



NORTHERN INYO HEALTHCARE DISTRICT NON-CLINICAL POLICY AND PROCEDURE

Title: Purchasing and Signature Authority		
Owner: Chief Executive Officer	Department: Administration	
Scope: District Leadership		
Date Last Modified: 03/09/2023	Last Review Date: 04/20/2023	Version: 4
Final Approval by: NIHD Board of Directors	Original Approval Date: 04/20/2016	

PURPOSE:

To control the commitment of healthcare District funds, including purchasing and contracting activities. Goods and services purchased with District funds must be necessary and relevant to the District’s business and the advancement of its mission. District funds include Local District Taxing Authority revenues and carry with them fiduciary responsibilities. Proper stewardship of District funds is the responsibility of all employees involved in procurement transactions.

POLICY:

1. Established purchase levels are tiered in low, mid and high value purchasing authority. All purchases including purchase orders and check requests will follow these guidelines as outlined in the procedure below. The only exception made is for emergency purchases as outlined in the Emergency Purchases Policy.
2. Only those employees given explicit written authority by the Northern Inyo Healthcare District (NIHD) Board of Directors, currently the Chief Executive Officer (CEO) or designee may execute the procurement agreements. (Written procurement agreements contractually bind the District and a supplier to a purchasing obligation.) Such written authority includes terms and conditions, typically including a review by the Compliance Officer and all such terms and conditions are legally binding.
3. Group Purchasing Organization (GPO) contracts, approved by the CEO, allow Directors to work within the terms stipulated. Various departments utilize GPO contracts without requiring new signatures per the established purchasing levels.

PROCEDURE:

1. Purchase Levels are established in the following manner:
 - i. Authorization of Purchases up to \$1,000 require the signature of manager level (or higher) associated with the cost center.
 - ii. Purchase requests over \$1,000 and below \$2,500 require the signature of a director level (or higher) member of the NIHD Management team associated with the cost center.
 - iii. Purchase requests above \$2,500 and below \$5,000 require the signature of an executive level member of the NIHD team.
 - iv. Over \$5,000 and below \$40,000 require the signature of the CEO or in his/her absence the Administrator-On-Call (AOC) for emergency purchases.
 - v. All purchase requests above \$40,000 require the approval of the NIHD Board of Directors with the exception of Capital Approved purchases that were part of the NIHD Board Budget approval process. See Capitalization of Asset policy for specific information on capital purchase limits.

- vi. All checks for payments based on any paid invoices are subject the Check Signing Policy regardless of purchase approval level.
2. Materials Management via Purchasing Department with Predetermined Catalog items
 - i. Board of Directors approves the annual District budget, which includes materials supplied via the Purchasing Department.
 - ii. Pre-established Periodic Automated Replenishing (PAR) levels based on department needs are built into the District's information system.
 - iii. Upon documented use of items, District Information System reorders the items necessary to maintain PAR stock.
 - iv. Items reordered within the PAR do not fall into the need for purchase orders or signature requirements listed within procedure #1.
 - v. Special order items, not routinely requested or on the PAR, do fall under the purchase signature requirements listed within procedure #1.
3. Reporting violations for complaints or concerns regarding compliance with the above, please contact the Chief Finance Officer (CFO) or the Compliance Officer.

REFERENCES:

1. The Joint Commission (CAMCAH Manual) January 2022. Standard LD.01.04.01 EP 1.

RECORD RETENTION AND DESTRUCTION:

Maintenance of Fiscal records, including documents associated with procurement contracts and purchase orders is for fifteen (15) years.

CROSS REFERENCE POLICIES AND PROCEDURES:

1. [Capitalization of Assets](#)
2. [Check Signing](#)
3. [Emergency Purchases](#)

Supersedes: v.3 Purchasing and Signature Authority*
