

**HACKETTSTOWN REGIONAL MEDICAL CENTER
ADMINISTRATIVE POLICIES
CONTRACT APPROVAL POLICY**

Effective Date: February 1997

Policy No: FI09

Cross Referenced: AHC 3.4 & AHC 3.6

Origin: Finance

Reviewed Date: 5/03, 9/04, 3/05, 10/09, 9/13

Authority: Chief Financial Officer

Revised Date: 10/09

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SCOPE

Policy affects all departments of Hackettstown Regional Medical Center (HRMC).

PURPOSE

The purpose of this policy is to outline the contract approval process.

DEFINITIONS

I. N/A

POLICY

I. HRMC contracts with numerous vendors on a regular basis. Authorized Signatories on behalf of HRMC are: President, Chief Financial Officer and/or Chief Operating Officer (See AHC 3.4 – Expenditure Authorization). All capital contracts must have approval from the Chief Financial Officer (See AHC 3.6 – Capital Expenditure Policy). No contract will be considered valid without one of the above signatures.

PROCEDURE

Contracts not requiring a Purchase Order [See AHC 4.11 Legal Review of Arrangements with Potential Referral Sources.]

- A Contract Approval Checklist (Attachment A) must be attached to each contract prior to submission for signatures.
- Failure to complete the form will result in the contract being returned to the originator.
- Department Manager/Director to complete the Requesting Facility; Contract Information and Initiated by sections of the Checklist.
- Department Manager/Director to discuss / obtain signature of your Administrator.
- Department Manager/Director to forward contract with the completed contract approval checklist to Coordinator Special Projects for processing with legal and obtaining final Authorized Signature

Service & Equipment Contracts:

All capital purchases require a purchase order and approval of the Chief Financial Officer.

- A Contract Approval Checklist (Attachment A) must be attached to each contract prior to submission for signatures.
- Failure to complete the form will result in the contract being returned to the originator.
- Department Manager to complete the Requesting Facility; Contract Information and Initiated by sections of the Checklist.
- Department Manager to discuss / obtain signature of the Administrative Director.
- Department Manager to prepare the Purchase Requisition Form.
- Department Manager to work with Materials Management to obtain the best possible pricing.

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- Materials Manager may obtain Authorized Signatures on:
 - Service Contracts (do not require legal review)
 - Major purchases
 - Materials Manager to forward contract with the completed contract approval checklist and contract to Coordinator Special Projects.

Coordinator Special Projects:

- Will review the contract for standard requirements.
- Will forward applicable contract to legal counsel for review.
- Will maintain a log of all contracts and their status.
- Will obtain final HRMC Authorized Signature.
- Will contact vendor and obtain counter signed contracts.
- Will notify department of receipt of fully executed contracts.
- Will maintain a scanned copy of all contracts.

If applicable, the contract will be forwarded to our Corporate Legal Counsel and Corporate CEO/CFO for approval.

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Contract Approval Checklist

Requesting Facility (Check appropriate box)

- | | | | | |
|--|--|--|--------------------------------|---|
| <input type="checkbox"/> AHC | <input type="checkbox"/> WAH | <input type="checkbox"/> SGAH | <input type="checkbox"/> PRBH | <input type="checkbox"/> Crownsville / AA |
| <input type="checkbox"/> Lourie Center | <input type="checkbox"/> Chesapeake YC | <input checked="" type="checkbox"/> HRMC | <input type="checkbox"/> ARHM | <input type="checkbox"/> ASLS |
| <input type="checkbox"/> BON&R | <input type="checkbox"/> FN&R | <input type="checkbox"/> GVN&R | <input type="checkbox"/> SGN&R | <input type="checkbox"/> SGN&R |
| <input type="checkbox"/> SBN&R | <input type="checkbox"/> APN, ACN, AHA | <input type="checkbox"/> AHHS | <input type="checkbox"/> GWSDC | <input type="checkbox"/> |

Contract Information

Vendor Name _____

- | | | | |
|------------------------------|--|---|--|
| <input type="checkbox"/> New | <input type="checkbox"/> Amendment # _____ | Copy of master/previous contract attached | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <input type="checkbox"/> Renewal | Copy of master/previous contract attached | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | <input type="checkbox"/> Termination | Copy of master/previous contract attached | <input type="checkbox"/> Yes <input type="checkbox"/> No |

Purpose / Description of Changes: _____

Routing / Tracking

Initiated By: Name: _____ Dept: _____ Date: _____

Reviewed & Approved by Facility Executives

- | | | |
|--|-----------------|----------------|
| <input type="checkbox"/> Director / Name _____ | Initials: _____ | Date: __/__/__ |
| <input type="checkbox"/> VP / Name _____ | Initials: _____ | Date: __/__/__ |
| <input type="checkbox"/> VP / Name _____ | Initials: _____ | Date: __/__/__ |
| <input type="checkbox"/> CFO / Name ___Bob Peterson_____ | Initials: _____ | Date: __/__/__ |
| <input type="checkbox"/> President / Name _____ | Initials: _____ | Date: __/__/__ |

Reviewed & Approved by Corporate Executives

- | | | |
|--|-----------------|----------------|
| <input type="checkbox"/> James Lee, AHC CFO _____ | Initials: _____ | Date: __/__/__ |
| <input type="checkbox"/> Ken DeStefano, General Counsel) _____ | Initials: _____ | Date: __/__/__ |
| <input type="checkbox"/> Bill Robertson AHC CEO _____ | Initials: _____ | Date: __/__/__ |

Comments: _____

Approved at September 9, 2013 President's Council Meeting
month / year Committee Name

Format approved at President's Council 7/22/13