	<b>The Johns Hopkins Health System Policy &amp; Procedure</b>	<i>Policy Number</i>	FIN009
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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

The purpose of this policy is to outline the responsibilities when using the services of consultants and to establish signature authority for the procurement of consulting services. It is each departments' responsibility to ensure that the value the consultant is bringing to JHHS or its affiliates is initially defined before the project begins, tracked during the project and evaluated when the project is completed. The department must have sufficient budget to cover the cost of the consulting engagement.

Consultants are defined as any individual, corporate, professional, non-professional, technical or non-technical, for whom the payments are expenditures charged to the appropriate g/l /capital accounts for consulting expense as established for each affiliate. Any questions regarding the definition or status of consultants should be directed to the assigned HR consultant.


Department Responsibility

Each department has primary responsibility for accurately completing the Consulting Justification Form and the Tax Review Checklist which is required for any consultant who is an individual or non-corporate business entity such as a sole proprietorship, partnership or limited liability company (two employees or less) that has established a name that it uses to carry on business. These forms are attached to this policy and should be submitted to Human Resources. HR will review and determine whether the service can be provided by personnel within Johns Hopkins. HR will determine if a written agreement is required, and, if so, will coordinate with the Legal Department.

The Corporate Legal Department will provide assistance in developing consulting agreements as necessary. **Written consulting agreements are required for all consultants providing services in excess of \$5,000. Written agreements may be required for services under \$5,000 in the discretion of Human Resources.** The Corporate Legal Department will retain copies of the signed consulting agreements in accordance with JHHS Finance Policy No. FIN050 - Record Retention.

Agreements for the payment of consulting fees and expenses will be signed according to the signature authority in the table below:

TOTAL AMOUNT FOR	HCGH	JHBMC	JHCP	JHH	JHHS
<\$100,000	CFO	President	VP Finance/ President	Area VP or VP Finance/CFO	Area VP or VP Finance/CFO
>\$100,000	CFO	President	VP Finance/ President	VP Finance/CFO	VP Finance/CFO

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Area Specific Requirements for the Selection of Consultants

Actuaries

JHHS and its affiliates require the services of external actuaries in the development and management of JHH and affiliates pension funds and for risk and liability management in insurance matters. The evaluation and selection of actuaries for pension fund activities will be coordinated and approved by the Vice President of Human Resources, JHHS. The selection and evaluation of actuaries for risk and liability management purposes, including Workman's Compensation issues, will be coordinated and approved by the Vice President of Finance/Chief Financial Officer (CFO) and Treasurer, JHHS.

Insurance Brokers and Advisors

The evaluation and selection of insurance brokers and advisors will be coordinated by the Vice President of Finance/CFO and Treasurer, JHHS. Criteria for the selection and evaluation of insurance brokers and advisors will include, but are not limited to: comparison of performance to industry averages and standards, level of expertise and experience, access to national markets, and past performance in relationships with JHHS or its affiliates. The Office of Treasury Management will be responsible for all operational aspects of insurance coverage for JHHS and its affiliates.

Investment Managers and Advisors

The evaluation and selection of investment managers and advisors will be coordinated by the Vice President of Finance/CFO and Treasurer, JHHS. Criteria for the selection and evaluation of investment managers and advisors will include, but are not limited to: comparison of performance to industry averages and standards, level of expertise and experience, access to national markets, and past performance in relationships with JHHS or its affiliates. The Office of Treasury Management will be responsible for all operational aspects of investment management for all JHH and affiliate pension funds.

Attorneys

JHHS and its affiliates require the services of external legal counsel for certain matters. The evaluation and selection of outside legal counsel for all matters will be coordinated and approved by the Vice President and General Counsel, JHHS.

Information Services

All Information Services consulting engagements must be approved by the Office of the Chief Information Officer (CIO).

The evaluation and selection of all other external financial consultants and advisors will be coordinated by the CFO of the respective affiliate.

**REFERENCE**


**JHHS Finance Policies and Procedures Manual**

- Policy No. FIN003 - Signature Authority: General Policy
- Policy No. FIN004 - Signature Authority: Shopping Carts and Check Requests for Non-Capital Goods and Services

**HUMAN RESOURCES**

- HR 301 Independent Contractor

**RESPONSIBILITIES**

 <p><b>JOHNS HOPKINS</b> M E D I C I N E JOHNS HOPKINS H E A L T H S Y S T E M</p>	<p><b>The Johns Hopkins Health System Policy &amp; Procedure</b></p>	<i>Policy Number</i>	FIN009
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<p>Functional Unit Administrators/Dept. Managers/Site Managers/Area Vice Presidents</p>	<p>Develop initial requirements for consulting service, information.</p> <p>Provide proposal from consultant to Human Resources Dept. for review.</p> <p>Submit completed consulting justification form and if applicable the Tax Review Checklist.</p> <p>Charge consulting services to a distinct and separate account on the general ledger.</p> <p>Send copy of signed agreement and completed purchase shopping cart to Supply Chain Shared Services Center.</p>
<p>Human Resources</p>	<p>Review proposals from consultants and documentation from Department to determine if independent contractor or employee. Coordinate with the Legal Department if a written agreement is required.</p>
<p>Corporate Legal Dept.</p>	<p>Draft and/or review all contracts and agreements associated with the procurement of external consulting services.</p> <p>Retain copies of all executed consulting agreements and provide copies to senior management as required.</p>
<p>Senior Management (Vice Presidents and above)</p>	<p>Assist in preparing, review and sign all requests for consulting services in area of responsibility.</p>
<p>Affiliate Finance Dept.</p>	<p>Establish unique g/l account to record consulting expense.</p>
<p>CFO</p>	<p>Coordinate and approve the evaluation and selection of external financial consultants and advisors.</p>
<p>Office of Treasury Management, JHHS</p>	<p>Manage operational aspects of insurance coverage and investment management.</p>

**SPONSOR**

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


**CYCLE REVIEW**

Three (3) years

**APPROVAL**

\_\_\_\_\_  
President, JHHS

\_\_\_\_\_  
Date

 <p><b>JOHNS HOPKINS</b> M E D I C I N E JOHNS HOPKINS H E A L T H S Y S T E M</p>	<p><b>The Johns Hopkins Health System Policy &amp; Procedure</b></p>	<p><i>Policy Number</i></p>	<p>FIN009</p>
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**PROCEDURES**

- |  |  |
|--|--|
| <p>1. Functional Unit Administrators/<br/>Dept. Managers/Site Managers/<br/>Area Vice Presidents</p> | <p>a. Determine work requirements that cannot be met by existing area resources, contacting JHHS service areas to determine if work can be completed by other internal sources.</p> <p>b. Ensure benefits to organization from procurement of consultants exceeds the cost.</p> <p>c. Provide information to area vice president for review and approval.</p> <p>d. Provide agreement from consultant or contracting information to H</p> <p>e. Submit completed consulting justification and if applicable the 20 Factor Checklist.</p> <p>f. Send copy of signed agreement and completed purchase shopping cart to Supply Chain Shared Services Center.</p> <p>g. Charge all consulting services to a distinct and separate account on the general ledger.</p> |
| <p>2. Corporate Legal Dept.</p>  | <p>a. Draft and/or review and approve all contracts and agreements associated with the procurement of external consulting services.</p>  |
| <p>3. Senior Management (Vice Presidents and above)</p>  | <p>a. Coordinate with the Human Resources Department for tracking purposes.</p> <p>b. Assist in preparation, review and sign for consulting services in area of responsibility.</p>  |
| <p>4. Affiliate Finance Dept.</p>  | <p>a. Retain copies of all executed consulting agreements and provide copies to senior management when required.</p> <p>b. Establish unique g/l account to record consulting expense.</p>  |
| <p>5. Office of Treasury Management,<br/>JHHS</p>  | <p>a. Manage operational aspects of insurance coverage and investment management.</p>  |