

<b>CHLA</b>	<b>HOSPITAL POLICY AND PROCEDURE MANUAL</b>			
	SUBJECT: Signature Authority Policy/Hierarchy Approval Matrix			
	ORIGINAL DATE: 12/29/2016	EFFECTIVE DATE: 07/05/18	PREVIOUS NAME/NUMBER:  N/A	PAGE NUMBER:  Page 1 of 11
POLICY NUMBER: ADM – 201.0	CHAPTER: Administrative		APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors	

**PURPOSE:**

The purpose of this policy is to set forth the individuals authorized to enter into transactions and create obligations on behalf of CHLA, thereby controlling the commitment of CHLA’s funds and ensuring the funds are necessary and relevant to the hospital’s business and the advancement of its mission. The Board has authorized the President and Chief Executive Officer (“President, CEO”) to enter into all transactions on CHLA’s behalf, and has authorized the President, CEO to delegate such authority to other officers and employees, as appropriate. Accordingly, the President, CEO has authorized individuals holding certain positions at CHLA to represent CHLA when entering into transactions (including contracts) with outside parties. This policy specifies those individuals to whom the President, CEO has delegated such authority.

**DEFINITION:**

See [ADM - 201.1 Attachment A Definitions](#) for acronyms, terms, definitions, and examples applicable to this policy.

**POLICY:**

**A. Authorized Employee**

1. All contracts must be approved and executed by an Authorized Employee (“AE”) in accordance with this policy unless otherwise authorized by the Board or President, CEO. Any contract executed by a person not authorized to do so by this policy is not binding on CHLA. Except as noted below, only CHLA employees may be an AE. AEs and the scope of their signature authority are set forth in the attached Contract Hierarchy Authorization Matrix ([ADM - 201. 2 Attachment B](#)) and Special Transactions ([ADM - 201.3 Attachment C](#)).
2. An AE’s signature authority is limited to transactions that fall within the scope of such employee’s job duties. Therefore, absent further authority granted by the President, CEO, no AE may enter into contracts on behalf of CHLA that are outside his or her scope of duty.
3. Authorized Employees executing contracts on behalf of CHLA are responsible for assuring that they have authority to act on behalf of CHLA and that such authority is exercised in compliance with applicable policies, restrictions, and guidelines, including applicable departmental budget restrictions.
4. Other than the exception in 4a, employees of Children’s Hospital Los Angeles Medical Group (“CHLAMG”) do not have signature authority.
  - a) CHLAMG employees who hold executive titles of Vice President or Senior Vice President at CHLA will have authority to act as an AE for areas they possess direct administrative responsibility and thus may sign contracts, including PO that are directly related to such responsibility, with the exception of any contract that involves a

<b>CHLA</b>	<b>HOSPITAL POLICY AND PROCEDURE MANUAL</b>			
	SUBJECT: Signature Authority Policy/Hierarchy Approval Matrix			
	ORIGINAL DATE: 12/29/2016	EFFECTIVE DATE: 07/05/18	PREVIOUS NAME/NUMBER: N/A	PAGE NUMBER: Page 2 of 11
POLICY NUMBER: ADM – 201.0	CHAPTER: Administrative		APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors	

relationship with University of Southern California (including, but not limited to, the Keck School of Medicine), CHLAMG, and any entity related to the aforementioned.

5. External consultants and temporary staff are not CHLA employees and do not have signature

<b>CHLA</b>	<b>HOSPITAL POLICY AND PROCEDURE MANUAL</b>			
	SUBJECT: Signature Authority Policy/Hierarchy Approval Matrix			
	ORIGINAL DATE: 12/29/2016	EFFECTIVE DATE: 07/05/18	PREVIOUS NAME/NUMBER:  N/A	PAGE NUMBER:  Page 3 of 11
POLICY NUMBER: ADM – 201.0	CHAPTER: Administrative		APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors	

authority to approve or sign contracts, including purchase orders, on behalf of CHLA.

**B. Additional Requirements**

1. Transactions obligating CHLA in an amount greater than \$200,000 require two signatures. Documentation must be signed not only by an employee identified on the Contract Hierarchy Authorization Matrix ([ADM – 201. 2 Attachment B](#)) as an AE for the department from which the expense is being paid, but also by Sr. VP or President, CEO.
2. In addition, Attachment C Special Transactions ([ADM – 201.3](#)) identifies transactions requiring additional signature approval of a specific employee.
3. Amendments/Renewals (to existing contracts)
  - a) An AE can sign an amendment/renewal if the contract scope and associated costs are within the AE’s signature authority and the amendment remains in compliance with applicable policies.
  - b) If the additional amendment cost takes the total contract amount to a higher Tier Level on the Contract Hierarchy Authorization Matrix, additional approvals are required as indicated in the Contract Hierarchy Authorization Matrix in Attachment B ([ADM – 201.2](#)). For detailed examples, see Attachment A ([ADM – 201.1](#)).
  - c) The Contract Hierarchy Authorization Matrix governs expenditure transactions only. Non-expenditure transactions, however, often impose obligations on CHLA that need to be approved by an AE. Attachment C Special Transactions ([ADM – 201.3](#)) identifies certain types of non-expenditure transactions and identifies the AEs for such transactions. For any non-expenditure transaction not listed in Attachment C, departmental or institutional policy will govern who is an AE.

**C. Changes in Status of Authorized Employee**

A fiscal owner is any individual responsible and fiscally accountable for a Department based on their hierarchy level of Director or above, or who has been assigned as a fiscal owner by their Director or above. It is the responsibility of each fiscal owner to (i) add an Authorized Employee, (ii) remove an Authorized Employee, (iii) select a different dollar threshold for an Authorized Employee, or (iv) make any other changes to the Contract Hierarchy Authorization Matrix that may be required as a result of changes an Authorized Employee’s status that affect his or her authority (e.g., change in position or duties).

**D. Temporary Delegation of Signing Authority**

This policy recognizes that the President, CEO and other Senior Executive Officers are not always available to sign transaction documents (for example, if on vacation or out for an extended business trip). In their absence, they may temporarily delegate their signing authority, in full or in part, to other CHLA executives, subject to the following:

- a) The President, CEO may delegate his signing authority to any two (2) Senior Executive Officers.

<h1>CHLA</h1>	<b>HOSPITAL POLICY AND PROCEDURE MANUAL</b>			
	SUBJECT: Signature Authority Policy/Hierarchy Approval Matrix			
	ORIGINAL DATE: 12/29/2016	EFFECTIVE DATE: 07/05/18	PREVIOUS NAME/NUMBER:  N/A	PAGE NUMBER:  Page 4 of 11
POLICY NUMBER: ADM – 201.0	CHAPTER: Administrative		APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors	

- b) A Senior Executive Officer may delegate his/her signing authority to (i) another Senior Executive Officer, or (ii) one (1) or more of his/her direct reports with Level 6 signing authority.
- c) The CHLA executive(s) who have been delegated signing authority by the President, CEO or a Senior Executive Officer may not further delegate such authority.
- d) No other CHLA employee may delegate signing authority under this policy.

Any temporary delegation of signing authority must be documented in writing, setting forth (i) the executive who is delegating, (ii) the executive(s) who are receiving the delegation, (iii) the scope of the delegation, and (iv) the length of the delegation. A delegation form is available upon request from the Legal Department.

**PROCEDURE:**

**A. Signature**

1. When documents relating to a transaction are presented to you for signature, assess whether you are an AE with respect to that transaction. Confirm that the total estimated transaction amount is within your authority as set forth on the Contract Hierarchy Authorization Matrix.
  - a) Determine whether the transaction is one listed on Attachment C ([ADM - 201.3](#)) and therefore requires the additional signature of an employee identified on Attachment C.
  - b) Determine whether the transaction is expected to obligate CHLA in an amount greater than \$200,000 and therefore requires a second signature (a Sr. VP or President, CEO).
  - c) Determine whether it is a non-expenditure transaction and therefore requires the signature of a specific employee, either identified on Attachment C or required by departmental or institutional policy.
2. Once you have determined you are an AE with respect to a transaction:
  - a) Execute the relevant documentation.
  - b) Ensure that the executed contract, along with the Contract Package is sent to the Contract Administrator. For instructions on preparing and submitting a Contract Package see [ADM - 200.0 Contract Review and Approval Process](#).
3. If you are not an AE with respect to that transaction, send documents relating to such transaction to the appropriate AE.

<b>CHLA</b>	<b>HOSPITAL POLICY AND PROCEDURE MANUAL</b>			
	SUBJECT: Signature Authority Policy/Hierarchy Approval Matrix			
	ORIGINAL DATE: 12/29/2016	EFFECTIVE DATE: 07/05/18	PREVIOUS NAME/NUMBER: N/A	PAGE NUMBER: Page 5 of 11
POLICY NUMBER: ADM – 201.0	CHAPTER: Administrative		APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors	

**ATTACHMENTS:**

1. [ADM - 201.1 Attachment A Definitions](#)
2. [ADM - 201.2 Attachment B Contract Hierarchy Authorization Matrix](#)
3. [ADM - 201.3 Attachment C Special Transactions](#)

**REFERENCES:**

1. [ADM - 021.0 Equipment Acquisition and Maintenance](#)
2. [ADM - 049.0 Corporate Credit Cards](#)
3. [ADM - 052.0 Procurement](#)
4. [ADM - 200.0 Contract Review and Approval Process](#)

**POLICY OWNER:**

**SVP, Chief Financial Officer**

*Scott Lieberenz*

**POLICY CONTRIBUTOR(S):**

Bob Cuthbertson

Director, Supply Chain Management

Paul Viviano

Chief Executive Officer

Executive Leadership Group

# HOSPITAL POLICY AND PROCEDURE MANUAL

# CHLA

SUBJECT:

Signature Authority Policy/Hierarchy Approval Matrix

ORIGINAL DATE:  
12/29/2016

EFFECTIVE DATE:  
07/05/18

PREVIOUS NAME/NUMBER:  
N/A

PAGE NUMBER:  
Page 6 of 11

POLICY NUMBER: ADM – 201.0

CHAPTER: Administrative

APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors

## ADM – 201.1 Attachment A Acronyms, Terms and Definitions Applicable to this Policy:

1. **Authorized Employee (“AE”)** means (i) a CHLA employee identified on the Contract Hierarchy Authorization Matrix having authority to enter into the transaction in light of the estimated total cost of the transaction, and (ii) a CHLA employee who holds a position identified in Attachment B (or an employee who holds more senior position in the same direct reporting chain of command as such an employee). In the event an Authorized Employee’s position becomes vacant, the Authorized Employee’s supervisor will become the Authorized Employee with respect to transactions identified until a replacement is found. The President, CEO is always an Authorized Employee.
2. **Board** includes the respective Boards of Directors of CHLA.
3. **Contract** means any agreement between CHLA and another party that creates an obligation on the part of CHLA or the third party -- regardless of the amount or duration, including, but not limited to, an obligation of CHLA or the third party to provide goods, services, materials, payment, information, or property (whether real, personal or intellectual property). This includes not only documents specifically entitled “agreement” or “contract,” but also documents called “letter of agreement,” “memorandum of understanding” or “letter of understanding,” “letter of intent,” “engagement letter” and “terms and conditions.” The term “contract” includes any amendments and modifications to a contract as well.
4. **Contract Hierarchy Authorization Matrix Examples:** If the additional amendment cost takes the total contract amount to a higher Tier Level on the Contract Hierarchy Authorization Matrix, additional approvals are required. Here are some examples:
  - a) An original contract amount was \$5,000 and was signed by an AE (Level 1 – up to \$10,000). Additional \$4,000 needs to be added increasing the total contract amount to \$9,000. Since the amount does not exceed the AEs authority (Level 1), the AE can sign the amendment and no additional signatures are needed.
  - b) An original contract amount was \$20,000 and was signed by an AE (Level 2 – up to \$25,000). Additional \$20,000 needs to be added to the contract cost, increasing the contract total amount to \$40,000. The amendment to add the additional funds would require signature approval by an AE at a Level 3 (up to \$200,000), who would have approval for the new total amount of \$44,000.
  - c) An original contract amount was \$125,000 and was signed by an AE (Level 3 – up to \$200,000). Additional \$80,000 needs to be added to the contract cost, increasing the contract total amount to \$205,000. The amendment to add the additional funds would require signature approval by an AE at a Level 4 (up to \$500,000) with a second signature from a Sr. VP or President, CEO because the total now exceeds \$200,000.

<b>CHLA</b>	<b>HOSPITAL POLICY AND PROCEDURE MANUAL</b>			
	SUBJECT: Signature Authority Policy/Hierarchy Approval Matrix			
	ORIGINAL DATE: 12/29/2016	EFFECTIVE DATE: 07/05/18	PREVIOUS NAME/NUMBER: N/A	PAGE NUMBER: Page 7 of 11
POLICY NUMBER: ADM – 201.0	CHAPTER: Administrative		APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors	

**ADM – 201.2 Attachment B  
Contract Hierarchy Authorization Matrix**

Authorization Level	Amount or Term of Contract	Level Titles	Description
<b>LEVEL 1</b>	Up to \$10K	<b>Mid-Level Manager</b>	Unit/Section/Department Manager; usually supervises exempt and non-exempt staff
<b>LEVEL 2</b>	Up to \$15K	<b>Division Administrators/ Associate Director</b>	Division Administrators reporting to Department Directors
<b>LEVEL 3</b>	Up to \$25K	<b>Director/Associate VP</b>	Department Director; usually directs managers, exempt and non-exempt
<b>LEVEL 4</b>	Up to \$200K	<b>Vice President</b>	Vice President usually reporting to Sr. VP
<b>LEVEL 5</b>	Up to \$500K* or <i>any</i> contracts excess of three (3) years regardless of amount will require Sr. VP approval.	<b>Sr. Vice President</b>	Sr. Vice President usually reporting to President, CEO
<b>LEVEL 6</b>	Over \$500K*	<b>President, CEO</b>	President, CEO

Levels 1 - 2 allow up to three employees to be listed per department number.

\*A transaction obligating CHLA in an amount over \$200,000 requires two signatures: an Authorized Employee for the transaction, along with a signature from a Sr. Vice President or President, CEO.

# HOSPITAL POLICY AND PROCEDURE MANUAL

# CHLA

SUBJECT:

Signature Authority Policy/Hierarchy Approval Matrix

ORIGINAL DATE:  
12/29/2016

EFFECTIVE DATE:  
07/05/18

PREVIOUS NAME/NUMBER:  
  
N/A

PAGE NUMBER:  
  
Page 8 of 11

POLICY NUMBER: ADM – 201.0

CHAPTER: Administrative

APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors

## ADM – 201.3 Attachment C Special Transactions

The following individuals are authorized to enter into the following transactions on behalf of CHLA and/or are required to provide an additional signature relating to such transactions.

Types of Transactions	Transaction Definition	Authorized Employee(s)
Animal Orders	Purchase of animal.	Manager, Animal Care Facility
Benefits	Agreements with providers regarding employee benefits.	Director, Human Resources
Capital Expenditures	Purchase of equipment, fixtures and/or furniture with a projected useful life of three (3) years or more, and a minimum acquisition cost of \$5,000, excluding tax and shipping.	See <a href="#">ADM - 021.0 Equipment Acquisition and Maintenance</a>
Confidentiality	Confidentiality or non-disclosure agreements.	Director
Faculty Offer/Medical Staff Physician Offer Letters	<ul style="list-style-type: none"> <li>• Medical Group Physician</li> <li>• Research Fellow</li> <li>• Research Faculty – non-MD</li> <li>• Research Faculty – MD</li> </ul>	President, CEO
Financial Accounts	<ul style="list-style-type: none"> <li>• Includes opening, managing and closing regular or special purpose bank accounts, checking accounts, investment accounts or other similar accounts with banking or financial institutions that include commercial banks, investment banks, investment and brokerage firms.</li> <li>• Does not include financial account provided under “Internal Cash Transactions,” “Investment Funding for Capital Calls &amp; Investment Management Fees,” “Investment Funding for New Investments,” and “Liquidation of Donated Stock.”</li> </ul>	SVP, CFO
Governmental/Regulatory	Agreements with governmental or regulatory bodies unrelated to sponsored research.	President, CEO
HIPAA	Business associate agreement.	Director or above
Information Services/Information Technology	Software applications, license and/or service maintenance: <ul style="list-style-type: none"> <li>• Up to \$25,000</li> <li>• More than \$25,000</li> </ul>	<ul style="list-style-type: none"> <li>• Director, Information Services (IS)</li> <li>• VP, Research Operations and VP, IS or above</li> </ul>



# HOSPITAL POLICY AND PROCEDURE MANUAL

# CHLA

SUBJECT:

Signature Authority Policy/Hierarchy Approval Matrix

ORIGINAL DATE:  
12/29/2016

EFFECTIVE DATE:  
07/05/18

PREVIOUS NAME/NUMBER:  
  
N/A

PAGE NUMBER:  
  
Page 9 of 11

POLICY NUMBER: ADM – 201.0

CHAPTER: Administrative

APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors

Internal Cash Transactions (Non-Repetitive Transactions)	Cash transfers (other than Repetitive Transactions as defined below) between any account holding CHLA affiliates liquid assets including bank, brokerage, mutual fund, trust and custodian accounts held by CHLA and affiliates.	SVP, CFO
Internal Cash Transactions (Repetitive Transactions)	Repetitive Transactions defined as periodic cash transfers between any accounts holding CHLA affiliated liquid assets, including bank, brokerage, mutual fund, trust and custodian accounts held by CHLA and affiliates which only vary by amount and date.	SVP, CFO
Inventory Store Room Replenishment	<ul style="list-style-type: none"> <li>• SPD, GENS, RES</li> <li>• Pharmacy</li> <li>• Operating Room</li> </ul>	Manager, Supply Chain
Investment Funding for New Investments	Cash transfers or wires to fund new investments pursuant to duly approved and executed investment agreements.	SVP, CFO
Labor Matters	Collective bargaining negotiations and agreements.	Director, Human Resources
Legal	<ul style="list-style-type: none"> <li>• Settlements and releases of legal claim.</li> <li>• Engagement of outside legal services.</li> </ul>	General Counsel
Liquidation of Donated Stock	Liquidation of donated stock in CHLA brokerage accounts pursuant to either (i) CHLA's stock donation policy, or (ii) CHLA's specific commitment to donor with respect to trading of donated stock.	SVP, CFO
Managed Care Agreements	All managed care agreements, including amendments.	VP, Enterprise Contracting and Payer Relations
Medical Training Agreements	<ul style="list-style-type: none"> <li>• Clinical education affiliation agreements.</li> <li>• Medical student agreements.</li> <li>• ACGME fellows, clinical fellows and residents.</li> </ul>	<ul style="list-style-type: none"> <li>• Director, Clinical Education</li> <li>• Director, Graduate Medical Education</li> </ul>
Private Foundation Grants	Private foundation grants agreements, except for research.	Director or VP, Foundation

# HOSPITAL POLICY AND PROCEDURE MANUAL

# CHLA

SUBJECT:

Signature Authority Policy/Hierarchy Approval Matrix

ORIGINAL DATE:  
12/29/2016

EFFECTIVE DATE:  
07/05/18

PREVIOUS NAME/NUMBER:  
  
N/A

PAGE NUMBER:  
  
Page 10 of 11

POLICY NUMBER: ADM – 201.0

CHAPTER: Administrative

APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors

Research	<p>Basic and Clinical Research</p> <p>Contracts and other documents related to the Hospital's research activities, including but not limited to: (i) collaboration agreements, (ii) research grants that involve research or non-clinical activities or (iii) services that are funded by an individual or (iv) organization other than the Hospital. Authority only applies to contracts relating to clinical research.</p>	<ul style="list-style-type: none"> <li>• Executive Director, Research Administration</li> <li>• Director, Office of Technology Commercialization</li> <li>• VP, Research Operations</li> </ul>
----------	--	--

---

# HOSPITAL POLICY AND PROCEDURE MANUAL

# CHLA

SUBJECT:

Signature Authority Policy/Hierarchy Approval Matrix

ORIGINAL DATE:  
12/29/2016

EFFECTIVE DATE:  
07/05/18

PREVIOUS NAME/NUMBER:  
  
N/A

PAGE NUMBER:  
  
Page 11 of 11

POLICY NUMBER: ADM – 201.0

CHAPTER: Administrative

APPROVED BY: Chief Clinical Officer, Quality Improvement Committee and The Board of Directors

Research	<p>Confidential Disclosures</p> <ul style="list-style-type: none"> <li>• Contracts related to treatment of confidential information exchanged in connection with a proposed research agreement or a proposed use of intellectual property (such as patent, copyright, trade name, trademark, service mark, or trade secret).</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director, Research Administration</li> <li>• Director, Office of Technology Commercialization</li> <li>• VP, Research Operations</li> </ul>
	<p>Financial Management</p> <ul style="list-style-type: none"> <li>• Invoices, financial reports, and all other documentation necessary to manage the finances of sponsored research projects.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director, Research Administration</li> <li>• Director, Post-Award and Research Finance</li> <li>• VP, Research Operations</li> </ul>
	<p>Grants</p> <ul style="list-style-type: none"> <li>• Grant proposals, agreement acceptance and execution, and all other documentation necessary to administer such grants on behalf of the Hospital. This authority is limited to grants for sponsored projects and specifically excludes construction grants.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director, Research Administration</li> <li>• Manager, Research Services</li> <li>• VP, Research Operations</li> </ul>
	<p>Intellectual Property</p> <ul style="list-style-type: none"> <li>• Contracts related to the licensing, assignment or other transfer of intellectual property rights to a third party (such as inter -institutional agreements, copyright license agreements, patent license agreements, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>• Director, Office of Technology Commercialization</li> <li>• Executive Director, Research Administration</li> <li>• VP, Research Operations</li> </ul>
	<p>Material Transfer</p> <ul style="list-style-type: none"> <li>• Contracts related to the exchange or use of proprietary materials or information such as Material Transfer Agreements.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Director, Research Administration</li> <li>• Director, Office of Technology Commercialization</li> <li>• VP, Research Operations</li> </ul>
Supplemental Staffing (non-clinical) / Temporary Agency Agreements	Agreements regarding non-clinical supplemental staffing and temporary agencies.	Director, Human Resources