

LIBERTY

HOSPITAL FOUNDATION

Liberty Hospital Foundation

POLICIES AND PROCEDURES MANUAL



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Liberty Hospital Foundation Policy and Procedures Manual

Preface

The Bylaws of the Liberty Hospital Foundation is the primary governing document of the organization. In all cases, this policies and procedures manual is subordinate to the Bylaws. Changes to the Bylaws may alter these policies and procedures from time to time.

This document serves to address corporate governance regarding the roles, responsibilities, and interrelationships of the Board of Trustees, staff, and volunteers, as well as serving as an operations manual for the staff regarding the execution of the business of the Liberty Hospital Foundation.

Corporate governance broadly refers to the mechanisms, processes and relations by which the corporation (Liberty Hospital Foundation) is controlled and directed. Governance structures and principles identify the distribution of rights and responsibilities among different participants in the corporation (such as the Board of Trustees, managers, shareholders, creditors, auditors, regulators, and staff) and includes the rules and procedures for making decisions for the Organization.

Governance mechanisms include monitoring the actions, policies, practices, and decisions of the Foundation, their agents, and affected stakeholders.

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100.01 – CORPORATE ORGANIZATION

The Liberty Hospital Foundation (LHF) is a 501(c)(3) Missouri non-profit corporation. The LHF is a separate organization from Liberty Hospital and is governed by its own set of By-laws and its own Board of Trustees.

100.02 – CONFLICT OF INTEREST

Each Board member, officer, and employee has a duty to place the interest of The Liberty Hospital Foundation (LHF) foremost in any dealings with LHF and has a continuing responsibility to comply with the requirements of this policy.

If a Board member, officer, or employee has a material interest in a proposed transaction with LHF or any of its affiliates in the form of a significant personal financial interest in the transaction or in any organization involved in the transaction, or holds a position as a trustee, director, corporate officer, or high-level administrator in any such organization, he or she must make full disclosure of such interest before any discussion or negotiation in such transaction.

The conduct of personal business between any Board member, officer, or employee and LHF or any of its affiliates without such prior disclosure is prohibited.

No Board member, officer, or employee shall use his or her position, or the knowledge gained therefrom, to the detriment of LHF or any of its affiliates or in such a manner that a conflict between the interest of LHF or any of its affiliates and his or her personal interest arises.

Any Board member, officer, or employee who has a potential conflict of interest or who is aware of a potential conflict of interest with respect to any matter shall not participate in any discussion or authorization of or vote in connection with the matter. However, such Board member, officer, or employee shall be available to provide information and answer questions regarding the proposed matter.

Disclosure

To implement this policy, Board members, officers, and employees of LHF will submit annual reports on the below form, and if not previously disclosed, will make disclosure before any relevant action.

Potential Conflict-of-Interest Statement
(Liberty Hospital Foundation)

I have read the statement of policy regarding conflicts of interest.

To the best of my knowledge and belief, except as disclosed herewith, neither I nor any person with whom I have or had a personal or business relationship is engaged in any transaction or activity or has any relationship that may represent a potential competing or conflicting interest, as defined by the statement of policy

(A) Without exception _____

(B) Except as described in the attached statement _____

Date: _____

Name *(please print)*: _____

Signature: _____

100.03 – ETHICS

It is the intent of the Liberty Hospital Foundation (LHF) to strive for the highest ethical conduct from all board and staff. The leadership is particularly sensitive to individuals who hold management and governance positions of trust and confidence in fulfilling the mission and goals of the organization. These sensitive positions include officers, key senior staff members designated by the Executive Director, and members of the board.

All officers, key staff members, and members of the board of LHF are required and expected to exercise the highest ethical standards of conduct and practice fundamental honesty at all times.

In support of LHF's standards of high ethical conduct, each officer, key staff member, and board member WILL NOT:

- Deceive, defraud, or mislead LHF board members, officers, staff members, managers, supervisors, or other associates, or those with whom LHF has business or other relationships.
- Misrepresent LHF in any negotiations, dealings, contracts, or agreements.
- Divulge or release any information of a proprietary nature relating to LHF's plans, mission, or operational databases without appropriate approval.
- Obtain a personal advantage or benefit due to relationships established by any officer, senior staff member, or board member by use of the organization's name.
- Accept individual gifts of any kind in excess of \$[100], in connection with the officer's, key staff members, or board member's relationship with LHF. All such gifts are to be reported to the chief financial officer who shall divulge gifts received during the calendar year to the audit committee.
- Withhold their best efforts to perform their duties to acceptable standards.
- Engage in unethical business practices of any type.
- Use LHF property, financial resources, or services of LHF personnel for personal benefit.
- Violate any applicable laws or ordinances.

Infractions of this Statement of Personal and Professional Standards of Conduct are to be reported directly to any member of the Financial Affairs committee who shall, in his or her determination, bring the infraction to the full Executive Committee.

100.04 – FRAUD

Background

The corporate fraud policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the Liberty Hospital Foundation (LHF). It is the intent of LHF to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Scope of Policy

This policy applies to any irregularity, or suspected irregularity, involving staff as well as officers, Trustees, board members, volunteers, and/or any other parties with a business relationship with

LHF. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to LHF.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the staff will be familiar with the types of improprieties that might occur within his or her area of responsibility and be alert for any indication of irregularity. Any irregularity that is detected or suspected must be reported immediately to the Executive Director, Treasurer, or President who will coordinate all investigations with legal counsel and other affected areas, both internal and external.

Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of organization activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons securities activities engaged in or contemplated by LHF
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to LHF. Exception: Gifts less than \$100 in value.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity

Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by the Executive Director rather than the Financial Affairs committee. If there is any question as to whether an action constitutes fraud, contact the Executive Director, Treasurer, or President for guidance.

Investigation Responsibilities

The Financial Affairs committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Financial Affairs committee will issue reports to appropriate designated personnel and, if appropriate, to the Board of Trustees through the Executive Committee. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the Executive Committee and Executive Director, as will final decisions on disposition of the case.

Confidentiality

The Financial Affairs committee treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the Financial Affairs committee immediately and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see REPORTING PROCEDURE section below). Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect LHF from potential civil liability.

Authorization for Investigating Suspected Fraud

Members of the Financial Affairs committee will have:

- Free and unrestricted access to all Company records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee who discovers or suspects fraudulent activity will contact the Financial Affairs committee immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Financial Affairs committee or Executive Committee. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference. The reporting individual should be informed of the following:

- Do not contact the suspected individual to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Financial Affairs or Executive committee(s).

Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Financial Affairs, the Executive committee and, if necessary, by outside counsel, before any such action is taken. The Financial Affairs committee does not have the authority to terminate an employee. The decision to terminate an employee is made by the Executive Director. Should the Financial Affairs committee believe the management decision inappropriate for the facts presented, the facts will be presented to the Executive Committee for a decision.

Administration

The Treasurer and Executive Director are responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed.

Approval

The Financial Affairs Committee reviewed and approved this policy on April 13, 2021.

100.05 – DOCUMENT RETENTION & DESTRUCTION

The financial corporate records of Liberty Hospital Foundation (LHF) are important assets. The law requires the organization to maintain certain types of corporate records, usually for a specified period. Failure to retain those records for those minimum periods could subject LHF to penalties and fines, cause the loss of rights, obstruct justice, spoil potential evidence in a lawsuit, place the organization in contempt of court, or seriously disadvantage the organization in litigation.

The following documents that should have their retention length evaluated often:

Employment Documents – it is important to retain these records accurately and in their entirety. Employee records should be retained for the length of the employee's tenure, and then for an additional period of five (5) years after an employee leaves LHF. Liberty Hospital currently administers and keeps employment documents and payroll records for LHF employees.

Accounting and Corporate Tax Documents:

- Annual financial statements – permanent
- Tax returns – permanent
- Audit records – 15 years
- Paid checks – 5 years
- Cash receipts – 5 years
- Journal entries – 8 years
- 1099's issued – 8 years
- Bank records – 5 years
- Payroll registers – permanent
- State unemployment tax records – permanent
- Earnings records, including W-2, withholdings, etc. – 5 years after departure
- Employment and Termination agreements – permanent

All of these should be kept permanently: Legal Documents include copyright registration, patents, trademark registration, articles of incorporation, By-laws, reports and minutes of the Board.

100.06 – DATA ENTRY

The Liberty Hospital Foundation will keep accurate recordings of its donors and their donations using a donor database system. This will be broken down into two sections: name and address information and gift entry information:

Name/ Address Info Policy and Process

Purpose

To ensure that:

1. Salutations, names and addresses for all records in Liberty Hospital Foundation database are cohesive and follow similar naming conventions;
2. When pulling reports and lists that includes salutation and address info, minimal manipulation will need to be completed by end user.

Policy

Liberty Hospital Foundation will input and update address information for all records according to the following guidelines:

Name/ Salutation

1. Individual at Non-Business Address
 - Fill out **Title** – if uncertain of marriage status, input Ms.
 - **Salutation** as directed by prospect – if uncertain, input First Name
 - **Optional Line** if two individuals at the same address but with different last names
2. Business with Contact Name
 - Input Company/ Foundation/ Org/ School name in the **org** field
 - **Salutation** is Individual's salutation
 - **Professional Title** if Individual's title is known
 - **Option Line** is Individual's first and last name
3. Business without Contact Name
 - Input Company/ Foundation/ Org/ School name in the **Org** field
 - **Salutation** is "Friends"

Address (*outlined in [USPS Addressing Standards](#)*), Phone Numbers and Emails

1. **Address** field is always populated using [USPS Addressing Standards](#)
2. **City, State** and **Zip** always to be populated
3. Once complete, click on the "Verify Address" button and click the "Accept" button to update to the "3) Validated Address"
4. If known, choose **Address Type**
5. Populate all **Phone** and **Email** fields that are known

Gift Info Policy and Process

Purpose

To ensure that:

1. Gift information input in Liberty Hospital Foundation database are correct and follow similar coding conventions;
2. When pulling reports and lists that includes gift info, minimal manipulation will need to be completed by end user so that there is no confusion when reviewing.

Policy

Liberty Hospital Foundation will input and update gift information for all records according to the following guidelines regardless of mode in which gift was received:

Known Donor

1. Fields to populated:
 - Gift Date
 - Deposit Date
 - Type of Gift
 - Gift Amount
 - Reference / Check Number (if check donation)
 - Campaign (if part of a Campaign)
 - Fund
 - Appeal
 - Event (if applicable)

Anonymous Gift

1. Above fields are populated and checkbox **Anonymous Gift?** Is checked.

100.07 – GIFT ACKNOWLEDGEMENTS

The Liberty Hospital Foundation's goal is to thank donors quickly and accurately for their donations. Donors should be sent a thank you letter from the foundation within 15 days of their gift being received. For tax purposes, a year-end calendar that summarizes their total gift amount for the calendar year should be sent by January 31 of the following year.

100.08 – PUBLIC RELATIONS

The Liberty Hospital Foundation has established the following Media Relations Policy to ensure clear, factual communications with the public and protect the interests of all Board members, volunteers, employees, and the general public. This policy applies to press releases, analyst reports, contributed articles, presentations at conferences, and any official communications with the media or in a public forum regarding the foundation.

Official Spokesperson – The Foundation President and Executive Director are the official spokespersons for the foundation. They may choose to delegate this function as appropriate.

Press Releases – Foundation press releases and other communications are issued at the discretion of the Foundation President and/or the Executive Director in order to promote the foundation’s accomplishments, activities, news, and other key information.

Rights Usage – Use of the name “Liberty Hospital Foundation” and all other intellectual property belonging to the corporation for commercial or business use, unless licensed by LHF, is prohibited.

BOARD OPERATIONS

200

200.01 – RESPONSIBILITIES OF THE BOARD

As a director, board members are subject to three primary obligations – a **duty of obedience**, a **duty of care** and a **duty of loyalty**.

Duty of Obedience - requires that directors be faithful to the purpose of the organization. This duty of obedience arises from the fact that, unlike for-profit corporations that exist solely to make money, nonprofit corporations are defined by their specific objectives; an organization’s purpose is its reason for existence. Also, nonprofit corporations have made representations to various governmental agencies (such as the Internal Revenue Service and state departments of revenue) about its purposes and activities in order to obtain tax exemption and other benefits.

Directors have a duty to follow the organization’s governing documents to carry out the organization’s mission and to ensure that funds are used for lawful purposes. Although board members may exercise their own reasonable judgment concerning how the organization should best meet its mission, they are not permitted to act in a way that is inconsistent with the central goals of the organization.

Duty of Care - requires directors to make decisions of the Board in an informed manner. Generally, the duty of care requires directors:

- to be reasonably informed,
- to participate in decisions, and
- to do so in good faith and with the care of an ordinarily prudent person in similar situations.

The duty of care is a duty to decide in the best interests of the organization. It is a duty which requires directors to be diligent in getting reliable information before deciding.

To be careful, however, does not mean that directors must avoid making decisions which have risk. Board decisions are not held to a standard of perfection. That is, directors need not choose the best possible course of action as revealed by hindsight. They must, however, act in good faith in light of relevant facts and information.

Duty of Loyalty - requires that directors exercise their powers in the interest of the organization and not in their own interest or the interest of another entity or person. See Section 100.02 Conflict of Interest.

200.02 – Role of the Board

Per Section 2:10 of the bylaws: The property and affairs of the Foundation shall be managed by the Board of Trustees. The Board of Trustees shall have, and is invested with, all power and authority, except as may be expressly limited by law, the Articles of Incorporation or these bylaws, to manage the business and affairs of the Foundation, to do or cause to be done any and all lawful things for and on behalf of its powers, privileges or franchises and to seek the effectuation of its objects and purposes; provided, however, that the Board of Trustees shall not authorize or permit the Foundation to engage in any activity not permitted to be transacted by the Articles of Incorporation or by a not-for-profit corporation organized under the laws of the State of Missouri, or of the United States, Internal Revenue Service Rules and Regulation Section 501(c)(3) and all income and property of the Foundation shall be applied exclusively for its not-for-profit purposes.

200.03 – EXPECTATIONS OF THE BOARD

The Liberty Hospital Foundation Board is a governance board, dealing with issues central to the foundation's mission. Consistent board meeting attendance helps provide critical governance oversight by the Board and is required.

Some of the work of the Board may be accomplished in committees. Board members are encouraged to join and attend meetings of at least one committee.

In addition to board and committee work, members of the Board contribute significantly to LHF through their work on special projects or by making themselves available on a regular basis for consultation by the Board on issues on which they have special knowledge, experience, or expertise.

Many Board members help arrange for donation of resources or management time from their companies or their network to assist LHF in its work.

200.04 – BOARD COMMITTEES

The Liberty Hospital Foundation Board of Trustees has both standing and ad hoc committees. Apart from the Executive Committee, the President appoints all committees. Each committee shall meet at least twice annually.

Standing Committees

- **Executive Committee** – Consists of all officers of the foundation (President, President-Elect, Secretary, and Treasurer) and the Executive Director, who is a nonvoting member of the Committee. Responsible for carrying on the business of the foundation as directed by the full board.
- **Financial Affairs Committee** - This committee shall have the responsibility to receive and study budget and other financial requests for the Foundation’s purposes and in terms of the ability of the Foundation to respond. This committee shall oversee business management functions and monitor and report financial investment activities. They shall meet with and evaluate counselors and/or agents employed by the board. The Treasurer shall be a member of this committee. The Endowment Fund shall be managed by this committee.
- **Committee on Trustees** - The Nominating Committee of the Board of Trustees shall be composed of the Executive Board and two other members of the Board of Trustees, which latter two members shall be appointed by the President. This committee shall have the responsibility to maintain a trustee candidate list. This committee shall also present to the Board for its annual election a slate of nominees for consideration for elected officers of the Board.
- **Advancement Committee** - This committee implements the continuous support function of the Foundation concerned with concurrent and generous support from all constituents. This committee shall be concerned with both internal and external perceptions of the role and function of the Foundation as it seeks to perform its functions. The President-Elect shall be the chairman of this committee.
- **Foundation Relations Committee** - This committee shall be concerned with both internal and external perceptions of the role and function of the Foundation as it seeks to perform its functions. Promotion, publicity, public relations, advertising and publication shall be under the auspices of this committee.

Ad Hoc Committees

The President may create an ad hoc committee for a specific purpose, of which the President shall appoint members.

Various foundation events may also have their own committee to help plan and execute foundation events and activities.

200.05 – BOARD MEETINGS

The Liberty Hospital Foundation has six regularly scheduled meetings throughout the year. One of these meetings will be the annual meeting. Special meetings may be called as appropriate.

Annual Meeting - The annual meeting of the Board of Trustees shall be held on the fourth Thursday of July at a place designated by the President of the Board. The Board shall organize itself at such an annual meeting with the first order of business being installation of newly elected trustees and election of officers.

Regular Meetings – The other five meetings will occur every other month starting in September and will be scheduled on the fourth Thursday of the month. The meeting time is scheduled by the President.

Changing of Meeting Dates - At the Executive Director or Executive Committee’s discretion, meetings may be moved so long as one (1) week’s notice is provided to the board members.

Special Meetings - Special meetings of the Board of Trustees may be called by the President, or upon the written request of any three (3) members of the Board of Trustees, and then by giving at least three (3) days’ notice of such meeting to each member of the Board of Trustees.

Meeting Notice – The six (6) regular meetings of the Board of Trustees may be held without notice either within or outside of the State of Missouri. Any business may be transacted at a regular meeting.

Quorum - At all meetings of the Board of Trustees, one-third of the voting trustees shall constitute a quorum for the transaction of business, and the act of a majority of the members of the Board of Trustees present at any meeting at which there is a quorum shall be the act of the Board of Trustees.

200.06 – BOARD MEETING MINUTES

The Secretary of the Board, or their designee, is responsible for recording all votes taken and the minutes of all proceedings of the Foundation Board meetings. These records will be kept in perpetuity by Foundation staff.

200.07 – CONFIDENTIALITY

All information concerning donors, constituents, our staff, volunteers, financial data, and business records of Liberty Hospital Foundation is confidential. “Confidential” means that you are free to talk about Liberty Hospital Foundation and about our programs and your position, but you are not permitted to disclose donors’ or constituents’ names or talk about them in ways that will make their identity known. No information may be released without appropriate authorization. This is a basic component of donor/constituent care and nonprofit ethics. The board of directors, staff and our constituents rely on paid staff and volunteers to conform to this rule of confidentiality.

Liberty Hospital Foundation shall respect the privacy of donors and constituents and shall maintain their personal and financial information as confidential. All records dealing with specific donors and constituents must be treated as confidential. General information, policy statements or statistical material that is not identified with any individual or family is not classified as confidential. Staff members are responsible for maintaining the confidentiality of information relating to other staff members and volunteers, in addition to donors and constituents.

Failure to maintain confidentiality may result in termination of employment or no longer being able to volunteer at the foundation.

This policy is intended to protect individuals as well as Liberty Hospital Foundation because in extreme cases, violations of this policy also may result in personal liability.

Rationale

Confidentiality is the preservation of privileged information. By necessity personal and private information is disclosed in a professional working relationship. Part of what you learn is necessary to provide services to the applicant or donor/constituent; other information is shared within the development of a helping, trusting relationship. Therefore, most information gained about individual constituents through an assignment is confidential in terms of the law, and disclosure could make you legally liable. Disclosure could also damage your relationship with the constituent and make it difficult for Liberty Hospital Foundation to help the person.

FOUNDATION PERSONNEL

300

300.01 – EMPLOYMENT OF THE EXECUTIVE DIRECTOR

The Liberty Hospital Foundation's Board of Trustees appoints the Executive Director. The board shall determine, from time to time, the term and compensation of the Executive Director. An Executive Director may be removed by a majority vote of the entire board at any regular meeting or special meeting called for that purpose.

300.02 – RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR

The Executive Director shall be responsible for implementing all policies and programs approved by the Board of Trustees and shall have such other duties as may be prescribed by the board from time to time. Responsibilities include, but are not limited to:

General Responsibilities:

1. Assure that the organization has a long-range strategy as approved by the Board of Trustees, that achieves its mission, and toward which it makes consistent and timely progress.
2. Provide leadership in developing programs, organizational and financial plans with the Board and staff, and carry out plans and policies authorized by the Board.
3. Promote active and broad participation by volunteers in all areas of the organization's work.
4. Maintain official records and documents, and ensure compliance with federal, state and local regulations.
5. Maintain a working knowledge of significant developments and trends in the field.

In communications, the Executive Director will:

1. See that the Board is kept fully informed on the condition of the organization and all important factors influencing it.

2. Publicize the activities of the organization, its programs and goals.
3. Maintain effective communication with the foundation's constituents.
4. Establish sound working relationships and cooperative arrangements with community groups and organizations as approved by the Board.
5. Represent the programs and point of view of the organization to agencies, organizations, and the general public.

In relations with staff, the Executive Director will:

1. Be responsible for the recruitment, employment, and release of all personnel, both paid staff and volunteers.
2. Ensure that job descriptions are developed, that regular performance evaluations are held, and that sound human resource practices are in place.
3. See that an effective management team, with appropriate provision for succession, is in place.
4. Encourage staff and volunteer development and education.
5. Maintain a climate which attracts, keeps, and motivates a diverse staff of top-quality people.

In administration, budget, and finance, the Executive Director will:

1. Be responsible for helping to develop and maintain sound financial practices.
2. Prepare a budget in collaboration with the staff, the Financial Affairs Committee, and the Board.
3. Ensure that the Corporation operates within budget guidelines.
4. Execute legal documents as approved by the Board of Directors.

300.03 – EMPLOYMENT OF PROFESSIONAL STAFF

The Executive Director may hire other Foundation staff as it shall deem advisable and upon such terms and conditions and with such compensation as it shall deem appropriate to further approve programs and functions of the Foundation. The Executive Director also has the authority to terminate Foundation Staff as deemed necessary. The Executive Committee of the Board must approve of any hire or termination in advance.

300.04 – EVALUATION OF THE EXECUTIVE DIRECTOR & STAFF

The performance of the Executive Director and staff shall be evaluated periodically.

The Executive Committee shall evaluate the Executive Director in collaboration with the Board. Such evaluation shall include assessments of:

- A. the progress toward the goals of the Foundation;
- B. the working relationship between the Executive Director and the Executive Committee and the Board;
- C. the Executive Director's relationship to staff, donors, volunteers, and other key stakeholders;

- D. the climate of confidence and sense of purpose evidenced at every level in the Foundation.

Assessments will be based on defined quality expectations set by the Executive Committee for each criterion being assessed.

The Executive Director shall evaluate professional staff in the same manner, based off criteria set for each position currently on staff, using the position's job description as an outline.

300.05 – JOB DESCRIPTIONS

Each position at Liberty Hospital Foundation is to have a written job. The purpose of job descriptions is to establish clear communication between the foundation and the employee to assure that they have the same perception of their duties, authorities, responsibilities, and measures of performance for a particular position.

Job descriptions also provide the basis for performance evaluation and subsequent wage/salary review. Each employee is responsible for carefully reviewing his or her specific job description, understanding what is required of the job, and agreeing to do the job as outlined.

Job descriptions may need to be updated periodically. Employees who feel that their job description needs to be updated should speak with the Executive Director.

300.06 – NON-DISCRIMINATION & EQUAL EMPLOYMENT

The Liberty Hospital Foundation prohibits discrimination against and harassment of any employee or any applicant for employment because of race, color, national or ethnic origin, age, religion, disability, sex, sexual orientation, gender identity and expression, veteran status or any other characteristic protected under applicable federal or state law.

All personnel who are responsible for hiring and promoting employees and for the development and implementation of foundation programs or activities are charged to support this effort and to respond promptly and appropriately to any concerns that are brought to their attention.

FINANCE AND ACCOUNTING

400

400.01 – FINANCIAL INTEGRITY

The Liberty Hospital Foundation (LHF) is committed to lawful and ethical behavior in all its activities and requires Trustees, board members, staff, and volunteers to act in accordance with all applicable laws, regulations and policies and to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

The objectives of LHF's Financial Integrity Policy are to establish policies and procedures to:

- prevent or detect and correct improper activities

- encourage each Trustee, board member, employee, and volunteer (Reporting Individual) to report what he or she in good faith believes to be a material violation of law or policy or questionable accounting or auditing matter by LHF
- ensure the receipt, documentation, retention of records, and resolution of reports received under this policy protect reporting Individuals from retaliatory action.

Reporting Responsibility

Each reporting individual has an obligation to report what he or she believes is a material violation of law or policy or any questionable accounting or auditing matter by LHF, its Trustees, board members, staff, volunteers, or other representatives. Reporters must also notify LHF if an action needs to be taken in order for LHF to be in compliance with law or policy or with generally accepted accounting practices. The types of concerns that should be reported include, for the purpose of illustration and without being limited to, the following:

- providing false or misleading information on LHF's financial documents, grant reports, tax returns or other public documents;
- providing false information to or withholding material information from LHF's auditors, accountants, lawyers, Trustees or other representatives responsible for ensuring LHF compliance with fiscal and legal responsibilities;
- material violations of LHF policy, including among others, confidentiality, conflict of interest, whistleblower, ethics and document retention;
- facilitation or concealing any of the above or similar actions
- embezzlement, private benefit, or misappropriation of funds;

Reporting Concerns

Employees

Whenever possible, an employee should seek to resolve concerns by reporting issues directly to the Executive Director until matters are satisfactorily resolved. However, if for any reason an employee is not comfortable speaking to the Executive Director or does not believe the issue is being properly addressed, the employee may contact the Treasurer or the President. Whenever practical, reports should be in writing.

Trustees and Other Volunteers

Trustees, board members, and other volunteers may submit concerns to the Treasurer or President of the Board.

Handling of Reported Violations

LHF will investigate all reports filed in accordance with this and any other applicable policies with due care and promptness. LHF staff will issue a full report of all matters raised under this policy to the appropriate authority. The President will share results of these investigations to the Financial Affairs Committee.

No Retaliation

This Whistleblower Policy is intended to encourage and enable Trustees, board members, volunteers, and employees to raise serious concerns within the organization for investigation and appropriate action. With this goal in mind, no Trustee, board member, volunteer, or employee who, in good faith, reports a concern shall be threatened, discriminated against or otherwise subject to retaliation or, in the case of an employee, adverse employment consequences as a result of such report. Moreover, a volunteer or employee who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment.

Acting in Good Faith

Anyone reporting a concern must act in good faith and have reasonable grounds for believing the matter raised is a serious violation of law or policy or a material accounting or auditing matter. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, with gross negligence, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment. Depending on the circumstances, such conduct may also give rise to other actions, including civil or criminal lawsuits.

Confidentiality

Reports of concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible. However, consistent with the need to conduct an adequate investigation, LHF cannot guarantee complete confidentiality. Disclosure of information relating to an investigation under this policy by LHF staff, Trustees, board members, or others involved with the investigation of concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and, with respect to LHF employees, may result in discipline, up to and including termination of employment. Depending on the circumstances, such conduct may also give rise to other actions, including civil or criminal lawsuits.

Updated September 15, 2020

Approved April 13, 2021 by Financial Affairs Committee

400.02 – GIFT ACCEPTANCE POLICY

The Liberty Hospital Foundation, hereafter known as Foundation, strongly encourages the solicitation and acceptance of donations that enable it to fulfill its mission to Liberty Hospital. Donations are essential to an institution dedicated to health care.

This policy is designed to provide guidance to the Foundation and the general public so as to facilitate the donation giving process. The Foundation does not intend to stifle philanthropic creativity; the intent of this policy is to provide prospective donors with the greatest freedom possible in formulating their gifts within governing programmatic, policy and legal parameters. Contributions may be solicited and accepted from individuals, corporations, foundations, and federal, state, and local governments. Contributions may be obtained, however, only for programs consistent with the mission of Liberty Hospital and Foundation.

The Foundation values and is responsible for maintaining its integrity, independence, and fund raising freedom. No donation can be accepted which limits beyond a general definition of the health care practices and/or procedures carried out by staff members of Liberty Hospital. The Foundation is also unable to accept donations which are overly restrictive in purpose. The most desirable donations are those with the least restrictions, as unrestricted funds allow the Foundation to address its most pressing needs. Donations accepted by the Foundation must not inhibit it from seeking contributions from other donors, be they similar or different, foreign or domestic.

Finally, donations must be designed and administered in a manner consistent with legal requirements. The Foundation cannot accept contributions which involve unlawful discrimination based upon race, religion, gender, sexual orientation, age, national origin, color, disability, or any other basis prohibited by federal, state, and local laws.

Routine donations are accepted and administered through the Foundation with final authority to accept routine gifts lying with the Executive Director. Proposed contributions that may expose the Foundation and or the Hospital to adverse publicity, require undue expenditures, or involve the Foundation in unexpected responsibilities because of the contributions source, conditions or purposes will be referred for review to Foundation Board and Foundation Executive Director.

Additional Guidelines

Various methods of gift giving can provide flexibility, security and tax savings to donors. The Foundation Executive Director, Officers and various additional associated volunteers are available to provide personalized assistance to donors seeking to understand and choose from the wide range of gift-giving vehicles. The Foundation representatives can also inform donors about the specific protocols involved in Foundation's approval and acceptance of various contribution vehicles.

Donors should note that in certain cases, such as contributions of real estate or tangible personal property, the Foundation will generally look to the donor to bear certain expenses incurred in receiving or maintaining gifts.

While the Foundation's representatives strive to maintain a high level of familiarity with current tax laws and policies, neither they nor other hospital officials are able to give legal advice to donors. The information that those representatives provide, and the information provided in this policy, are presented for discussion purposes only and should not be considered or used as legal advice. Donors and prospective donors should always confer with their own legal counsel or tax advisors for opinions about the tax or other legal consequences of specific situations.

The Foundation will seek the advice of legal counsel as needed in all matters pertaining to its planned giving program. Prospective donors are urged to seek their own counsel in matters relating to their planned gifts, tax circumstances, and estate planning.

Certain categories of donations are not acceptable as charitable donations to the Foundation. For example, gifts cannot be accepted as payment for health care procedures, services or programs or supplies for specific individuals. Gifts made with the condition that the proceeds will be spent by the Foundation for the personal benefit of a named individual or individuals are

generally not deductible as charitable contributions. The Foundation will view with caution donations that are inappropriately targeted toward the benefit of particular individuals.

Listed below are examples of some common gift-giving vehicles.

Outright donations are those placed at the immediate disposal of the Foundation and in which the donor retains no interest. The most frequent method used is a personal check, payable to the Liberty Hospital Foundation and mailed or delivered to the Foundation office.

The Foundation also welcomes cash, donations by credit card, matching gifts, contributions by payroll deductions, gifts of securities, tangible personal property, real estate, and other assets.

Restricted Donations

Restricted donations to a specific program or purpose are accepted, provided that all of the following conditions are met:

- a. The gift is consistent with the Foundation's mission, priorities, and values.
- b. The gift amount must total \$50,000. May be paid in annual increments of \$10,000 minimum annually, not to exceed payment term of five fiscal years (July 1 through June 30).
- c. The gift is written in reasonably broad and flexible terms to maximize its usefulness to the Foundation. Gifts should not be so narrowly restricted as to pose an undue administrative burden on the Foundation; impose limitations inconsistent with the Foundation's policies, priorities, or projected activities; illegally discriminate or violate jurisdictional law; or result in the administration of funds that cannot easily be used by the Foundation.
- d. The terms of the gift do not limit or interfere with the Foundation's discretion and use of the donated funds. The terms of a gift interfere with the Foundation's discretion and use if: (a) the gift is earmarked for the benefit of any specific individual(s); (b) the Foundation would be required to obtain the donor's approval regarding the specific use of funds; or (c) the gift is subject to a restriction on the Foundation's ability to use, sell, or otherwise deal with the property as it deems appropriate.
- e. Establishment of new gift funds:
 - i. In the process of discussions with a prospective donor(s) about the creation of a new program or position, the Executive Director or her or his designate and other Hospital administrators (as appropriate) with budget authority must be consulted prior to the creation of a gift or pledge agreement. For gifts outside of healthcare, the Vice President with budgetary authority must be consulted.
 - ii. Restricted gift or pledge agreements requiring the establishment of a new gift fund must be reviewed, prior to sharing with the donor, by the Director of Advancement, the Director of Development, and the Director of Programs and Operations before being accepted by the Foundation to ensure that the terms of the gift agreement are consistent with the Foundation's mission and can be effectively implemented and maintained. All new Charitable Gift Annuities or Charitable Remainder Trusts, or any new planned gifts, must also be reviewed by the Executive Director before sharing the gift documentation with the donor.

Gifts of closely-held securities may only be accepted by the Foundation after an approval review has been successfully completed. The Foundation will not, as a condition of receiving such securities as a donation, enter into any agreement that legally obliges the Foundation/Hospital to sell or otherwise dispose of the securities. The decisions to sell, dispose, or hold the securities should be left up to the discretion of the Foundation.

Donations of real property are accepted with the understanding that the Foundation will ordinarily make its best effort to sell the property promptly. The Foundation cannot guarantee that it will sell the property at the donor's appraised value. The Foundation will expect the donor to bear the expense of any necessary appraisal or environmental audit. The Foundation will not itself appraise or assign a value to real property for the donor's valuation purposes, nor will the Foundation, as a condition of receiving a gift of real estate, enter into any agreement that legally obligates the Foundation to sell the real estate.

Donation of oil, gas, and mineral rights are accepted upon review and recommendation of the Foundation. Factors to be considered in review of the proposed donation include:

- a. Any extended liabilities or other considerations that make receipt of the gift inappropriate whether the proposed gift is a working interest (an expense bearing interest)
- b. Exposure to environmental liability, clean up or restoration obligations under relevant law. The Foundation will require that an Environmental Phase 1 Audit be performed on all gifts of an interest in mining or oil and gas properties. Any such audit will be documented for legal reasons. The Foundation reserves the right to inquire and put in place any such legal documents required for acquisition.

Planned or Deferred Donations involve a current commitment by a donor to provide future funds to the Foundation. These types of gifts generally provide some combination of income, capital gain, gift or estate tax benefit and can deliver immediate benefits to the charitable organization, including annual cash payments. Acceptable methods of creating deferred gifts to the Foundation include; bequests (irrevocable), remainder interests in personal residences or farms, charitable gift annuities, pooled income funds, charitable remainder unitrusts, charitable remainder annuity trusts, charitable lead trusts and life insurance policies (see special section for life insurance policy below).

Life Insurance Policies will be accepted for only those that identify as both owner and irrevocable beneficiary. These policy conditions must apply to all insurance policies:

- a. Only "universal" and "whole-life" type insurance instruments will be accepted.
- b. Insurance policies must be underwritten by companies meeting criteria comparable to those which established the minimum ratings noted below:
 - a. A.M. Best Company rating of A (excellent)
 - b. Standard and Poor's Company rating of AA
 - c. Duff and Phelps, Inc. rating of AA
 - d. Moody's Investor Service rating of AA
- c. A copy of the insurance policy naming the or as owner and irrevocable beneficiary must be provided to the Foundation in order for the gift to be accepted.

Enacted 6/23/2020

Approved 9/17/20

400.03 – FINANCIAL STATEMENTS

The organization’s financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The presentation of the Financial Statements shall follow the recommendation of the Financial Accounting Standards Board (FASB) No. 117, “Financial Statements of Not-For-Profit Organizations.” Under GAAP, revenues are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the organization are classified as unrestricted, temporarily restricted and permanently restricted.

Personnel will cause financial statements to be produced that provide accurate information to the stakeholders of the organization, including staff and the board of trustees.

400.04 – ANNUAL BUDGET PREPERATION

The Financial Affairs Committee and staff will collaborate to create the budget for the organization’s upcoming fiscal year. This generally consists of providing past income and expenses, projecting future income and expenses, and any projected programs that would affect the budget.

The Financial Affairs Committee will vote to recommend the upcoming fiscal year’s budget to the board. If approved by the committee, the upcoming fiscal year’s budget is to be presented to the board, with a vote taking place at the last meeting of the current fiscal year.

400.05 – EXPENDITURE APPROVAL

The Executive Director has authority to approve expenditures of \$1,000.00 or less. Any expenditure of \$1,000.01 and above must be approved by the Executive Director and two members of the Executive Committee, traditionally the Treasurer and Secretary. Expenditure approvals will always follow these procedures. The staff position responsible for invoice and expense entry will never be a check signor on any bank or investment accounts.

There are three ways in which an expenditure can be approved and paid:

1. Third-Party Check Processor (Bill.com)

Staff will enter invoices into this system. All three approvers will have individual credentials to this system and are able to review all transactions that go through this system. Any invoice entered into this system that is \$1,000.00 or less will be paid once the Executive Director has approved the expenditure in the system. Any invoice that is \$1,000.01 or more will be paid once the Executive Director and both additional approvers have approved the expenditure in the system.

Any third-party check processor used by the organization must interface with the accounting system in place.

2. Manual Check Processed in Office

Occasionally there will be a need to process a manual check in the office. The invoice will be entered into the accounting system directly. If the invoice is \$1,000.00 or less the Executive Director will approve the invoice by signing the check. If the invoice is \$1,000.01 or more then approval will be requested from the Executive Director and the two additional approvers. This is to be done via e-mail to maintain records. Once all three approvals have been received the check will be processed and the Executive Director will sign the check. Documentation of the approvals will be kept with the check stub and filed accordingly.

3. Credit Card Expenditures

Corporate credit cards may be used by following these procedures. Expenditures less than \$75.00 can be expensed by staff so long as backup documentation is retained, and an expense report completed.

Expenditures between \$75.00 and \$1,000.00 must be preapproved by the Executive Director. This can be done via obtaining approval electronically via e-mail or by the Executive Director initialing the quote or expense. Either of these should be included with the receipt of the purchase and included in the expense report.

Expenditures of \$1,000.01 or greater must be preapproved by the Executive Director and the two additional approvers. Approval is to be done via e-mail to maintain records. Once all three approvals have been received the expenditure may proceed with documentation of the approvals to be included along with the receipt in the expense report.

400.06 – CREDIT CARD POLICY

A credit card provides Liberty Hospital Foundation staff the ability to effectively and efficiently make purchases in relation to the Board of Directors approved Foundation budget.

- Credit cards will be issued in the name of the employee or board officer.
- The card may be used only for the purchase of goods or services for official business of the Liberty Hospital Foundation.
- All purchases will be within current budget line item amounts.
- The person issued the card is responsible for its protection and custody, and shall immediately notify the credit card company and Executive Director or Board Chair if it is lost or stolen.
- The card is property of the Liberty Hospital Foundation. The person issued the card must immediately surrender the card to the current Board Chair or Executive Director when affiliation with the Liberty Hospital Foundation has ended, or earlier if requested.
- Any person using a credit card for purchases that cannot be substantiated as a necessary purchase for official business will be deemed a personal expense and the employee will reimburse the organization for any unauthorized charges. The employee may be subject to disciplinary action.
- Credit card statements, along with receipts for all items to be paid by the Liberty Hospital Foundation and will be reconciled on a monthly basis.

- Receipts must be attached to credit card charges. Electronic record keeping of the receipts is preferred.
- Reimbursement for returns of goods or services must be credited directly to the card account. The employee should never receive cash or refunds directly.
- Monthly credit card activity and reconciliations are reviewed and approved by the Executive Director. In addition, any member of the executive committee should have access to the credit card system to review and question charges at any time.

400.07 – PURCHASING AND PROCUREMENT

This policy is furnished to ensure that all supplies, equipment, and services (goods and services) are obtained in an open and effective manner. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition.

The Executive Director is responsible for approving all goods and services purchased. Once approved the Executive Director may designate another employee to purchase goods and services.

Any expenditure over \$5,000 for a standalone, one-time service should have bids from three (3) suppliers, if possible. The bid should be chosen based on which offer is responsive to the solicitation and is most advantageous to the organization, including price, quality, and other factors considered.

400.08 – VENDOR RELATIONS

Employees conducting business on behalf of the Liberty Hospital Foundation have a responsibility to do so in a manner that is objective and ethical. The goal of all such business dealings must be to benefit the foundation.

The purchase of goods or services from a business in which an employee or their family has a financial interest, or may directly benefit from such purchase, is a potential conflict of interest. Such situations are prohibited unless these conflicts have been disclosed and approved of by the board.

Employees must not accept gifts, entertainment, meals or travel that might directly or indirectly influence the employees' business judgments or decisions, or that might give the appearance of impropriety.

The foundation will provide equal opportunity to firms wishing to pursue business relationships. Any promotional benefits that result from a business transaction will be provided to the foundation, not to an individual employee.

Employees may not accept any sum from any supplier attempting to "reward" the employees for the decision to do business with the supplier. Any acceptance of such sums, or kickbacks, may result in termination of the employees' employment (and possible legal action), and in the termination of the business relationship with the supplier.

400.09 – EXPENSE REIMBURSEMENT

Foundation expenses paid by use of personal funds will be reimbursed, provided that the expenses are for legitimate Foundation expenses. Personal automobiles may be used for transportation to and from Foundation events and meetings. Expenses for driving to these will be reimbursed at the IRS approved rate.

All expense reimbursement requests must be submitted and include the date, amount, purpose, and receipt of the charge. If the reimbursement request is for mileage the request must include the starting and ending point of the trip and the purpose of the trip.

Non-reimbursable expenses are those which are not related to the foundation and are personal in nature.

The Executive Director will review and approve any reimbursement requests that are \$1,000.00 and under. A member of the Executive Committee, typically the Treasurer, will review and approve the Executive Director's reimbursement requests.

400.10 – PETTY CASH

A staff member, currently the Director of Finance & Operations, will be responsible for keeping a petty cash box containing \$100.00 in petty cash. Petty cash is to be used primarily to purchase incidental items and tips, as appropriate. The Executive Director is responsible for approving any petty cash expenditures. Any use of petty cash will be kept track of via a paper logging system that is to be kept inside the petty cash box. The petty cash box, and where it is kept, must be kept behind lock and key.

400.11 – SYSTEM OF ACCOUNTING

The Foundation uses the accrual basis of accounting with a fiscal year starting on July 1 and ending on June 30 of the following year. The accrual basis is the method of accounting whereby revenue and expenses are identified with specific periods of time, such as a month or year, and are recorded as incurred. This method of recording revenue and expenses is without regard to date of receipt or payment of cash.

Throughout the fiscal year, expenses are accrued into the month in which they are incurred. The books should be closed no later than the 15th day after the end of the month. Invoices received after closing the books will be counted as a current-month expense, except for year-end transactions. All expenses and income should be recorded in the appropriate year, ensuring that year-end accounting records are accurate.

The Foundation uses this same fiscal year for tax reporting.

400.12 – INTERNAL CONTROLS

The Liberty Hospital Foundation will plan and take systematic and proactive measures to develop, implement, and maintain adequate and cost-effective internal control. The goals of effective internal control include reliable financial reporting, effective and efficient operations, compliance with laws and regulations, and protection of the organization's resources.

The Foundation will design, test, and document its internal control system. Every employee within the organization has some role in effecting internal control, including each employee, manager, and director. Roles vary with responsibility.

Internal control is a process. It is a means to an end, not an end in itself. Internal control is affected by people. It's not merely policy manuals and forms, but people's actions at every level of the organization.

Preventive internal controls attempt to prevent or deter undesirable acts from occurring by being designed to prevent a loss, error, or omission. The foundation is to employ these types of controls, including but not limited to:

- Separation of Duties – deterrent to fraud which reduces the risk of erroneous or inappropriate actions
- Proper authorizations
- Adequate documentation
- Physical security over assets

Detective internal controls attempt to detect undesirable acts that have occurred. They provide evidence after-the-fact that a loss or error has occurred. The foundation is to employ these types of controls, including but not limited to:

- Regular supervisory review of account activity, reports, reconciliations, etc.
- Routine spot-checking of transactions
- Variance analysis, including budget to actual comparisons
- Physical inventories of assets
- Internal control self-assessment and internal control review
- Independent audit or review

All suspected theft or misuse of assets must be reported immediately to the Executive Director, or the Executive Committee if appropriate. Any suspected weakness of internal controls should also be reported.

Internal Control Procedures

Below is an outline of internal controls to be followed. These, along with any other procedure outlined in this manual, are to be followed and updated accordingly:

- Mail is always to be opened in front of two Liberty Hospital Foundation employees.
- All in-kind gifts received by the Foundation for fundraising events or other purposes will be recorded in our donor database and accounting system with appropriate documentation.
- All restricted gifts related to bequests, endowments, or related gifts will be documented properly and recorded as restricted in the foundation's accounting system.
- The following will be made available to the Financial Affairs Committee:
 - Monthly bank statements
 - Monthly investment statements
 - Monthly cash reconciliation reports

- Monthly general ledger reports showing all ledger activity
- Signature cards for checking, credit card, and investment accounts must be updated as necessary when there are changes in employees or board members.
- The employee responsible for entering invoices must not be a signor on any banking or investment accounts.
- Audit preparation to begin in July after receiving the PBC listing. In addition to PBC items copies of any new or updated gift agreements (restricted and unrestricted) will be provided to the auditors at the beginning of field work.

Internal Control Segregation of Duties

Below is an outline of segregation of duties to be followed and updated accordingly:

Daily Action	Assigned To
Check mail (Mailroom)	All Staff
Sort and count cash and checks received in mail	Director of Marketing and Events & Additional Staff
Upload CC receipts and complete expense reports as needed	All Staff
Upload invoices to be paid to Bill.com - as needed	Director of Finance and Ops.
Weekly Action	Assigned To
Collect TreeHouse donations	Director of Marketing and Events
Cash & check count for deposit - two persons	Director of Marketing and Events & Dir. of Finance and Ops.
Prepare bank deposit for cash and checks	Dir. of Finance and Ops.
Scan and save check copies and cash deposit detail to Shared drive/ paper files	Dir. of Finance and Ops.
Pull online gifts into donation database and accounting system	Dir. of Finance and Ops.
Record gift transaction detail in donor database	Dir. of Finance and Ops.
Confirm and accurately record credit card coding	Dir. of Finance and Ops.
Review and approve reimbursement requests	Executive Director
Code all bill.com invoices.	Dir. of Finance and Ops.

Approve invoices to be paid \$1,000 or under	Executive Director
Approve invoices to be paid \$1,000.01 or over	Executive Director, two members of Executive Committee

400.13 – INDEPENDENT AUDIT & IRS FORM 990

The organization shall select a Certified Public Accounting firm to audit or review the books and financial records of the Liberty Hospital Foundation on an annual basis. The auditor shall complete the audit or review and report to the board as soon after the close of the fiscal year as possible. The Director of Finance and Operations, along with the rest of the staff, will work with the auditor to ensure the timely completion of the audit or review.

The same accounting firm shall complete the IRS Form 990 and ensure its timely submission to the IRS. The board will be provided a copy of the 990 for their review.

400.14 – QUASI ENDOWMENT SPENDING POLICY

Objective

The objective is to develop a spending plan designed to achieve an investment return that will protect the future purchasing power of the Quasi Fund. This is the point where spending levels remain within earnings and the rate of appreciation of principal is at least equal to the inflation rate on a 5-year average.

- a. The Investment Policy is designed to complement the Spending Policy.
- b. The Spending Policy establishes a reasonable and prudent spending plan for the Quasi Endowment Fund.

Spending Rules

The Spending Policy sets a limit on the amount of expenditures from the Quasi Endowment Fund by requiring the calculation of a Spending Rate applied to the average fiscal year-end balance of the Quasi Fund Corpus. Dividends, interest, or capital gains earned along with gifts to the Quasi Fund can be used to fund the Spending Budget. The Spending Budget will be established at the beginning of each fiscal year and reported to the Executive Committee by the Finance Committee Chair. At the end of each fiscal year, the remaining Spending Budget will be allowed to roll over to the next fiscal year as defined below. Estimates of the Spending Budget for the next fiscal year will be prepared based upon the Spending Rate. Those estimates will be available to the Executive Committee no later than March 31.

Definitions

Spending Budget – represents the spendable balance for the Quasi Endowment Fund. It is funded by dividends, interest, and capital gains earned by the fund. Each year, a current Spending Budget will be determined as prescribed herein. At the end of each fiscal year, the remaining Spending Budget can be rolled over to the next fiscal year. The Spending Budget will

be estimated in February for the next fiscal year and finalized in July of the new fiscal year. The Spending Budget can increase each year as a result of any or a combination of the following events: new gifts, market appreciation, and transfer of income to principal.

Spending Calculation – the result of applying the Spending Rate to the average principal balance of the Quasi Fund the preceding 24 months. Example: Quasi Fund 24 month average balance of \$5 million x 4% Spending Rate = \$200,000 Spending Budget.

Spending Rate – the rate established each year by the Executive Committee and approved by the Board of Trustees. This rate will be capped at a maximum of 5%. Any earned income or appreciation above the Spending Rate will be retained in the corpus of the Quasi Fund. The Spending Rate for the next fiscal year will be established by March 1 of the current fiscal year.

Rollover Limit – represents the total of Spending Budgets for the three previous fiscal years. It is used as the ceiling in determining how much of the remaining Spending Budget can roll over to the next fiscal year. This determination will be made at the end of each fiscal year. Any amounts of the Spending Budget that exceed the Rollover Limit will expire and remain in the Quasi Fund. For example, if the three previous fiscal years Spending Budgets were \$100,000 each, then the Rollover Limit would be \$300,000.

Reporting

Spending Budget Report – This annual report displays the total Spending Budget for the next fiscal year. The estimated rollover Spending Budget is calculated by taking the lesser of the remaining Spending Budget and the Rollover Limit. Each July, an Opening Spending Budget report will be available and contain the following: Spending Budget for the newly begun fiscal year, any funds rolled over, Spending Rate for the newly begun fiscal year, and the Quasi Fund 24-month average balance used to determine the Spending Rate. A copy of this report will be provided to the Investment Manager.

Funding Spending

Once the Spending Budget is set at the beginning of a fiscal year, the Executive Director will determine the cash need on a quarterly basis. This will then be communicated with the current Investment Manager. Funds that have not been liquidated are still considered appropriate for spending. Liquidating to fund cash need should be reviewed on at least a quarterly basis and at the discretion of the Investment Manager.

Investment Withdrawal

When making a withdrawal request, the Executive Director and two Executive Committee members must first approve the request. After receiving approval, the Executive Director will contact the foundation's investment manager and request the transfer.

400.15 – INVESTMENT SERVICES BIDDING

The Foundation is required to issue a solicitation once every three (3) to five (5) years to procure investment banking services;

- The procurement for investment banking services must be made via a **competitive solicitation** process; and
 - All investment strategies and bids will be submitted for approval by the Finance Committee and Executive Director.
 - Three or more bids will be solicited. Only one bidder will be selected.
 - After review from the Executive Director and Finance Committee, a recommendation will be made and voted on by the Liberty Hospital Foundation Board of Trustees.

FOUNDATION PROGRAMS

500

500.01 – HUGHES FAMILY ASSISTANCE FUND

The Hughes Family Assistance Fund exists to offer financial support to Liberty Hospital employees who are experiencing times of crisis, including: loss of home, a devastating illness or injury, or loss of an immediate family member.

Hospital employees may request assistance by completing a brief application to receive Hughes Family Assistance Funds. This application is currently housed on the Foundation’s website.

The dollar amount for assistance will be based upon the available funding for the year. A flat dollar amount is typically set at the beginning of the year, most often between \$500.00 and \$750.00 per individual. This may be increased or decreased at the discretion of the Executive Director. Any assistance over \$1,000.00 will require the approval of the Executive Director and two (2) members of the Executive Committee.

- Applications must be submitted by the employee requesting assistance. Applications submitted on behalf of employees will be denied.
- Applicants are eligible for assistance once in a twelve-month period.
- Applicant must meet the guidelines for a “defined crisis”. A “defined crisis” includes, but is not limited to:
 - Loss of home or disruption of the use of home due to fire or natural disaster, defined as: a tornado, flood, or earthquake.
 - Death of a spouse/partner, resulting in loss of income.
 - Assistance with funeral support for an immediate family member where no insurance or other coverage is available.
 - Devastating illness, injury, or accident of employee or an immediate family member living in the home (spouse/partner, child, or dependent living in the home) which results in the loss of income to the household.

500.02 – PROFESSIONAL EDUCATION PROGRAMS

The Professional Education Program supports the advancement of nursing excellence at Liberty Hospital and in our community by offering a range of scholarships to employees and community

members. This program helps Liberty Hospital continue to recruit and retain the best nursing staff in the Northland.

The structure and amount of the scholarships may change depending upon the funding available and guidance from key stakeholders. The current structure of our scholarship programs is:

High School Nursing Scholarships

The Foundation annually awards one-time scholarships to high school seniors in the Northland who wish to pursue a career in nursing. To be eligible for consideration, the applicant:

- a. be high school senior in the Kansas City Northland that wishes to pursue a Bachelor's Degree in Nursing,
- b. Have maintained an overall GPA of 3.0 or higher,
- c. Have been accepted to and expected to attend a four-year College or University, and be preadmitted to the school's Nursing Program (if applicable)
- d. complete and submit a timely formal application and be available to interview with the Selection Committee.

In 2024 the Foundation awarded five (5) \$3,000.00 scholarships.

The application is to be hosted on the Foundation's website and typically the application process starts in January and ends in April. A scholarship committee, made up of volunteers, selects the finalists from the applicant pool. The final awardees are selected after in-person interviews are completed.

Thomann Financial Services Inc., Scholarship

This scholarship program was established by Kari Jo Thomann Bear in memory of her father, past Foundation president John Thomann. This scholarship supports current hospital employees who are attaining advanced degrees such as an MSN or MBA.

A maximum of four (4) recipients will be awarded up to \$1,000.00 per fiscal year. Recipients are eligible to receive the scholarship up to three (3) times. This scholarship can only be used for out-of-pocket costs of tuition and academic fees.

The application is to be hosted on the Foundation's website and receives administrative help by the Education Department of the hospital.

500.03 – PATIENT ASSISTANCE

The Patient Assistance Program's mission is to enhance the overall health of Liberty Hospital patients and reduce unnecessary, expensive hospital re-admissions. This program is administered by the Care Management Department of Liberty Hospital.

This program helps patients who are unable to be discharged due to financial reasons. This program assists patients with medical transportation, medication assistance, Durable Medical Equipment (oxygen tanks, walkers, etc.), Breast Center imaging, and other like items.

The budget for the Patient Assistance program is set during the regular budgetary process. Once this amount is set it is then communicated to the Care Management Department of the hospital. The Care Management team works with the foundation to coordinate the paying of invoices and expenses for this program, not to exceed the total budgeted amount.

500.04 – KYLEIGH’S GIFT PROGRAM

Kyleigh’s Gift has touched thousands of lives through initiatives focused on infant wellness and parental support, including:

- Sleep Sacks provided for every baby born at the Birthing Center since 2013, promoting safe sleep and reducing SIDS
- Period of Purple Crying education for new parents to reduce stress and rates of abuse
- Vouchers for families of infants in NICU to eat meals at the Hospital Cafeteria
- Annual Diaper Drive to help local babies in need
- Supplies Pack and Plays and car seats for families unable to afford cribs or the equipment for infants with special needs
- Miscarriage care packages provided in the Emergency Department and Surgery Center for women facing pregnancy loss
- Memory boxes with a hand-painted ceramic angel, specialized books for family members, and other mementos and resources for families facing infant loss
- A Caring Cradle device to allow families to spend more time in the Hospital with their infant after a loss

The biggest element of this program is the Sleep Sacks component. Foundation staff works with the Birthing Center to monitor inventory of Sleep Sacks and usually places one large order of embroidered Sleep Sacks with the Halo company.

Foundation staff works with Birthing Center social workers to coordinate distributing diaper packs and other items, such as Pack and Plays.

This program is not to be confused with the Kyleigh’s Gift Fundraising event, which is typically a family fun event that has a walk/run component to it.

500.05 – TREEHOUSE HOSPITALITY HOUSE

The Foundation operates the Liberty Hospital TreeHouse, a hospitality house on the hospital’s campus. The building is technically owned by the hospital, however there is a long-term lease in place from the hospital to the Foundation that goes through March 2042.

The Foundation pays for the full operational cost of the TreeHouse, including TreeHouse staff, supplies, utilities, and maintenance of the facility. These expenses are sent via a monthly invoice from the hospital to the Foundation.

The TreeHouse has two main components:

- 1) **Hospitality House** - The hospitality house for patients and their intermediate family members to stay at during times of need.

- 2) **Public Rooms** - The public facing O'Dell Community Room and the Mathes Appearance Center room.

Hospitality House

The hospital has ownership of the building so the Foundation will work with the hospital to create synergy regarding the TreeHouse building. However, the Foundation is responsible for setting the rules and operational procedures of the TreeHouse. These may change or be altered from time to time as the Foundation deems appropriate.

The current rules of the hospitality house are:

- Smoking and tobacco products are prohibited on the entire Liberty Hospital campus, including the TreeHouse.
- Guests will obey all federal and state laws while on the premise. Illegal drugs, other controlled substances and weapons are prohibited in or around the TreeHouse.
- Guests are to be courteous and polite to other guests, staff, and visitors.
- Noise levels should be kept to a minimum, especially during quiet hours. Quiet hours start at 10:30 PM and end at 7:00 AM.
- Guests need to clean common areas after use.
- Supervision of children is the responsibility of the guest. Babysitting services are not provided. Children 15 years of age and under must be supervised at all times.
- Guests should notify staff of any change in room occupancy before bringing anyone into the house whose name does not appear on the registration card.
- Fare exits are to be used only in an emergency, as doors lock when exiting. Guests are to read and be familiar with house policies regarding smoke, fire, severe weather, and power outages, which are located in the guest room directory in each room.
- Lost keys should be immediately reported to the staff or volunteer. Guests will be required to make a deposit for a new key.
- House telephones and the front door are to be answered only by staff or volunteers.
- Eating and drinking is restricted to the kitchen and dining areas of the house (with the exception of water.)
- Guests will share a room with all family and friends associated with the patient. If a guest needs to return home for a night, please check out as a guest. Assuming guests abide by all rules, guests may stay in the house as long as their family member is a patient at Liberty Hospital.
- Shorts, robes, and shoes or slippers must be worn in all common areas of the house.
- Guests must be independent and be able to care for their own personal needs including transportation.
- Please use the "in and out" sheet in the office area when leaving or returning to the TreeHouse.
- For the protection of our volunteers and other guests, please inform us if you are experiencing any illness.
- Guests are responsible for their visitors. Visitors are to obey all house rules. No more than four visitors per room at one time. Visitors are prohibited after 10:00 PM
- Except for service animals, pets are not permitted.

- Service Animal Guidelines
 - Visitors/Patients with service animals will be given normal public access to all areas of the TreeHouse.
 - Animals must be accompanied by a handler at all times and must be kept on a leash. Supervision by the designated handler should include any necessary care and cleanup.
 - Animals must be clean, well groomed and free of signs and symptoms of infection or parasite infestation during your stay.
 - Questions or concerns regarding service animal guidelines should be referred to the resident or on duty staff.

Public Rooms

O'Dell Community Room

The Community Room is a meeting space designed for active community groups in the Liberty Hospital Community. The Foundation is solely responsible for determining who has access to reserve the Community Room. There are guidelines in place below to determine who can schedule this room, exceptions can be made at the discretion of the Foundation.

Rules of **reserving** the Community Room:

- The room is free to use, there will never be an amount charged for this space.
 - Groups may donate supplies to the TreeHouse or monies to the Foundation at their choice.
- The room is to be used by community groups.
 - A community group is a group of people who work together for a common purpose, often to benefit the public. The group should be affiliated or registered with an official organization that is registered with the Secretary of State to conduct operations in Missouri.
- The room should not be utilized by the public for personal use.
- Foundation Board members may utilize the room for their purposes within reason, so long as it does not create a scheduling conflict with an existing meeting.
- Hospital staff may reserve the room for use by their department if it relates to hospital business. This includes staff meetings, trainings, social events, appreciation events, and recognition events.
- If the meeting group is public and not directly affiliated with the Foundation or hospital, someone from the Foundation (staff, board member, volunteer) or the hospital should be onsite during the start of the meeting to ensure proper access has been granted.

Rules for **using** the Community Room:

- Groups will have access to all the amenities that come with the Community Room, including access to A/V equipment, kitchen, and restrooms attached to the room.
- Groups will leave the Community Room in better shape than they found it.

- Groups may move the rolling tables and chairs to fit their needs. At the end of the meeting, these should be returned to where they were prior to the meeting.
- Do not leave any perishable items in the refrigerator.