
Lifespan Corporate Policy

Subject:
Expense Approval
Guidelines

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Finance
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Issuing Department:
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Approved by:


Vice President, Finance

Revision - 7/1/06, 1/1/17


Executive Vice President
and Chief Financial Officer

I. Purpose:

To define the policy and procedure re: approval guidelines for Lifespan operating and research expenditures.

The guidelines outlined in this document are designed to provide consistent guidance to directors and managers at Lifespan Corporation and affiliates with respect to approval authority for operating and research expenditures.

The guidelines are designed to reflect the values of Lifespan Corporation, acknowledging our responsibilities with respect to stewardship of resources.

Additionally, the outlined approval procedures recognize that all departments are held accountable for their operational expenditures through Lifespan's annual budget process.

II. Policy:

All purchase requisitions and check requests must carry a minimum of two signatures. One signature must be from the individual having direct responsibility for the Responsibility Center/Cost Center ("Responsible Management") to which the expenditure will be charged. Please note that at the inception of all standing purchase orders and blanket purchase orders, a purchase requisition needs dual signature approval; all future releases within the standing order or blanket order will be considered pre-approved.

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II. Policy: (continued)

With respect to Research Responsibility Centers/Cost Centers, the following guidelines apply to purchase requisitions and check requests:

- (A) Individual expenditures \$1,000 and over require one signature from the investigator responsible for a grant or an approved designee; in addition, signature authorization is needed from the Director of Research Administration or his/her designee (The respective Principal Investigators and Directors/Managers will update the list of designees for Accounts Payable annually or more frequently as necessary. These designees must be approved by the Director).

Invoices for research or services under consortiums, sub-grants and sub-contracts require the signature of the Principal Investigator or Project Director (PI). In general, this responsibility may be delegated. However, in instances where the PI is not available to sign a request for payment of such an invoice, a letter, memorandum or other communication from the PI specifically approving the invoice will satisfy this requirement. This communication must accompany the request for payment.

Investigator responsible for the grant -by signing the purchase requisition, the investigator or approved designee verifies that the expenditure will be used for grant purposes, i.e., ensures that service was rendered and acceptable and/or supplies were used for grant noted. "First hand" knowledge that expenditure will be used for the grant is therefore documented. The principal investigator or approved designee also needs to sign check requests for services rendered in order to acknowledge what is to be charged to the grant.

Research Administrator - authorizes the expenditure as appropriate per the Notice of Grant Award and budget, i.e., that it complies with grant restrictions.

- Such expenditures will not present a significant deficit situation, i.e., the budget item was not over-expended and is within authority guidelines. Research Finance should be consulted if there are any questions in this area.
- The expenditure is within the budget period.
- Documentation is sufficient to support the charge.
- Research Responsibility Center/Cost Center charged with the expenditure is correct.

- (B) Individual expenditures under \$1,000 require two signatures from the originating department but need not be sent to Research Administration for approval.

Reimbursed business expenses (travel, seminars, etc.) require the employee's signature and the approval of an individual's immediate supervisor or designee.

Internal Revenue Service (IRS) regulations require that local travel, meals and entertainment expense claims include documentation of the date, place and business purpose; the reason for entertaining or nature of the business benefit derived; the nature of the business discussion or activity; and the identity and business relationship of those entertained.

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II. Policy: (continued)

Expenses re: alcoholic beverages are not allowable as charges to research grants, per 2 CFR Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", or other sponsors' requirements.

With respect to Non-Grant Research Restricted Funds and Non-Research Responsibility Centers/Cost Centers, such expenses are refundable to the employee if they are ordinary, necessary and reasonable expenses incurred by an employee in connection with the performance of services as an employee. The cost of alcoholic beverages, if any, should be identified on the Employee Expense Reimbursement Voucher so that such cost can be charged to a Medicare non-reimbursable object code, enabling proper classification in the respective Lifespan affiliate's Medicare Cost Report.

Regarding credit card purchases by employees using the internet:

- (A) If merchandise is shipped, the packing slip or delivery receipt may be used to support reimbursement to the employee
- (B) In situations where there is no merchandise, employee reimbursement must be supported by a printed copy of the computer screen documenting the purchase along with a copy of the employee's credit card statement.

Reference is made to Lifespan Finance Policy #17 re: Travel for additional guidelines and procedures regarding travel and related business expense reimbursement.

Reference is also made to Lifespan Finance Policy #14 re: Human Subject Payments, i.e., financial compensation to research study participants, for additional expense approval guidance in this area.

III. Procedure:

PURCHASE REQUISITIONS AND CHECK REQUESTS - OPERATING EXPENSES

All individual operating expenditures under \$100,000 require two signatures, one being the Responsible Management for the Responsibility Center/Cost Center. Also note the requirements for Research Expenditures described above.

Expenses not within a department's budget require approval from the respective Vice President.

All individual expenditures between \$100,001 and \$500,000 also require the signature of a Vice President.

All individual expenditures over \$500,000 require Vice President approval, as well as two signatures from the Lifespan CEO's Council: Mary Wakefield, and either the President of the applicable Lifespan affiliate or the senior executive responsible for system-wide areas.

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III. Procedure: (continued)

With respect to required signatures from the Lifespan CEO's Council, the Council is comprised as follows:

Timothy Babineau
Mary Wakefield
John Murphy
Paul Adler
Cathy Duquette
Cedric Priebe
Lisa Abbott
Arthur Sampson
Margaret Van Bree
Crista Durand
Steven Lampert