



POLICY NUMBER:	EL- 5
ISSUING AUTHORITY:	Board of Directors
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ISSUE DATE:	July 19, 2012
REVIEW DATE:	September 7, 2018
REVISE DATE:	October 30, 2018

SUBJECT: Executive Limitation:
FINANCIAL CONDITION & ACTIVITIES

REFERENCE BOARD END:
Sustainable, accountable and responsive health organization

POLICY:

The CEO shall not cause or allow the development of fiscal jeopardy and shall not fail to evaluate and minimize potential risks in accordance with Executive Limitation (EL-1) Global Executive Restraint & Risk Management.

Further, without limiting the scope of the foregoing, the CEO shall not:

1. Commit the Region to expend more funds than can be expected to be received on a yearly basis without prior approval of the Board.
2. Indebt the organization in an amount that would lower the current asset/liability ratio to less than one to one.
3. Fail to settle payroll and debts in a timely manner.
4. Allow government statutory obligations to be filed inaccurately or overdue.
5. Make a single purchase or commitment of greater than \$500,000 without prior approval from the Board. Splitting orders to avoid this limit is not acceptable.
For the following exceptions, any contract, document, or instrument with a value of five hundred thousand dollars (\$500,000.00) or greater may be signed by two designated senior staff:
 - remittances to meet statutory requirements,
 - transfers to meet payroll requirements,
 - payment of invoices for the general acquisition of goods, supplies, and services relevant for the purposes of day-to-day operations, and
 - the execution of Independent Physician Contracts for the provision of medical services as funded by Manitoba Health.
 - payment of invoices for approved capital projects

6. Acquire, encumber or dispose of real property in accordance with current legislation.
7. Fail to aggressively pursue accounts receivables after a reasonable grace period.
8. Allow unauthorized personnel access to material amounts of funds.
9. Make any purchase:
 - 9.1. wherein normally prudent protection has not been given against conflict of interest;
 - 9.2. of over \$25,000 without having obtained comparative prices assuring long term quality and cost. Orders shall not be split to avoid these requirements.
10. Receive, process or disburse funds under controls that are insufficient to meet the Board-appointed auditor's standards.
11. Fail to invest surplus funds, maximizing investment income for Southern Health-Santé Sud, in Government guaranteed investment instruments.
 - 11.1. All investments shall be made in instruments with interest or fixed income and shall not exceed two years in term to maturity, without prior approval of the Board.
 - 11.1.1. Monies shall be invested in the following instruments:
 - ◆ Bills, bonds, debentures or securities issued by the Government of Canada or by the Government of Manitoba, or by any other province of Canada.
 - ◆ Bills, bonds, debentures or securities the payment of which is guaranteed by the Government of Canada or by the Government of Manitoba or by any other province of Canada.
 - ◆ Deposits in a Schedule I bank, trust company, credit union or caisse populaire (hereinafter referred to as "financial institution").
 - ◆ Guaranteed Investment Certificates of a financial institution.
 - ◆ Investments in any deposit receipts guaranteed under *The Canada Deposit Insurance Corporations Act*.
 - ◆ Securities that are unconditionally guaranteed by a financial institution, as to repayment of principal and interest.
 - 11.2. Preference will be given to Manitoba investments where return on investment, safety and guarantee of capital and liquidity are equal to other investments. All investments are to be made such that safety of principal is of prime importance. The Chief Executive Officer or his/her authorized designate are responsible for maximizing investment income for Southern Health-Santé Sud