	The Johns Hopkins Health System Policy & Procedure	<i>Policy Number</i>	FIN046	
		<i>Effective Date</i>	01-01-08	
	<i>Subject</i>	SIGNATURE AUTHORITY: REAL PROPERTY	<i>Page</i>	1 of 4
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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 International (JHI), 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, Integrated Renal Solutions, and HCGH OB/GYN Associates Series, LLC (HCGH OBGYN).

Purpose


The purpose of this policy is to establish guidelines for the authorization and review of transactions involving real property, in order to safeguard the assets of JHHS and its affiliates.

Definitions

- Real Property:** Real estate or land, including any objects attached thereto that are not readily moveable (e.g., buildings, sidewalks, fences, trees).
- Capital Asset:** A capital asset is defined as having an estimated useful life of at least two years with a cost of at least \$5,000. The cost of these assets must be capitalized and written off over the estimated useful life of the asset (excluding land and items that do not have a limited useful life). The cost of an asset is defined as all expenditures reasonable and necessary in acquiring the asset and placing it in a position and condition for use and operation. Cost includes purchase price of the asset and any expenditures necessary to make the asset ready for use, including construction related costs and leasehold improvements.

JHHS and its affiliates are frequently parties to real property transactions in the normal course of business, including but not limited to acquisitions, leases, and the sale or other disposal of real property. It is recognized that all real property transactions can have significant and long-lasting financial and operational repercussions for JHHS and its affiliates. It is therefore in the best interests of JHHS and its affiliates to ensure that a legal review of the transaction and an examination of the property (as required) take place prior to the conclusion of the transaction.

Authorization for real property transactions will be given by each affiliate's President/Chief Executive Officer (CEO) or Executive Vice President/Chief Operating Officer (COO), JHHS (or their designees - see JHHS Finance Policy No. FIN007 - Management Delegation of Signature Authority), with oversight and review by the JHHS Board of Trustees and each affiliate's Board of Trustees as required. All real property transactions, regardless of their nature and source, will undergo initial review by the Corporate Legal Department. The Corporate Legal Department will review all transaction documents, e.g., contracts, offers, leases, and deeds, and will verify the existence of any liens against the real property. The Corporate Legal Department will also inform the Finance Department of the transaction, and submit transaction documents for review of financial or tax-related issues as required. At JHMSC, the opening of a new site will be approved by the JHMSC Board of Trustees. JHMSC site leases will be reviewed by Corporate Legal and signed by the JHMSC Chief Executive Officer (or designee).

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All existing property to be acquired or leased by JHHS or its affiliates should be inspected by the affiliate Facilities Department before the transaction is completed. All property should be evaluated for safety and environmental concerns, as well as for the level of upfit or rehabilitation required to make the property operational. The Johns Hopkins Medicine Center for Information Services should also examine the property to determine the level of technological support that will be required (if applicable).

Construction projects will be coordinated through the Facilities, Design and Construction (FD&C) Department (or affiliate equivalent). The FD & C Department (or affiliate equivalent) will submit all contracts to the Corporate Legal Department for review and approval. All construction contracts and agreements will follow all applicable signature authority policies. The FD & C Department (or affiliate equivalent) will inform the affiliate Chief Financial Officer of each planned real property construction project commitment and provide a monthly update of the commitment and expenditure status of each project. All invoices for payment associated with the construction of real property will be reviewed and approved by the FD & C (or affiliate equivalent) Department.

All transactions involving real property will comply with all federal, state and local laws and regulations and all applicable corporate and administrative policies. All transactions involving real property will be accounted for in accordance with generally accepted accounting principles. All transactions involving real property will also be accounted for in accordance with Medicare and Medicaid Provider Reimbursement Manual '104.9, which requires that the accounting records for all capital assets should include identification of each asset, historical cost, date of acquisition, estimated useful life, accumulated depreciation and method of depreciation (if applicable).

REFERENCE


JHHS Finance Policies and Procedures Manual

- Policy No. FIN003 - Signature Authority: General Policy
- Policy No. FIN006 - Signature Authority: Major Capital Shopping Carts
- Policy No. FIN007 - Management Delegation of Signature Authority
- Policy No. FIN035 - Leases
- Policy No. FIN036 - Signature Authority: Leases

Medicare and Medicaid Provider Reimbursement Manual '104.9

RESPONSIBILITIES

- | | |
|-------------------------------------|---|
| Affiliate CEO or COO (or designees) | <ul style="list-style-type: none"> Authorize all real property transactions. Inform Corporate Legal Department of real property transactions. Review and oversee all real property transactions. |
| JHHS or Affiliate Board of Trustees | <ul style="list-style-type: none"> Review real property transaction documents and inform CEO and Board of Trustees of any outstanding legal issues. |

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Corporate Legal Dept.

Submit real property transaction documents to Finance Department for financial review as required.

Review and approve all construction contracts.

Review real property transaction documents as required and inform Corporate Legal Dept., CEO and Board of Trustees of any outstanding financial or tax-related issues.

Finance Dept.

Ensure the proper accounting treatment for all transactions involving real property.

Examine all property to be acquired or leased for safety and environmental concerns and inform CEO/COO and Board of Trustees of any outstanding issues.

FD & C Dept. (or affiliate equivalent)

Coordinate all real property construction projects, including the submission of all contracts to the Corporate Legal Department and notification and financial updates for the Finance Department.

JHM Center for Information Services

Examine all property to determine the level of technological support that will be required (if applicable).

SPONSOR

Vice President of Finance/Chief Financial Officer (CFO) and Treasurer, JHHS

REVIEW CYCLE


Three (3) years

APPROVAL

President, JHHS

Date

PROCEDURES

 <p>JOHNS HOPKINS M E D I C I N E</p> <p>JOHNS HOPKINS HEALTH SYSTEM</p>	<p>The Johns Hopkins Health System Policy & Procedure</p>	<p><i>Policy Number</i></p>	<p>FIN046</p>
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1. Chief Executive Officer (CEO) or Chief Operating Officer (COO) (or designees)
 - a. Authorize all real property transactions.
 - b. Inform Corporate Legal Department of real property transactions.
2. Board of Trustees, JHHS, Affiliate Board of Trustees
 - a. Review and oversee all real property transactions.
3. Corporate Legal Department
 - a. Review all real property transaction documents and inform CEO and Board of Trustees of any outstanding legal issues.
 - b. Submit real property transaction documents to Finance Department for financial review as required.
 - c. Review and approve all construction contracts.
 - d. Ensure compliance in all real property transactions with this and all applicable corporate and administrative policies and all Federal, State and local laws and regulations.
4. Finance Department
 - a. Review real property transaction documents as required and inform Corporate Legal Dept., CEO and Board of Trustees of any outstanding financial or tax-related issues.
 - b. Ensure the proper accounting treatment for all transactions involving real property.
5. Facilities Department (or affiliate equivalent)
 - a. Examine all real property to be acquired or leased for safety and environmental concerns and for amount of upfit or rehabilitation required.
 - b. Inform CEO and Board of Trustees of any outstanding issues concerning real property.
 - c. Coordinate all real property construction projects.
 - d. Submit all construction contracts to Corporate Legal Department for review and approval.
 - e. Inform the affiliate Chief Financial Officer of each planned real property construction project commitment and forward a monthly update of the commitment and expenditure status of each project to the affiliate CFO.
 - f. Review and approve for payment all invoices associated with construction contracts.
6. JHM Center for Information Services
 - a. Examine all real property to determine the level of technological support that will be required (if applicable).