
**DIAGNOSTIC SERVICES OF MANITOBA INC.
BOARD OF DIRECTORS POLICY**

Policy Name: Financial Condition & Activities

Number: EL- 3.1

Policy Type: Executive Limitations

Date Approved: June 7, 2006

Date Amended: November 18, 2009

With respect to the actual, ongoing financial condition, the CEO will not cause or allow the development of fiscal jeopardy or a material deviation of actual expenditures from Board priorities established in *Ends* policies.

Accordingly, the CEO will not:

- 1) Incur expenses in any fiscal year which exceed revenues received plus approved borrowing.
 - 1.1 Expend designated revenue for other than its intended purpose.
- 2) Use any reserves.
- 3) Fail to settle payroll and debts in a timely manner.
- 4) Allow tax payments or other government ordered payments or filings to be overdue or inaccurately filed.
- 5) Make a single purchase or commitment without the approval of the Executive Committee for:
 - a. the purchase of diagnostic supplies and services in the normal course of business of between \$1,000,000 and \$1,500,000
 - b. all other purchases or commitments (capital acquisition contracts) of between \$200,000 and \$500,000. Splitting transactions to avoid this limit is not acceptable
- 6) Make a single purchase or commitment without the approval of the DSM Board of Directors for:
 - a. The purchase of diagnostic supplies and services in the normal course of business of greater than \$1,500,000
 - b. All other purchases or commitments (capital acquisition contracts) of greater than \$500,000. Splitting transactions to avoid this limit is not acceptable

Note: Limitations 5) and 6) do not apply to items approved for purchase through the Manitoba Health and Healthy Living (MHHL) Specialized Capital Equipment process (including the Provincial Imaging Advisory Committee (PIAC) process).