

BOARD MANUAL

SUBJECT: Financial Objectives		NUMBER: 2-C-30
SECTION: Corporate Performance and Oversight	APPROVED BY: Board of Directors	
DATE: March 23, 2011	REVISED/REVIEWED: May 29, 2013 September 30, 2015, October 17, 2018, April 27, 2022	

Policy

The Board has a fiduciary duty to ensure the prudent management of the cooperation or hospital.

The Board will ensure that the Resources Committee, with the Chief Executive Officer (CEO), annually develops key financial objectives for approval by the Board. The Board will monitor performance against these objectives.

The Board will ensure that the organization is operated and managed in an efficient and effective manner according to accepted business and financial practices and approved policies, and that it operates within its approved funding and the annual plan and Hospital Services Accountability Agreement. The CEO is accountable to the Board for ensuring that this objective is achieved, that the fiscal position of the organization is not placed at risk, and that adequate internal controls and processes are in place, monitored for compliance, and regularly reviewed by the Resources Committee of the Board.

The CEO shall not permit a material deviation of actual expenditures that will cause deviation from overall performance of Board approved priorities to occur without prior approval of the Board. Accordingly, the CEO will not:

- Direct or approve the expenditure of designated revenue for other than its intended purpose;
- Direct or approve the expenditure of more funds than have been budgeted, or expend more funds than have been received or reasonably forecast to be received;
- Use any reserves except as provided in the approved budget;
- Direct or approve the accumulation of debt for operational requirements in an amount greater than provided within the budget and indicated by the cash flow projections associated with the budget;
- Direct or approve the cash position falling, at any time, below the amount needed to settle payroll and all other obligations in a timely manner, in accordance with generally accepted financial practices or the agreed terms inherent with the obligation without approval in accordance with policy 2-C-36- Borrowing;

- Knowingly allow any payments or filings to be overdue or inaccurately filed;
- Approve the acquisition of capital equipment or any major renovations other than what has been pre-approved in the capital budget (inclusive of available contingencies) and limited to the financial amounts established therein.