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DELEGATION OF AUTHORITY & AUTHORITY LIMITS

1) BACKGROUND AND INTRODUCTION

MNsure is a state board established by the Minnesota Insurance Marketplace Act (the “Act.”) The Board of Directors of MNsure is responsible for providing diligent oversight to ensure that the organization’s financial condition is sound, that it has sufficient resources to accomplish its Purpose, and that it can effectively carry out its responsibilities as defined in the Act, and in its Charter and Bylaws. The Board is committed to ensuring effective delegation within the organization to foster consistent good business practices and governance. The principal objectives of this policy are to establish:

- a) Authorities reserved to the Board of Directors; and
- b) Authority limits appropriate to empower the Executive Director and organization staff to act effectively and make key decisions in relation to the organization’s activities.

2) APPLICATION

This policy applies to all members of the MNsure Board, the Executive Director, and those members of ~~the organization’s staff having been delegated authorities by the Executive Director~~ the organization’s staff who have been delegated authorities by the Executive Director. It establishes the authority of each of these groups to make decisions and commitments on behalf of the organization.

3) POLICY

- a) ~~The Board of Directors reserves to itself authority over significant matters of policy and finance affecting MNsure, including those matters requiring Board approval as described in Appendix A.~~
- a)b) ~~The Board of Directors delegates day-to-day management of the organization to the Executive Director, subject to the its reserved authorities as outlined in Appendix A and limits outlined in Appendix A to this policy. Authority limits. The Board may be modified by resolution, modify or removed remove the Executive Director’s authority limits to address ease by ease specific situations on a case-by-case basis.~~
- b)c) ~~All staff members are expected to understand be familiar with their authorization limits, as well as those of their direct reports, to operate within them and, and to exercise care with respect to decisions made and commitments entered into on behalf of the organization. All delegations by the Executive Director to subordinate staff members must be made in writing, and must include start and end dates, and must be approved by the Approving Authority.~~

Documentation must be maintained for all delegations.

4) **PROCEDURE**

a) **Definitions.** Terms used in this Policy and Procedure are defined as follows:

- i) **Approving Authority** means the individual or body designated in Appendix A to approve a decision or transaction.
- ii) **Premium withhold** means a portion of premiums for plans sold through MNSure that is retained to fund the operations of the organization.

b) **General**

- i) **Combining Transactions.** Dividing a commitment or transaction into two or more parts or payments to evade a limit of authority under this Policy is not permitted. Any two or more series of reasonably related transactions which, in the sole opinion of the approving authority, are related, will be considered as a single transaction for the purpose of determining approval and authority levels required by this Policy.
- ii) **Compliance Documentation.** Individuals executing contracts and approving transactions on behalf of MNSure must ensure that all approvals and reviews required by this Policy, and other MNSure policies and procedures, have been followed, and are responsible for obtaining and maintaining appropriate documentation of such approvals.
- iii) **Nature of Delegation.** Unless otherwise specified, powers are delegated to a position, not to a person, and the authority delegated extends to any person acting in the position.
- iv) **Further Delegation.** Except as to authorities specifically delegated in Appendix A, the Executive Director is permitted to delegate authority to his/her direct reports. For all authorities delegated in Appendix A, when the individual with authority is temporarily unavailable due to vacation, illness, travel, or unforeseen event, their authority must be delegated to ensure the continuation of business.

v) **Approval Process.** Electronic (e-mail) sign-off is an acceptable form of approval.

c) **Travel and Business Expense Reports.**

- i) MNSure will not reimburse employees for travel and business expenses without the prior written approval of the Executive Director.
- ii) The Executive Director's travel and expense report must be approved by the Board Chair or, if the Board Chair chooses to delegate, by the CFO.

d) **Specific Authorities.** The attached Appendix A defines authorities reserved to the Board, those delegated to the Executive Director, and those the Executive Director may delegate to other their staff. Appendix A also establishes the types and maximum amounts of obligations that may be

approved by individuals.

DELEGATION OF AUTHORITY & AUTHORITY LIMITS

Appendix A

Matters Requiring Board Approval or Notification			
		Approval	Notification, Approval Delegated to Executive Director
Strategic Planning	Establishment and, if necessary, modification of the organization’s mission and vision statements in service to its statutory Purpose	X	
	Adopting long-term objectives and strategies, including strategic plan	X	
	Material expansion or contraction of the organization’s business	X	
Governance	Changes to the governance structure, including by-laws and the establishment or disbanding of Committees	X	
	Selection of Board leadership, including election of the Chair and Vice-Chair and appointment of Committee Chairs	X	
	Advisory committee member compensation	X	
	Removal of Board Member (with Governor)	X	
	Appointment, evaluation, compensation and termination, if necessary, of the Executive Director	X	
	Board policies	X	
	Organization’s compensation plan	X	
	Hiring, discharging, and changes related to all managerial positions within the organization		X
Financial and Budgets	Approval of annual operating budget and expenditure plan (see fiscal policy) and any subsequent material changes above Delegated Authority Limits	X	
	<u>Approval of changes to budget and expenditure plan (see fiscal policy) within Delegated Authority Limits</u>		<u>X</u>
	Establishment of premium withhold levels for organizational funding	X	
	Incurrence of debt through short or long term	X	

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	loans above Delegated Authority Limits		
	Leases above Delegated Authority Limits	X	
	<u>Leases within Delegated Authority Limits</u>		<u>X</u>
	Grant applications above Delegated Authority Limits	X	
	<u>Grant applications within Delegated Authority Limits</u>		<u>X</u>
	Acceptance of material gifts and donations	X	
	Contracts and Purchases <u>not categorized in annual budget plan</u> above Delegated Authority Limits	X	
	<u>Contracts and Purchases not categorized in annual budget plan within Delegated Authority Limits</u>		<u>X</u>
Operations	Process for selection of health plans to be offered by organization	X	
	Strategic plan for navigator, in-person assister, and insurance producer programs	X	
	Decertification of health plans	X	
	Strategic plan for appeals process	X	
	Strategic plan for marketing and outreach	X	
Agreements	Interagency agreements <u>not categorized in annual budget plan within Delegated Authority Limits</u>		X, Delegation limited to Executive Director and CFO
	<u>Interagency agreements not categorized in annual budget plan above Delegated Authority Limits</u>	<u>X</u>	
	Federal agreements and attestations		X, Delegation limited to Executive Director and CFO
	<u>Other Agreements not categorized in annual budget plan, within Delegated Authority Limits</u>		<u>See Procurement Policy</u>
	<u>Other Agreements not categorized in annual budget plan, above Delegated Authority Limits</u>	<u>X</u>	
Reports	Reports to be submitted to the legislature pursuant to the Act	X	
Litigation	Legal action instituted by or against the organization <u>including updates and outcomes</u>	<u>X</u>	<u>X</u>
	<u>Legal action instituted against the organization, including updates and outcomes</u>		<u>X</u>

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	<u>Settlement of litigation within Delegated Authority Limits</u>		<u>X</u>
	Institution or s Settlement of litigation above Delegated Authority Limits	X	
Legislative	Strategic plan for <u>Annual legislative plan, including significant</u> legislative initiatives	X	
Employment Related	Long-term Consulting Agreements/Contract employees <u>not categorized in annual budget plan above Delegated Authority Limits</u>	<u>X</u>	<u>X</u>
	<u>Long-term Consulting Agreements/Contract employees not categorized in annual budget plan within Delegated Authority Limits</u>		<u>X</u>
	Compensation consultant	X	
	Engagement of Recruitment firm (managerial positions)		X
Data Practices	State and Federal information-sharing agreements		X
	Role-based authorization to enter, update, or access not public data		X
	Revocation of access to not public data	X	

Delegated Authority Limits

Item	Executive Director	Comments
Changes to Budget and Expenditure Plan	\$1,000,000 <u>TBD</u> <u>500,000</u>	
<u>Short Term Loan</u>	<u>\$1,000,000</u>	
Leases	\$500,000	
Grant Applications	\$1,000,000	
Contracts and Purchases not <u>specified-categorized</u> within Budget and Expenditure Plan <u>(see fiscal policy)</u>	\$1,000,000 <u>TBD</u> <u>500,000</u>	
Settlement or of Litigation	\$50,000	
Debt Forgiveness	\$10,000	
<u>Long-term Consulting</u>	<u>\$500,000</u> <u>TBD</u>	

Item	Executive Director	Comments
<u>Agreements/Contract Employees not categorized in within Budget and Expenditure Plan</u>		
<u>Interagency agreements not categorized within Budget and Expenditure Plan</u>	<u>\$500,000</u>	
<u>Other agreements not categorized within Budget and Expenditure Plan</u>	<u>\$500,000</u>	