 <p>JOHNS HOPKINS MEDICINE JOHNS HOPKINS HEALTH SYSTEM</p>	<p>The Johns Hopkins Health System Policy & Procedure</p>	<p><i>Policy Number</i> FIN008</p>
	<p><i>Subject</i> SIGNATURE AUTHORITY: PURCHASE ORDERS AND AGREEMENTS SUPPORTED BY PURCHASE ORDERS</p>	<p><i>Effective Date</i> 01/01/08</p>
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POLICY

This policy applies to The Johns Hopkins Health System Corp. (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center (JHBMC), Howard County General Hospital (HCGH), Johns Hopkins Community Physicians (JHCP), Johns Hopkins Medical Services Corporation (JHMSC), Johns Hopkins Medicine International (JHMI), Ophthalmology Associates (OA), Johns Hopkins Employer Health Programs (EHP), Johns Hopkins Medical Management Corporation (JHMMC), Priority Partners (PP), Johns Hopkins Pharmaquip, Inc. (JHPQ), Johns Hopkins Home Health Services, Inc. (JHHHS), Johns Hopkins Pediatrics Home, Inc. (JHPAHI), Johns Hopkins HealthCare (JHHC), Johns Hopkins Home Care Group (JHHCG), Suburban Health Center (SHC), Broadway Acquisition and Development, and HCGH OB/GYN Associates Series, LLC (HCGH OBGYN).

Purpose

"Purchase Orders and Agreements Supported by Purchase Orders" represent external agreements generated through or authorized by Supply Chain Shared Services Center for the procurement of goods and services except for services listed within FIN009 and FIN011. This policy applies to all purchase orders and any separate written agreements (except for leases - see FIN036 - Signature Authority: Leases) related to a purchase order. A written agreement is required with a vendor if the purchase order is greater than \$100,000, regardless of the agreement duration, unless a Master Purchase and Sale Agreement exists, and may be required for purchase orders under such amounts if:


1. it is a vendor with whom JHHS or any of its affiliates has had no prior business relationship;
2. it involves increased liability exposure to JHHS or its affiliates because of the inherent nature of the equipment or product or how it is to be used;
3. it involves any unusual term requested by the vendor or any out of the ordinary arrangement with the vendor, including, but not limited to, offering free goods or services to JHHS or its affiliates;
4. it involves a new technology or type of equipment not previously used by JHHS or its affiliates; or
5. the equipment touches the patient as determined by Clinical Engineering.

(see Finance Policy FIN001 - Allocation of Minor Capital and Contingency Funds)

Examples of the types of arrangements that Supply Chain Shared Services Center must negotiate are as follows.

1. Equipment Quotations
2. Equipment Service Contract
3. Supply Agreement
4. Purchasing services not covered by FIN009
 - a. Housekeeping
 - b. Equipment/Elevator/Generator
 - c. Landscaping JHHS
 - d. Software

A valid purchase shopping cart is required for the creation of a purchase order. Purchase orders are required for the procurement of all goods and services, with the three specific exceptions described below.

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Exception One: Items Permitted through Check Requests

The first exception includes only the following items, which can be procured or paid through a valid check request in accordance with JHHS Finance Policy No. FIN023 - Check Requests:

1. Advertisements
2. Honoraria
3. Prepayment of conference registration and hotel accommodations
4. Real Property transactions
5. Patient and insurance refunds
6. Student refunds
7. Licensing and filing fees
8. Attorneys
9. Trophies and awards
10. Gifts (\$25 and less to employees)
11. Auctions (requires a blank check)
12. Real Property leases and rentals (recurring payments)
13. Payments to insurance and investment firms
14. Tax payments
15. Dues and subscriptions
16. Government Fees
17. Royalties
18. Utilities
19. FedEx and shipping costs
20. Catering – delivered food
21. Bond payments (trustee)
22. Postage
23. Payments to investment managers
24. Guest lecturers and speakers
25. Tickets for sporting/special events hosted for students, guests, donors

Any other exceptions to be paid by check request shall require the approval of the JHHS Corporate Controller or the JHHS Vice President of Finance/Chief Financial Officer and Treasurer.

Exception Two: Procurement for Construction Projects


The second exception includes the procurement of goods and services associated with valid and approved construction projects initiated by one of the affiliate's Facilities Departments (or affiliate equivalent), which is not subject to the required authorization levels described in this policy.

Exception Three: Agreements by Vice Presidents or Other Corporate Officers

The third exception are written agreements which commit the funds or resources of JHHS or its affiliates to another party by the authority of a corporate officer (i.e., Vice President or above) of the affiliate concerned with no related purchase order (for examples, see Finance Policy No. FIN011 - Signature Authority: Agreements Not Supported By Purchase Orders). In these cases, the transaction will not be delegated to Supply Chain Shared Services Center and will not require a shopping cart or purchase order. All agreements of this nature must be submitted to the Corporate Legal Department for review.

Signature Authority:

All purchase orders and written agreements (except for leases - see FIN036 - Signature Authority: Leases) related to purchase orders must be authorized according to the table below. All written agreements for the acquisition of software licenses must be forwarded by the Corporate Legal Department to the Johns Hopkins

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Medicine Center for Information Services (JHMCIS) for review and signature by the Vice President - Information Services (or designee). All JHHS temporary services, JHHS/JHH coding, and JHHS/JHH blood service agreements will be signed by the JHHS Vice President of Finance/Chief Financial Officer.

THIS TABLE ONLY APPLIES TO AGREEMENTS. ALL PURCHASE ORDERS IN THE SAP SYSTEM WILL BE SIGNED ELECTRONICALLY BY THE DIRECTOR OF PURCHASING.

AMOUNT	JHH	JHBMC	JHCP	JHHS	HCGH
< \$500,000 (JHMCIS VP or designee must sign software license agreements)	Contract Specialist	Contract Specialists	VP Finance t	Contract Specialist	CFO
\$500,000 to < \$1,000,000 (Corp. Legal must sign written agreement) (JHMCIS VP or designee must sign software license agreements)	Asst. Director or Director of Supply Chain Shared Services Center	Director, Corporate Materials	VP Finance and President	Asst. Director or Director of Supply Chain Shared Services Center	CFO
\$1,000,001 - < \$1,500,000 (Corp. Legal must sign written agreement) (JHMCIS VP or designee must sign software license agreements)	Senior Director, Supply Chain,	Senior Director, Corporate Materials	VP Finance and President	Senior Director Supply Chain, CFO*	CFO
\$1,500,000 and over (Corp. Legal must sign written agreement) (JHMCIS VP or designee must sign software license agreements)	VP, General Services	VP, Administration	COO/CFO	CFO	COO/CFO

** Senior Director of Supply Chain has signature authority for supplies only. CFO will sign all other agreements.*


** At JHCP \$10,000 and below the Practice Administrator has signature authority, above \$15,000 it is VP of Finance*

REFERENCE

- JHHS Finance Policies and Procedures Manual
- Policy No. FIN003 - Signature Authority: General Policy
- Policy No. FIN011 - Signature Authority: Agreements Not Supported by Purchase Orders
- Policy No. FIN023 - Check Requests
- Policy No. FIN046 -Signature Authority: Real Property

RESPONSIBILITIES

Supply Chain Shared Services Processes purchase orders and agreements only when the

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Center and Materials Management appropriate signatures appear on same.

SPONSOR

Vice President of Finance/Treasurer & CFO, JHHS & JHH

REVIEW CYCLE

Three (3) years

APPROVAL

President, JHHS

Date