

Policy #10.17

POLICY TITLE:	MANAGEMENT DELEGATION AND EXECUTIVE LIMITATIONS	POLICY # 10.17	REVIEW DATES	
Topic Area:	BOARD OF DIRECTORS	ISSUED BY: Board of Directors	11/18/21	2/8/2025
Applies to:	CHIEF EXECUTIVE OFFICER (CEO)			
Developed and Maintained by:	CEO and Designees	APPROVED BY: Board of Directors		
Supersedes:	N/A	Effective Date: 9/17/2016	Revised Date: 5/28/2025	

I. PURPOSE

All Entity Board of Directors authority delegated to staff are delegated to the CEO. The CEO shall execute the delegated authority of the Entity Board of Directors within defined executive limitations.

II. POLICY

The Lakeshore Regional Entity (the "Entity") Board of Directors sole official connection to the operational organization, its achievements and conduct will be through its chief executive, titled Chief Executive Officer (CEO). The Entity CEO may not simultaneously hold another position (employee, board member or contractor) with any Member.

The Entity CEO shall have the authority delegated to that position from time to time by the Entity Board of Directors. Only decisions of the Board, acting as a body, are binding upon the CEO. Decisions or instructions of individual Board member, officer or committee are not binding on the CEO except in instances when the Board has specifically authorized such exercise of authority.

Delegation of Authority

A. Contracts

- i. The CEO is authorized to enter into contracts whose total cost does not exceed \$100,000 without Board approval.
- ii. Contracts more than \$100,000 are to be presented to the Board of Directors for approval. In circumstances where executing the contract may impact normal business operations for LRE and/or the provider, contracts may be presented to the Board after services have already commenced.
- iii. The Entity Board of Directors specifically authorizes and delegates to the Entity CEO the authority and responsibility to execute revenue contracts and/or amendments where the due date for the contract to be returned occurs before the next regularly scheduled board meeting, provided that the contract is

consistent with the Entity Board of Directors approved strategic plan and the mission, vision and values. The CEO must report all instances where this action occurs at the next regularly scheduled board meeting

B. Executive Limitations

The CEO shall not cause or allow any practice, activity, decision, or organizational circumstance, which is either illegal, imprudent or in violation of commonly accepted business and professional ethics or violating contractual obligations.

With respect to the actual, ongoing condition of the Entity's financial health, the Entity Chief Executive Officer (CEO) may not cause, or allow the development of, fiscal jeopardy or the material deviation of actual expenditures from the Board of Directors priorities established in policies.

C. Accordingly, the Entity CEO will:

1. Act in an ethical and professional manner.
2. Provide information and advice to the Board that is timely, complete and accurate.
3. Manage the Entity with adequate administrative procedures for matters involving finances, internal controls, employees, contractors, facilities, and other required operations of the organization

III. APPLICABILITY AND RESPONSIBILITY

This policy applies to the Entity CEO and the Entity Board of Directors.

IV. MONITORING AND REVIEW

The CEO or designees will review this policy on an annual basis.

V. DEFINITIONS

Entity – Also referred to as Lakeshore Regional Entity or LRE, is the Prepaid Inpatient Health Plan (PIHP) for Region 3 as defined in 42 CFR Part 438 and meets the requirements of MCL 330.1204b of the Michigan Mental Health Code

VI. REFERENCES AND SUPPORTING DOCUMENTS

- A. Board of Directors By-Laws
- B. LRE Operating Agreement
- C. Compliance Plan

VII. RELATED POLICIES AND PROCEDURES

- A. Financial Policies and Procedures
- B. Board of Directors Policies and Procedures

VIII. CHANGE LOG

Date of Change	Description of Change	Responsible Party
11/18/21	Added language from 2.1, 10.11, 10.15, 10.16, 10.20, 10.21	CEO and Designees
2/8/2025	Added language under Contracts A Condensed Tx of Staff/Plan Members wording under B1 and B3 Added Board information language under B2 Added Entity Definition	

