

Submitted April 7, 2010

RESOLUTION OF THE BOARD OF DIRECTORS OF THE UNIVERSITY OF WISCONSIN HOSPITALS AND CLINICS AUTHORITY REGARDING SIGNATURE AUTHORITY

WHEREAS, sec. 233.03(2), Wis. Stat., granted the University of Wisconsin Hospitals and Clinics Authority (UWHCA) the power to make and execute instruments necessary or convenient to the exercise of the powers of UWHCA;

WHEREAS, Section 5.2 of the UWHCA bylaws states among other things that, "the CEO shall organize the functions of the Authority through appropriate departmentalization and delegation, establishing a formal means of staff evaluation and accountability;"

WHEREAS, the CEO and the Board of Directors ("Authority Board") have determined that a policy concerning who may execute instruments on behalf of an otherwise bind UWHCA will benefit UWHCA;

WHEREAS, the Authority Board passed a Resolution on April 9, 2003 approving an attached policy on signature authority (Resolution and policy attached), which resolution superseded or amended all prior resolutions and directives of the Authority Board concerning signature authority to the extent necessary to remove conflicts;

WHEREAS, the Authority Board passed a Resolution on February 8, 2006 in which it reserved to the Authority Board the ability to approve certain enumerated actions of UWHCA, and in which it resolved that "The Signature Authority policy previously approved by the Authority Board on April 9, 2003, is hereby reaffirmed as granting the CEO the right to delegate signature authority per its requirements" (see February 8, 2006 Resolution (attached) at Par. 7);

WHEREAS, the Signature Authority Policy approved by the Authority Board by resolution of April 9, 2003 and reaffirmed by Resolution of February 8, 2006, has proved cumbersome and confusing in operational implementation, resulting in the separation of two parts of that policy into separate policies managed by two distinct operational departments, Purchasing and Patient Accounts, respectively, governing: (A) procuring goods and services through internal requisitions and Purchase Orders (see attached Policy 11.12, Purchase of Goods, Services, Equipment, and Approval of Invoices); (B) approving settlements and write-offs of patient accounts (see attached Policy 2.31, Limits for Patient Account Settlements, Discretionary and non-Discretionary Write-Offs/Adjustments of Patient Refunds);

WHEREAS, the remaining section of the Signature Authority Policy approved by the Authority Board has been re-worked to provide more clarity, accountability, and operational efficiency regarding binding the Hospital in contractual arrangements with

third parties, including legal settlements (*see* attached Policy 4.01 as previously approved and new draft Policy 4.01 on Contract Approval and Signature); and

WHEREAS, day-to-day operations of the Authority require that the CEO have flexibility in designating signature authority not otherwise reserved to the Authority Board and to change the signature authority policy from time-to-time so as to best operate the business of the Authority in an efficient and financially accountable manner; and

WHEREAS, the Finance Committee of this Board has recommended adoption of this resolution;

NOW THEREFORE BE IT RESOLVED, that:

1. All prior resolutions of the Authority Board concerning signature authority are hereby superceded or amended to the extent necessary to remove conflicts, including without limitation that the resolution adopted on Feb. 8, 2006 concerning delegation of authority to the CEO is amended by deleting sections 7 and 9 and re-affirming, clarifying, and expanding sections 2-6 and 8, as detailed below.
2. The February 8, 2006 Resolution is hereby affirmed, clarified and expanded to reserve for the Authority Board the following:
 - a. All real estate purchases having a contractual liability in excess of \$5 million must be approved by the Authority Board.
 - b. Other real estate purchases outside of the approved budget must be approved by the Finance Committee of the Authority Board.
 - c. Investments by UWHCA through the University of Wisconsin Foundation or otherwise will be in accordance with any investment policy approved by the Finance Committee of the Authority Board.
 - d. Other investments in any corporation or joint venture in excess of \$500,000 that are not listed in the annually approved capital budget or paid for from approved and budgeted contingency monies must be approved by the Authority Board.
 - e. Other capital expenditures in excess of \$500,000, or \$2,000,000 in the aggregate, that are not listed in the annually approved capital budget or paid for from approved and budgeted contingency monies must be approved by the Authority Board.
 - f. The Authority Board shall approve the creation of any subsidiary corporations.
3. The CEO is delegated the authority to sign any document on behalf of UWHCA, except when another approval or signature is required by law or a by resolution of the Authority Board.
4. The CEO may delegate his/her signature authority to other executives and employees of UWHCA by written directive or policy, such as Policies 2.31, 4.10, and 11.12 above, which directives or policies may be changed from time to time with the approval of the CEO. Such written directives or policies shall take effect upon being

filed in the office of the Secretary of the Board. The CEO shall promptly inform the Board of material changes in the signature authority policy.