

REDBUD HEALTH CARE DISTRICT PROCEDURE

Title: Preparation of Request for Assistance (RFA)

1.0 Purpose

To define the requirements and procedure for requesting financial assistance from the Redbud Health Care District utilizing a “Request for Assistance (RFA)”.

This procedure utilizes the information discussed in Appendix A, Policy and Procedure Guidelines for Grants. Appendix A is considered a part of this procedure.

2.0 Background

Each year the Redbud Health Care District receives funds from Lake County based on the property taxes collected. These funds are available directly or indirectly to help support health care needs in the District. Thus, a procedure has been established to assist qualified organizations in preparation of a “Request for Assistance (RFA)”.

Any funds provided by the District are discretionary. All funds shall be one-time only unless modified by the Board, and shall not create priority consideration for organizations as to any future funds. Decisions shall be subject to availability of District funds.

3.0 Requirements

3.1 Non-profit organizations and public agencies involved directly or indirectly in providing health care services to citizens of the Redbud Health Care District are eligible to request financial assistance from the District Board of Directors.

3.2 Non-profit organizations are defined as those organizations which have documentation establishing and verifying non-profit status per the State of California requirement.

3.3 The Board of Directors of the Redbud Health Care District are the final authority in establishing the eligibility of organizations applying for financial assistance. In addition, the Board of Directors are the final authority in determining the amount of funding to be provided to any organization that they

approve for financial assistance. Thus, the amount of financial assistance may be more or less than that requested.

4.0 Procedure

- 4.1** Organizations applying for financial assistance must prepare a “Request for Assistance (RFA)” per the “Instructions for Preparation of an RFA” as shown in Figures 1 and 2, and the Grantee Questionnaire Figure 6.
- 4.2** Upon receipt of a “Request for Assistance (RFA)”, a number will be assigned to the RFA. The assigned number will then be entered on a “RHCD-RFA/Funding History for FY _____” form along with other information from the RFA as shown in Figure 3. The number assigned to the RFA will be RFA, plus the last two digits of the year, plus a four digit number. For instance, the first RFA received in 2013 will be numbered RFA – 13 – 0001, the second will be numbered RFA – 13 – 0002, etc.
- 4.3** RFA’s will be reviewed by the Board of Directors for qualification, completeness and thoroughness of the RFA requirements. If additional information is required, the organization requesting the financial assistance will be contacted.
- 4.4** After review the Board of Directors will either approve, disapprove or file the RFA for future consideration at a regular or special meeting.
- 4.5** The organization requesting the financial assistance will be notified of the Board of Directors’ decision in writing. If the RFA is approved, the notification letter will state the RFA identification number, amount authorized and the funding period.
- 4.6** For all approved RFA’s, a Grant Agreement, Figure 4, shall be executed between the District and the requesting organization before funding will be provided.

5.0 Reports

- 5.1** An organization receiving financial assistance from the Redbud Health Care District must submit to the Board of Directors in writing one or more reports summarizing the use of the funds.
- 5.2** Figure 5 lists the information that each report shall normally contain. However, the Board of Directors retains the right to request more or less information.

- 5.3** As a minimum, a year end report and a final report (if different than the year end report) shall be submitted to the Board of Directors.
- 5.4** The Board of Directors may also require interim reports during the year depending upon the amount of funds approved and /or complexity of the intended use.
- 5.5** The number and due dates of the reports, as determined by the Board of Directors, will be included in the Grant Agreement.

Approved by _____
President, Board of Directors

Date _____

**REDBUD HEALTH CARE DISTRICT
REQUEST FOR ASSISTANCE (RFA)
(Please Type or Print All Information)**

1. Subject of Request _____

(Starting Date For New Programs) _____

2. Requesting Organization _____

3. Street Address _____

City _____ Zip _____

Telephone _____

Web Site _____ E-Mail _____

4. Individual Accountable For Funds:

Name _____

Title _____

5. Amount Requested (\$) _____ Grant Period _____

6. Background And Basic Information Regarding Organization

(Use additional pages, as necessary, to fully describe information required)

7. Justification

(Use additional pages, as necessary, to fully describe information required)

a. Intended Use Of Funds In Detail

b. How Intended Use Of Funds Will Further Delivery Of Health Care Services
Within Redbud Health Care District

7.3 Detailed Basis For Funds Requested

**REDBUD HEALTH CARE DISTRICT
INSTRUCTIONS FOR PREPARATION OF AN RFA**

General

Non-profit health care organizations and public agencies involved directly or indirectly in providing health care services to citizens of the Redbud Health Care District are eligible to request financial assistance from the Board of Directors of the Redbud Health Care District.

Organizations applying for financial assistance must complete the attached "Request for Assistance (RFA)" and submit it to the Board of Directors of the Redbud Health Care District for action.

The Board of Directors of the Redbud Health Care District are the final authority in establishing the eligibility of organizations applying for financial assistance. In addition, the Board of Directors are the final authority in determining the amount of funding to be provided to any organizations that they approve for financial assistance. Thus, the amount of financial assistance may be more or less than that requested.

Any funds provided by the District are discretionary. All funds approved shall be one-time only, and shall not create priority consideration for organizations as to any future funds. Decisions shall be subject to availability of District funds.

The organization requesting financial assistance will be notified by the Board of Directors in writing as to disposition of the RFA. If the RFA is approved, the notification letter will state the RFA Identification Number, Amount Authorized and the Funding Period.

For all approved RFAs, a Grant Agreement, sample attached, shall be executed between the District and the requesting organization before funding will be provided.

An organization receiving financial assistance from the Redbud Health Care District, must submit to the Board of Directors in writing one or more reports summarizing the use of the funds. Attached is a list of the information that each report shall normally contain. However, the Board of Directors retains the right to request more or less information. As a minimum, a year end report and a final report (if different than the year end report) shall be submitted to the District Board of Directors. The Board of Directors may also require interim reports during the year depending upon the amount of funds approved and/or the complexity of the intended use. The number and due dates of reports, as determined by the Board of Directors, will be included in the Grant Agreement.

If further information is required in completing the RFA, contact the Board of Directors, and/or refer to Redbud Health Care District Procedure RHCD - OP - 0001, Preparation of Request for Assistance (RFA), available from the Board of Directors.

Section 1.

The general subject or title of the request is to be entered in this Section.

Sections 2. and 3.

Information regarding the name of the organization, address and telephone number is to be entered in these Sections.

Section 4.

The name and title of the individual in the organization who will be held accountable for the requested funds must be identified. This will be the person that the Board of Directors will contact regarding all aspects of the RFA.

Section 5.

The amount of financial assistance being requested is to be entered in this Section. Careful consideration should be given to the amount requested since it must be justified in detail as discussed below in Section 7.

Section 6.

A brief description of the organization requesting funds must be provided. This includes a list of the organization's directors and officers and an organization chart showing all affiliates and the internal management structure of the organization. For this purpose, "affiliates" includes (a) a corporation that directly (or indirectly through one or more intermediaries) controls, is controlled by or is under common control with the requesting organization (such as a subsidiary, parent or sister corporation) and (b) any partnership in which the requesting organization or any affiliate of the requesting organization, is a general partner.

In addition, a list of all affiliations with for-profit entities, if any, must be identified. For this purpose, "affiliation" means an association or working relationship between the requesting organization and a for-profit entity for the provision of services by, for or on behalf of the requesting organization. An affiliation shall not include donations and other voluntary contributions (monetary or in-kind) to the requesting organization, or the provision of routine support services, such as utilities, purchase of routine supplies, banking or financial services by commercial banks or lenders, accounting or legal services, or commercial leases of space or equipment.

Also to be included, is documentation that establishes and verifies the non-profit status of the requesting organization.

Section 7.

This Section must be completed in sufficient detail to allow the Board of Directors to determine the qualification and needs of the organization as compared to other requestors.

Note: Sections 6. and 7. may be replaced by a "Proposal" submitted by an organization, provided the "Proposal" includes the information requested in these Sections. In this case, Sections 1. through 5. of the RFA must be completed and the "Proposal" attached as Sections 6. and 7.

Section 7.1.

The Board of Directors must understand the specific needs of the organization requesting financial assistance, and, that the request is health care related. Therefore, the intended use of the funds must be described in detail and fully justified in this Section. Where information is lacking, the Board of Directors may request additional information to properly evaluate the RFA.

In this Section, the requesting organization shall provide a description of the program proposed, including the proposed funding period, and the goals and objectives during the funding period.

Section 7.2.

It is important that the intended use of the requested funds helps to further and improve the delivery of health care services within the Redbud Health Care District. Thus, the organization requesting financial assistance must indicate how this will be the case if funds are provided for the requested assistance, i.e., how will members of the Redbud Health Care District benefit from the expenditure of funds.

Section 7.3.

The amount of funds requested in Section 5. must be justified in detail. Thus, it will be necessary to define the basis for all funds requested. The basis can be such things as cost estimates, previous cost experience, the budget of operational and capital costs for the program for the year preceding (if applicable) and during the funding period or any other means of justifying the expenditures expected for the intended use. Also, the specific use of the funds (capital or operational) and the requested timetable for payment and use of the funds shall be included.

In the event the requesting organization anticipates any changes or events in the program during the funding period, these should be noted, e.g., potential funds from other sources that would negate the need for District funds, etc.

Completed RFA

Send the completed RFA to:

Board of Directors
Redbud Health Care District
P.O. Box 4667
Clearlake, CA 94522

Telephone: 707-995-1716
Fax: 707-995-1754

GRANT AGREEMENT

for

RFA xx-xxxx

This GRANT AGREEMENT ("Agreement") is entered into as of _____, 19 ____
by and between REDBUD HEALTH CARE DISTRICT, a California local health care
district ("District") and _____ ("Grantee").

RECITALS

A The District is organized under the Local Health Care District Law (Health and Safety Code 32000, et seq.) and, as one of its purposes, operates to promote the provision of health care in the community for the benefit of the District residents.

B. The Local Health Care District Law authorizes health care districts to support community health care programs, including providing assistance or making grants to nonprofit provider groups and clinics in the community, when such support or grants are directly or indirectly necessary for the provision of adequate health services in the district.

C. The Grantee is **[describe the nonprofit Grantee, including type of legal entity (corporation/partnership, etc., and brief description of Grantee's program (the Program))]**.

D. The Grantee has submitted a Request for Assistance to the District (the "Request for Assistance") requesting funding for the Program (RF A - No.).

E. The District Board has determined that the provision of grant funds for the Program is necessary for the continuation of adequate health care *services* in the District, and has approved a _____ (\$ _____) grant to the Grantee for the Program (the "Grant" and "Grant Funds").

NOW, THEREFORE, the parties agree as follows:

1. **The Grant:** The basic terms of the Grant are as follows:
 - A. Grantee
 - B. Amount
 - C. Date Authorized
 - D. Grant Period: Fiscal Year _____. Unexpended funds may be used for continuation of the Program in fiscal year _____
 - E. Payment Schedule
 - F. Grant Purpose:

2. **Use of Grant Funds.**

A. Grant Funds shall be used during the Grant Period for the operational costs of providing the **[name of program]**, as described in the Request for Assistance (attached hereto as Exhibit A) to the extent approved by the District and in accordance with the amount of the Grant.

B. No Grant Funds shall be used in any way (i) for any other program or purpose by the Grantee or any capital improvements or other capital expenditures for the Program or the Grantee; (ii) to influence legislative or administrative decisions of any governmental body or for any political campaign; or (iii) in violation of any law or regulation applicable to the Program or the Grantee.

3. **Basic Grant Conditions.** At all times during the Grant Period, the Grantee shall:

A. Maintain the Program in the manner described in the Request for Assistance and as agreed herein.

B. Maintain its nonprofit, tax-exempt status.

C. Maintain all required licenses, permits and approvals required for the Program.

D. On request of the District, provide copies of its basic corporate operating documents (such as annual independent audit, IRS Form 990 and any applicable licenses) for the fiscal years during the Grant Period.

E. Comply with all laws, regulations and other governmental orders applicable to the Grantee and the Program with respect to discrimination in employment practices and the provision of services by the Grantee.

4. **Special Grant Conditions.** Grantee shall submit written reports to the District on the use of the Grant Funds and the Program.

A.. The reports shall include the following:

1. The use of the Grant Funds, with documentation: of the expenditure of Grant Funds for the Program.

2. Pertinent data regarding the Program, including:

(i) progress in achieving the objectives of the Program as set forth on page _____ of the Request for Assistance; and

(ii) attainment of the goals set forth in the timetable for the use of the Grant Funds, as set forth on page _____ of the Request for Assistance.

3. The status of the Program, including:

- (i) the financial performance of the Program; and
- (ii) the availability of public and private funding or other assistance for the long-term viability of the Program; and
- (iii) the intended use of remaining funds, if any.

4. A certification from the Executive Director of the Grantee certifying the compliance of the Grantee during the reporting period with the Basic Grant Conditions set forth in Section 3 (Basic Grant Conditions) and with the terms of the Agreement.

- B. Grantee shall provide interim reports on the items set forth in Section 4 above.

[insert due dates, if required]

- C. In addition, Grantee shall make an annual report to the District not later than **[insert date]** and a final report (if different than the annual report) on the items set forth in Section 4.A above.

5. **Limit of Commitment.** Unless otherwise approved by the District Board, this Grant shall be a one-time grant by the District, and is non-renewable. Nothing in this Agreement shall preclude Grantee from making application to the District for any future grant funds that may be available from the District, provided, however, that the Grantee will not be given priority or entitled to special consideration by the District due to this Grant.

6. **Independent Status.** This Agreement is made by the District and the Grantee solely as a funding arrangement, and is not intended, or shall it be construed, to create a relationship of agent, servant, employee, partnership, joint venture or association as between the parties. This District shall not exercise control in any manner over the provision of services or care by the Grantee and shall not be considered a provider of services through this Agreement. Grantee shall bear full responsibility for the quality and delivery of its services and the performance of its personnel. All personnel performing services for the Grantee, whether or not compensated in whole or in part with any portion of the Grant Funds, shall be for all purposes employees and contractors solely of Grantee and not of the District.

7. **Insurance and Indemnification**

- A. **Insurance.** During the Grant Period, Grantee shall maintain at its expense programs of insurance covering its operations. Upon request by the District, Grantee shall provide the District evidence of such insurance coverage.

B. **Indemnification.** Grantee shall indemnify, defend and hold harmless the District, its Board members, agents and officers from and against any liability, claims or expense (including attorneys' fees) of any nature whatsoever arising from or connected with Grantee's operations or its services, including any claims, liability or other expense arising out of the acts or omissions of Grantee in connection with its employees, contractors or other personnel.

8. **Miscellaneous.**

A. **Termination of Grant.** The District shall have the right to terminate the Grant, as follows:

1. Upon thirty (30) days prior written notice for material breach of the terms of this Agreement as specifically described by the District in the written notice to Grantee, unless the material breach is cured within twenty (20) days of the notice.

2. Immediately, at the discretion of the District, upon the occurrence of any of the following:

- a. Failure of Grantee to maintain compliance with any of the basic Grant conditions described in Section 3 **Basic Grant Conditions.**
- b. Upon any filing of bankruptcy by the Grantee or any appointment of a receiver of the Grantee.
- c. Upon any change of ownership of the Grantee that has not been approved by the District, provided that such approval shall not be unreasonably withheld so long as the surviving entity agrees to continue the Program and meet the obligations of the Grantee as set forth in this Agreement. A "change of ownership" shall be defined as any merger by the Grantee with any other corporation or other entity, any acquisition of all or substantially all of the assets or operations of the Grantee or any conversion or other change in the corporate status of the Grantee.

3. Upon receipt of information that a Grantee, or any director, officer or management level employee of the Grantee, is (i) indicted or is otherwise the target of any governmental criminal investigation or enforcement action (whether or not related to the Grant or the Program); (ii) the subject of any governmental civil investigation or enforcement action, or of any published or other public report alleging or finding any impropriety related to the operations of the Grantee (whether or not related to the Grant or the Program), the District may terminate the Grant on thirty (30) days prior written notice, provided that the Grantee shall be first afforded an opportunity to respond to the allegations or findings at a public meeting of the District Board to review the allegations or findings.

B. **Revision of Grant Funds.** Grant funds that are not expended during the Grant Period shall revert to the District, and shall be paid within thirty (30) days after the expiration or earlier termination of the Grant Period. In the event the District terminates the Grant under Section 8.A.I on the grounds that Grantee has expended Grant Funds in violation of Section 2 (Use of Grant Funds), Grantee shall immediately refund to the District an amount equal to that portion of the Grant Funds that were expended in violation of Section 2 (Use of Grant Funds).

C. **Grant Announcements and Publicity.** Any written announcement or other publicity related to the Grant prepared by Grantee shall be first submitted to the President of the District Board for review and approval, and if prepared by the District, shall be first submitted to the Executive Director of the Grantee for review and approval. Any announcements and publicity shall not state or imply in any way that the District has endorsed the Grantee, the Program or any other programs of the Grantee.

D. **Books and Records.** Grantee shall maintain books and records of the Grant Funds and its uses of the Grant Funds, and shall make such books and records available for inspection and reproduction during the normal business hours of Grantee. The District shall have the right to conduct an audit of Grantee's books (at District expense) for the sole purpose of and limited to the verification of the expenditure of Grant Funds and Grantee's performance under this Agreement, provided, however, that any audit by the District shall not be conducted prior to a review of the annual independent audit of Grantee submitted to the District under Section 3 (Basic Grant Condition).

E. **Audit Exceptions:** If the grantee is found by the Redbud Health Care District to have expended funds provided under this Agreement for any purpose or purposes other than those specifically provided herein, or if grantee otherwise fails to comply with the terms and conditions of this Agreement, grantee will reimburse Redbud Health Care District in an amount equal to such expenditures.

F. **Nondiscrimination in Employment:** In the performance of the work authorized under this Agreement, grantee shall not discriminate against any worker because of race, creed, color, sex, national origin, ancestry, physical or mental disability, medical condition, marital status, or age (over 40).

G. **Attorney's Fees and Costs:** If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

H. **Entire Agreement** This Agreement shall contain the entire understanding of the parties with respect to the Grant, and supersedes all prior agreements as between the parties with respect to the subject matter hereof. No alteration or modification of this Agreement shall be valid unless in writing and signed by the parties hereto. The failure of the District to exercise its rights in connection with any breach or violation of any covenant, condition or term of this Agreement shall not be deemed to be a waiver of such covenant, condition or term, any subsequent breach thereof or of any other covenant, condition or term of the Agreement.

I. **Severability.** If any provision of this Agreement shall be declared invalid or illegal for any reason whatsoever, the remaining terms and provisions of this Agreement shall remain in full force and effect in the same manner as if the invalid or illegal provision had not been contained herein.

J. **Assignment.** Grantee may not assign this Agreement without the express consent of the District.

K. **Survival.** This Agreement shall be binding upon and shall inure to the benefit of the parties and their respective successors and assigns. All covenants contained herein shall survive the expiration or termination of this Agreement.

L. **Notices.** Any notice given under this Agreement shall be by personal delivery or by certified mail, postage prepaid, addressed to the other party at the following addresses:

If to District: Redbud Health Care District
Attention: President, Board of Directors
15322 Lakeshore Drive
P.O. Box 4667
Clearlake, California 95422

If to Grantee _____

Notice shall be deemed delivered as of date of mailing or personal delivery, whichever is earlier.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

REDBUD HEALTH CARE DISTRICT

By _____ By _____

_____ President, Board of Directors _____ Secretary, Board of Directors

Date _____ Date _____

(GRANTEE)

By _____ Date _____

_____ (Title)

Figure 5

**REPORT TO
REDBUD HEALTH CARE DISTRICT
FOR
RFA - XX - XXXX**

(The following is a list of typical information to be provided in reports to the Board of Directors. Actual information requested will be determined at the time the Grant Agreement is prepared).

SUBJECT:

DATE SUBMITTED:

PREPARED BY (Name and Title):

TELEPHONE NUMBER:

TOTAL AMOUNT OF FUNDS RECEIVED (\$):

TOTAL AMOUNT OF FUNDS EXPENDED (\$):

USE OF EXPENDED FUNDS:

STATUS OF PROGRAM, INCLUDING SERVICES PROVIDED:

FINANCIAL PERFORMANCE OF PROGRAM:

PROGRESS IN MEETING PROGRAM GOALS AND OBJECTIVES:

**POTENTIAL AVAILABILITY OF OTHER FUNDS OR OTHER ASSISTANCE FOR THE
LONG-TERM CONTINUATION OF THE PROGRAM:**

INTENDED USE OF UNEXPENDED FUNDS:

Figure 6

GRANTEE QUESTIONNAIRE

Person who completed this form: _____ **Date completed** _____

- How many employees were there at 6/30/2013 and 6/30/2014? How often are employees paid?
- Identify and describe (a) the organization’s major programs/activities (including markets and competition, supply availability, seasonality, changing technology, etc.) and (b) how the major programs/activities and the organization are affected by general economic, political, or social conditions.

Program/Activity

Description and How Affected

[]
[]

[]
[]

- What are the organizations major sources of revenues and receipts? (Describe major fundraising events, grants, etc.).
- If the organization is reliant on a specific vendor for generation of revenue please provide. List the major vendors/suppliers and the approximate total purchases made from each for any vendor where more than 5% of the total services & supply budget is concentrated in the one vendor.
- Provide any changes in the organization’s spending for the current year such as specific capital expenditures, etc, along with related funding sources, if any:
- What are the organization’s major sources of financing (such as short-term borrowing, lines of credit, long-term debt, or leasing)?

- Describe the budgeting process (who prepares, who approves, when finalized and/or updated):
- What performance measures, both financial and nonfinancial, are most important in managing and measuring the Organization's results (for example, service call, budget to actual, monthly trend, etc.). Specifically what reports do the Board and other members of management look at regularly?
- List the members of the governing body of the agency, their titles and how often they meet (attach an electronic document with this information if preferred).
- List Executive Management and their titles.
- Has there been any turnover in management or employees in the last year? If so, please provide an explanation.
- Are there any related parties? Please list transactions that occurred between any related parties during the year.

Name	Relationship	Type of Transaction
-------------	---------------------	----------------------------

- Provide a list of all locations with the number of employees and what the location is used for (office, training, etc.).

Location	# of Employees/Activity
-----------------	--------------------------------

- List any affiliated organizations (Name and affiliation):

- List any external factors such as regulatory, economic, political, etc. that affected the entity's business during fiscal year 2014.

- Describe any significant changes that occurred during the year, if any (changes in rates, changing services provided, marketing changes, etc.).

- Have you prepared your financial statements in conformity with generally accepted accounting principles consistently applied?

- Are there any events that occurred after the end of the year that may have an impact on the financial statements (lawsuits, new debt, lease or revenue agreements, major purchases, etc.)?

- Have there been any communications from regulatory or taxing agencies?

- Are there any unrecorded contingencies or commitments at year end including the following:
 - Gain or loss contingencies resulting from lawsuits, guarantees, warranties, notes sold with recourse, etc.
 - Existence of any guarantees, whether written or oral, under which the company is liable.
 - Any Violations, or possible violations, of laws or regulations.
 - Have there been any lawsuits or legal activity in the last year?

We hereby certify that the _____
 (Governing Body) of the _____
 On behalf of _____

Have read and approved the attached Grantee Questionnaire.

We hereby certify under the Penalty of Perjury that the foregoing is true and correct.

Signature

Date

Signature

Date

Title

Title

APPENDIX A

Policy and Procedure Guidelines for Grants

I. Policy:

The purpose of Redbud Health Care District includes the promotion of actions to provide health care services in the community. The Redbud Health Care District shall from time to time make grants to health care programs that promote the purpose of the District to enhance the provision of adequate health services to residents of the District.

Any grants made by the District are discretionary. All grant approvals shall be one-time only, and shall not create priority consideration for grantees as to any future grant funds. Decisions shall be subject to availability of District funds.

II. Procedure:

A. Scope of Grants

Grant proposals will be considered by the District based on the following:

1. The grantee shall be a nonprofit health care organization or public agency providing health care services.
2. The grantee shall be within and serving residents of the District or providing a program that will serve the residents of the District.
3. Grant funds will be used to assist grantees for the following purposes: (i) to enhance or supplement existing programs of the grantee; or (ii) to add “start-up funds” for new programs that are capable of continuing operation with stable funding from other sources.
4. Grants will be considered for any program which directly or indirectly enhances the health care of residents of the District.
5. The amount of the grant will be based on the funds available to the District for such purposes at the time of the grant approval.
6. Each grant proposal approved will have a designated grant period within which the grantee may use the grant funds for an approved grant proposal and submit to the District the reports specified in Paragraph II.E.
7. Failure by a grantee to spend grant funds within the approved grant period shall result in the reversion to the District of all unspent grant funds. In addition, the District shall

have the right to recoup any grant funds that are expended by a grantee in violation of the conditions of the Grant Agreement between the District and the grantee (the “Grant Agreement”).

8. The District shall not utilize grant funds to conduct or support any service of a hospital or health care provider that competes with services of St. Helena Hospital Clear Lake (SHCL) or its affiliates within the District by providing services, including the provision of hospital services, home health services or any other services, that are substantially similar to services provided by SHCL or their affiliates within the District.

B. Criteria For Grants

The criteria for making decisions on grants shall be the following:

1. Whether the grant will be used to, directly or indirectly, provide health care services to the residents of the District.
2. Whether the grantee and/or the grant program is integrated with the public and private provider network within the community.
3. Whether the grant will be used to supplement or provide operating support for the provision of health care services, as opposed to use for capital costs.
4. Whether the grantee has other sources of funding (grant and operational) available for the grant program.
5. Whether the grantee has or can develop stable sources of future funding in order to sustain the grant program in future years without further grants from the District.
6. Whether the grant will be used to conduct or support a service of a Hospital or health care provider that competes with services of SHCL or its affiliates within the District.

C. Requirements for Grantees

All grantees shall submit a written Request for Assistance (“RFA”) to the District. The RFA shall be reviewed by the District to determine whether it provides the information listed in Paragraph II.C., and the grantee shall be notified if additional information is required. The RFA shall include:

1. Background and basic information as to the grantee, including:
 - a. A brief description of the grantee’s organization including a list of the grantee’s directors and officers and an organization chart of the grantee showing all affiliates and the internal management structure of the grantee.

- b. A list of all affiliates of the grantee. For purposes of this Policy and Procedure, “affiliate” includes (i) a corporation that directly (or indirectly through one or more intermediaries) controls, is controlled by or is under common control with the grantee (such as a subsidiary, parent or sister corporation) and (ii) any partnership in which the grantee, or any affiliate of the grantee, is a partner.
 - c. A list of all affiliations with for-profit entities, if any. “Affiliation” means an association or working relationship between the grantee and for-profit entity for the provision of services by, for or on behalf of the grantee. An affiliation shall not include donations and other voluntary contributions (monetary or in-kind) to the grantee, or the provision of routine support services, such as utilities, purchase of routine supplies, banking or financial services by commercial banks or lenders, accounting or legal services, or commercial leases of space or equipment.
2. A brief description of the programs of the grantee.
 3. A description of the program proposed by the grantee for District Assistance, including the proposed grant period.
 4. The goals and objectives of the grant program during the grant period.
 5. The budget of operational and capital costs for the program for the year preceding (if applicable) and during the grant period.
 6. The amount of grant funds requested.
 7. The specific uses of grant funds (capital and operational).
 8. The timetable for the payment and use of grant funds and any anticipated changes or events in the grant program during the grant period.
 9. A copy of the grantee’s most recent independent audit (including management letters) and IRS Form 990 (or equivalent documents).

D. Grant Conditions

1. Basic Grant Conditions. All grantees shall agree to the following basic conditions for receiving a District grant:
 - a. Maintain nonprofit or public agency status (as applicable) during the grant period.
 - b. Maintain tax-exempt status, (if applicable).

- c. Maintain all required governmental licenses, permits and approvals for the grant program.
 - d. Maintain the grant program in the manner described by the grantee and approved by the District Board.
 - e. Submit basic corporate and operating documents (such as articles of incorporation and bylaws, IRS form 990, independent audit, licenses, etc.) upon request of the District for the purpose of verifying the continuing eligibility and qualifications of the grantee for the grant.
 - f. Maintain and adhere to policies prohibiting the grantee, in the provision of its services to the public and in its employment practices, from discriminating on such grounds as are set forth, and are applicable to the grantee, in the Unruh Civil Rights Act, the California Fair Employment and Housing Act and in other governmental laws and regulations applicable to the grantee.
 - g. Submit reports to the District as specified in Paragraph II.E.
2. Special Grant Conditions. Based on the type of grantee, the nature of the grant program or other factors pertinent to a grant proposal, the District may impose special conditions for a grant.
 3. Termination. Grants shall be subject to early termination by the District, as follows:
 - a. At any time, in the event the grantee, or any director, officer or management-level employee of the grantee, is indicted or is otherwise the subject of any governmental criminal investigation or enforcement action related to the operations of the grantee (whether or not related to the grant or the grant program).
 - b. Upon receipt of information that a grantee, or any director, officer or management-level employee of the grantee, is the subject of any governmental civil investigation or enforcement action, or of any published or other public report alleging or finding any impropriety related to the operations of the grantee (whether or not related to the grant or the grant program), the District may terminate the grant on thirty (30) days' notice, subject to first requesting the grantee to respond to the allegations or findings, such as requesting written information from the grantee or holding a public meeting to review the allegations or findings.
 - c. Upon any filing of bankruptcy by the grantee or any appointment of a receiver of the grantee.
 - d. Upon any change in ownership of the grantee.

E. Reporting Obligations.

The grantee shall submit reports to the District containing information pertaining to the grant and the grant program. As a minimum, an annual report and a final report (if different than an annual report) will be required. In addition, depending upon the grant funding level and/or complexity of the grant, the Board may require interim reports. The information contained in the reports shall include, without limitation:

1. The use of the grant funds.
2. The status of the grant program, including services provided.
3. The financial performance of the grant program.
4. The progress of the grantee in meeting grant programs goals and objectives.
5. A certification signed by the chief executive officer or other executive officer of the grantee certifying compliance during the reporting period by the grantee with the terms of the Grant Agreement between the grantee and the District.

F. Grant Approvals

1. The review of RFAs will be the responsibility of the District Board.
 - a. RFAs may be considered at any meeting of the Board. The Board's posted agenda will list each specific grant proposal to be considered by the Board.
 - b. The Board's agenda package shall include the RFA (see Paragraph II.C).
 - c. An applicant for a grant may be required to attend the Board meeting to answer questions regarding the grant proposal.
 - d. No grant proposal shall be approved by the District if any District Board Member (or any immediate family member of a District Board Member):
 - (i) has an ownership interest (including debt) in the grantee;
 - (ii) is an officer or director of the grantee;
 - (iii) is a paid consultant to the grantee; or
 - (iv) has any other financial or business relationship with the grantee that would prohibit the District from making a grant under applicable

law. Prior to consideration of any grant proposal by the District Board, each District Board Member shall disclose any financial relationship that the District Board Member (or his/her immediate family members) has with the grantee. This Paragraph II.F. 1.d. shall not prevent the District Board from approving a grant proposal presented by a grantee that has a financial relationship with the District.

2. The decision to approve an RFA will be made by the District Board of Directors.
3. Upon Preparation of the Grant Agreement, the President and Secretary shall be authorized to execute the Grant Agreement and grant check.
4. Upon approval a Grant Agreement shall be prepared based on the RFA and Board recommendations.