sale of real estate; and
5. Benefit plans.

3. EMERGENCY EXPENSES

In the event of an emergency requiring immediate action to resolve a temporary, short-term situation, the CEO may approve expenditures falling within the Board's signing authority, subject to subsequent review and approval by the Board.

These decisions must be documented, justified and presented to the Board at the next regular meeting.

4. INFORMATION TO THE BOARD

The Board will be informed of any contract that, in the opinion of the CEO, may be of particular interest to the Board members.

5. BOARD APPROVAL OF CONTRACTS

The following procedures must be followed to ensure that contracts are properly reviewed and considered by the Board.

- 1) Conflict of interest: Before providing documents, the Board will be asked to declare any potential conflict of interest with the supplier or contracting party. Board members must immediately inform the Chairperson of any personal, financial or professional interests likely to affect their impartiality. If a conflict is identified, the member concerned may be asked to withdraw from the discussion or decision-making process.
- 2) Note from legal counsel: The contract must be accompanied by an note from legal counsel summarizing the main terms, potential risks, options evaluated and potential legal implications of the contract. This note should be in plain language to enable the Board to fully understand the context of the contract. At the discretion of the CEO and/or the Board, based on the risk of the contract, the note may be prepared by external legal counsel. For example, high financial risk (contract worth more than 5% of the Network's budget) or high reputational risk.
- 3) Electronic distribution: The contract and accompanying documents (including the legal note) must be emailed to all Board members to ensure timely receipt and allow sufficient time for review.
- 4) Review period: Board members must have at least five (5) business days to review the contract and legal note before a decision is made. The Board should use this period to ask questions, seek clarification or consult with legal counsel to obtain additional information.

- 5) Decision and approval: At the end of the review period, the Board decides whether to approve or amend the contract. The contract will only be approved if a majority of Board members are in favour, taking into account all legal, financial and operational factors.

Supersedes:	Zone 1:	Zone 5:
	Zone 4:	Zone 6: