
Lifespan Corporate Policy

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Approval Guidelines

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Approved by:

Policy Number:
Lifespan Finance #15

**Vice President, Finance -
Corporate Services**

Senior Vice President & CFO

I. Purpose:

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

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

The guidelines are designed to be consistent with 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 and capital 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

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II. Policy: (cont.)

Responsibility Center (“Responsible Management”) to which the expenditure will be charged or, in their absence, a designee. With respect to Research Responsibility Centers, one signature must be from the investigator responsible for a grant as well as the Director of Research Administration or designee.

When reference is made to signature by the Office of the President, it includes the President, Chief Financial Officer, and Senior Vice President and General Counsel.

III. Procedure:

3.1 PURCHASE REQUISITIONS AND CHECK REQUESTS

3.1.1 Operating Expenses

As long as expenses are within the parameters of a department’s budget, all expenditures under \$100,000 require two signatures, one being the Responsible Management for the Responsibility Center.

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

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

All expenditures over \$500,000 require Vice President approval, as well as one signature from the Office of the President.

3.1.2 Capital Expenditures

Budgeted Capital Expenditures up to \$100,000 can be approved by Responsible Management. These budgeted expenditures must be included within the Board-approved capital budget.

Capital Expenditures between \$100,001 and \$500,000 also require the signature of a Vice President. All requests for Capital Expenditures in excess of \$500,000 should be submitted to the Chief Financial Officer, including a completed Capital Assessment Criteria justifying the expenditure.

Unbudgeted capital expenditures require approval by the respective Vice President and a signature from the Office of the President (i.e., President, Chief Financial Officer or Senior Vice President and General Counsel). Unbudgeted capital expenditures in excess of \$500,000 require approval by the Finance Committee and the Board of Directors.

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3.1.2 Capital Expenditures (cont.)

Budgeted capital expenditures in excess of \$2,000,000 require approval by the Finance Committee and the Board of Directors. The Chief Financial Officer will note on the purchase requisition that approval by the Finance Committee and the Board has been obtained where applicable.

3.1.3 Capital Equipment Purchases Requisition Flow

The following is a list of guidelines for use in completing a purchase requisition form for capital equipment. The guidelines should be followed in the order that they are presented here.

1. If the item being purchased is \$1,000 or greater (or \$500/item when purchasing multiples of the same item and the total purchase is at least \$5,000), then it is considered a capital purchase.
2. All capital purchases must contain the following information before obtaining signatures of approval:
 - Vendor name
 - Corporation Code and Responsibility Center
 - Unit cost
 - Total cost and supporting documentation (vendor quote)
 - Pre-assigned Capital Tracking Number
 - Requisitioner name, location, and telephone extension in case more information is needed
3. If the purchase requisition is for an item that had not received a pre-assigned Capital Tracking Number and is an emergency request, then it is considered a contingency request and must go through the Office of the President for approval.
4. Required Signatures
(see “Capital Expenditures” above)
5. If the purchase is computer related, the requisition must be submitted to Information Services for approval.
6. If the purchase is to be electrically powered, the requisition must be submitted to Facilities Management at the respective Lifespan affiliate location (Exception - computer equipment purchased in accordance with Information Services standards or approvals).

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3.1.3 Capital Equipment Purchases Requisition Flow (cont.)

7. After all required signatures are obtained and information is complete, the requisition package should be submitted to Finance Support in RIH Grad's Dorm, 3rd Floor for recording in the Capital Tracking System. Finance Support will then forward the requisition to the Purchasing Department.

3.2 CONTRACTS AND AGREEMENTS

All contracts and agreements (other than purchase requisitions for goods and services, the guidelines for which are on page 2) which create a financial obligation require, at a minimum, a signature by a Vice President. Additionally, all contracts having a value in excess of \$500,000 require one signature from the Office of the President (i.e., President, Chief Financial Officer or Senior Vice President and General Counsel).

3.3 PERSONNEL

Budgeted positions (either replacement or new) require the approval of Responsible Management. Positions which are not budgeted require the approval of the respective Vice President. All personnel requisitions are required to have appropriate justification attached.

With respect to personnel, the following additional approvals are required:

<u>Position</u>	<u>Approval Required</u>
Vice Presidents	President
Medical Department Chief	President
Medical Division Heads	Department Chief and President or designee
Individual Faculty	Division Head & Department Chief and President or designee

These Guidelines are intended to provide general standards to directors and managers. Should clarification be required, please direct your inquiries to the Vice President, Finance-Corporate Services.