



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE
MEETING AGENDA
Tuesday, April 23rd, 9:00 a.m.**

**Location: Schantz Conference Room
Sonoma Valley Hospital
347 Andrieux Street, Sonoma, CA 95476**

AGENDA ITEM	RECOMMENDATION	
MISSION STATEMENT <i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i>		
1. CALL TO ORDER/ANNOUNCEMENTS	Carruth	
2. PUBLIC COMMENT SECTION <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i>	Carruth	
3. CONSENT CALENDAR: A. Meeting Minutes, 12.20.12 B. Meeting Minutes, 03.04.13	Carruth	Inform/Action
4. PROCUREMENT POLICIES	Hohorst	Discuss
5. MEMORANDUM OF UNDERSTANDING AND GIFT ACCEPTANCE POLICY WITH SONOMA VALLEY HOSPITAL FOUNDATION	Carruth	Inform/Action
6. INTEGRATION OF BOARD, ADMINISTRATION AND MEDICAL STAFF COMMUNICATIONS	Hohorst	Discuss
7. BOARD ORIENTATION POLICY	Carruth	Discuss
8. TRANSPARENCY POLICY	Carruth	Discuss
9. CLOSING COMMENTS	Carruth	
10. ADJOURN		

3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE
REGULAR MEETING MINUTES
Thursday, December 20, 2012
Schantz Conference Room**

Committee Members Present	Committee Members Absent	Administrative Staff Present
Kevin Carruth, Chair Peter Hohorst Paula Davis		Kelly Mather, CEO

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
MISSION AND VISION STATEMENTS	<p><i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community.</i></p> <p><i>The vision of the SVHCD is that: SVH will be a nationally recognized, compassionate place of healing and known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.</i></p>		
1. CALL TO ORDER	9:10 a.m.		
2. PUBLIC COMMENT <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i>	There was no public comment.		
3. CONSENT CALENDAR: A. Prior Meeting Minutes 11.26.12		MOTION: by Hohorst; seconded; to approve the Consent Calendar and carried. All in favor; none opposed.	
4. BYLAWS OF SVHCD:	<i>Kevin Carruth, Chair</i>		
	Mr. Carruth discussed the Bylaws of the SVHCD and recommended that the Bylaws be brought to the Board <i>as is</i> at the next Board meeting.		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
A. CHARTER	Mr. Carruth recommended revisions on the Charter.		
B. DELEGATION OF AUTHORITY	Mr. Carruth recommended Delegation of Authority as a Board policy.		
5. GOVERNANCE COMMITTEE BOARD REPORT 2012	<i>Kevin Carruth, Chair</i>		
	Mr. Carruth suggested not developing the Work Plan until a Board assessment has been done.		
6. GOVERNANCE COMMITTEE ANNUAL REVIEW	<i>Kevin Carruth, Chair</i>		
	Mr. Carruth recommended bringing this back at next month's meeting.		
7. 2013 GOVERNANCE COMMITTEE WORK PLAN	<i>Paula Davis</i>		
	Ms. Davis discussed the 2012-2013 Work Plans and the Committee suggested some changes to be made.		
8. CEO CONTRACT SIGNING AUTHORIZATION	<i>Peter Hohorst</i>		
	Mr. Carruth recommended bringing this back at next month's meeting.		
9. CEO EVALUATION PROCEDURE AND SCHEDULE	<i>Peter Hohorst</i>		
	Mr. Carruth recommended attaching the survey tool, amend wording and add to next month's Board agenda as a discussion item.		
10. SETTING ANNUAL CEO OBJECTIVES	<i>Peter Hohorst</i>		
	Mr. Carruth recommended a minor word change on the last sentence under <i>Recommendation</i> .		
11. COMPLIANCE	<i>Paula Davis</i>		
	Ms. Davis gave an update on the 2012-2013 Corporate Compliance auditing and monitoring program. The Compliance Committee recommended to holding an educational session on Compliance facilitated by Healthstream.		
12. POLICY CONCERNING CONFIDENTIAL PATIENT CARE AND MEDICAL STAFF INFORMATION	<i>Kevin Carruth, Chair</i>		
	This policy was discussed and reviewed by the Committee. They recommended more changes and will seek advice from SVH counsel.		
13. INFORMATION FROM iPROTEAN FOR BOARD EDUCATION	<i>Kelly Mather</i>		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
	Mr. Carruth suggested a Recommendation Letter and obtaining feedback from the Board at next month's meeting.		
14. ESTES PARK INSTITUTE FOR 2013 BOARD RETREAT	<i>Kelly Mather</i>		
	Mr. Carruth suggested submitted a Recommendation Letter for the 2013 Board Retreat at next month's Board meeting.		
15 CLOSING COMMENTS	<i>Kevin Carruth, Chair</i>		
	There was no closing comment.		
16. ADJOURN	10:32 a.m.		



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE
REGULAR MEETING MINUTES
Monday, March 4, 2013
Schantz Conference Room**

Committee Members Present	Committee Members Absent	Administrative Staff Present
Kevin Carruth, Chair Peter Hohorst Paula Davis		Gigi Betta, Board Clerk

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
MISSION AND VISION STATEMENTS	<i>The mission of the SVHCD is to maintain, improve, and restore the health of everyone in our community. The vision of the SVHCD is that: SVH will be a nationally recognized, compassionate place of healing and known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.</i>		
1. CALL TO ORDER	2:38 P.M.		
2. PUBLIC COMMENT <i>At this time, members of the public may comment on any item not appearing on the agenda. It is recommended that you keep your comments to three minutes or less. Under State Law, matters presented under this item cannot be discussed or acted upon by the Committee at this time. For items appearing on the agenda, the public will be invited to make comments at the time the item comes up for Committee consideration.</i>	No public comment.		
3. BOARD SELF-EVALUATION	<i>Kevin Carruth, Chair</i> Motion to have Karma Bass act as Facilitator and lead the Board in their Annual Self-Assessment at the Board Retreat on April 15, 2013.	Motion to approve and passed unanimously.	
4. AUDIT COMMITTEE MEMBER RECOMMENDATIONS	<i>Peter Hohorst</i> Reminder to the GC that they need to schedule a recruiting session for the Audit committee. Two permanent members are required. Motion to approve by Mr. Carruth and passed by all. Mr. Carruth added that the CG will need to use the "standard recruitment process". Ms. Woodall will be asked to supply the recruiting advertisements used in the past and Mr. Hohorst will draft the skills and qualifications for the position(s). The goal is to have the qualifications and advertisement approved by the GC at the next meeting and ready to take to the Regular Board meeting on April 4, 2013.	Motion to approve by Hohorst and passed unanimously.	

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW-UP/ RESPONSIBLE PARTY
<p>5. GC CHARTER REVISION: TAKING LEGISLATIVE/REGULATORY POSITIONS</p>	<p><i>Kevin Carruth, Chair</i> Mr. Carruth recommended that the GC Charter include wording to this effect: <i>Chairman of Governance Committee in conjunction of CEO can act unilaterally when the two above are in agreement on the immediate action.</i> The most recent version of the Charter, revised January 3, 2013, was updated and will be presented at the next Board meeting on March 14, 2013.</p>	<p>Motion to approve by Carruth; passed unanimously.</p>	
<p>6. CLOSING COMMENTS</p>	<p><i>Kevin Carruth, Chair</i> The GC reviewed the 2013 Governance Committee Work Plan presented by Ms. Davis. Items to be removed from the 3/25/13 Agenda include the Board Retreat, Board Education System, Board Assessment, Monthly Board Development, Annual CEO Evaluation and the Annual CEO Performance Objectives. Items to be added to the 3/25/13 Agenda include Board Ethics Training Assessment (Form 700) and Board Legislative and Regulatory Policy. Mr. Carruth requested the questions from the survey monkey be emailed to him. Ms. Davis will follow up with this request.</p>		
<p>7. ADJOURN</p>	<p>The next regularly scheduled Governance Committee meeting is March 25, 2013 at 8:00am (the meeting on the 25th subsequently cancelled). <i>Adjourn at 3:07 P.M.</i></p>		

5.

MEMORANDUM OF
UNDERSTANDING
AND GIFT
ACCEPTANCE
POLICY



Meeting Date: January 10, 2013

Prepared by: Paula Davis, CHRO and Harmony Plenty, Executive Director
Foundation/Capital Campaign

Agenda Item Title: MEMORANDUM OF UNDERSTANDING AND GIFT ACCEPTANCE POLICY
WITH SONOMA VALLEY HOSPITAL FOUNDATION

Recommendations:

That the Board approve and accept the Memorandum of Understanding and Gift Acceptance Policy with the Sonoma Valley Hospital Foundation as written and approved by the Sonoma Valley Hospital Foundation Board of Directors.

Background:

Prior to the restructuring of the Foundation Board, there was no formal written agreement between the Foundation and the Health Care District or Hospital. Over the years, there was discussion of creating such an agreement; however, none was ever finalized or approved. Early in 2012 it was proposed by the Governance Committee that these documents be drafted and adopted. Since that time extensive research and work has been done to compose these documents, and in November of 2012 the Memorandum of Understanding and the Gift Acceptance Policy, which is an attachment to the MOU, were approved by the Foundation Board. These documents outline the relationship between the two organizations and their respective roles and responsibilities regarding fund development.

Consequences of Negative Action/Alternative Actions:

Not having a written agreement leaves both the Health Care District and the Foundation at risk for misunderstandings or misinterpretation that could potentially jeopardize fundraising. Not having a clear process for fundraising activities can cause confusion for the donors which may affect contributions. The documents provide consistent expectations for all parties involved.

Financial Impact:

None other than identified in the section 3 Funding Costs of Foundation Operations.

Selection Process and Contract History:

Reviewed MOU and GAP policies from numerous from other District hospitals and Foundations.

Board Committee:

Governance Committee

Attachment:

Memorandum of Understanding and Gift Acceptance Policy

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
SONOMA VALLEY HEALTH CARE DISTRICT
AND THE
SONOMA VALLEY HOSPITAL FOUNDATION
FOR FUND RAISING ACTIVITIES**

This Agreement is made and executed in Sonoma, California, this **(date)**, by and between the Sonoma Valley Health Care District (hereinafter referred to as “District”), a District duly organized and existing under the Local Health Care District Law of the State of California (California Health and Safety Code, Division 23, Sections 3200-32492), with its principal place of business at Sonoma, California and the Sonoma Valley Hospital Foundation, a hospital foundation organized and operating as a tax-exempt 501(c)(3) corporation with its principal place of business at Sonoma, California (hereinafter referred to as “Foundation”). The District and the Foundation may be referred to herein as “Party” or “Parties.” The District and the Foundation desire to enter into this Agreement for fund raising activities with respect to the following:

RECITALS

Whereas, the District and the Foundation agree that significant philanthropic support is needed to continue to provide patient-focused, state-of-the-art health care and health-related programs to residents and visitors in its service area; and

Whereas, the District and the Foundation agree that such support can most effectively be garnered through a hospital foundation operated as a 501(c)(3) corporation, and as such an organization, the Foundation is best suited to provide and develop philanthropic support for the District; and

Whereas, the District and the Foundation agree that in order to provide and develop philanthropic support for the District, the Foundation will develop and implement a fund-development program **in to continue** support **of for the health care** for residents and visitors **and** of the District **service area**.

Now therefore, in consideration of the promises and the mutual covenants herein contained, and for other good and valuable consideration, it is agreed:

1. Responsibilities and Mutual Expectations

A. Responsibilities of the Foundation

- i. The Foundation will develop, implement and refine a rolling three-year philanthropic strategic plan to maximize community support for the health care of the residents and visitors of the District. A Development Plan that outlines the programs and associated tasks **of the three-year plan** will be submitted to the District Board annually.

- ii. The Foundation will continue to work with the Hospital and District leadership to determine annual and longer-term goals and mission.
- iii. The Foundation agrees to support the capital, program, and other needs of District-owned facilities and District-operated programs.
- iv. The Foundation shall ensure there are three (3) ex-officio directors on the Foundation Board. Ex-officio directors shall be selected as follows: one shall be selected by the Board of Directors of the District; one shall be selected by the CEO of the Hospital; and one shall be selected by the Board of Directors of the Sonoma Valley Hospital Auxiliary.
- v. The Foundation will accept and process all gifts in accordance with all applicable laws and regulations.
- vi. The Foundation shall operate according to fundraising best practices and ethical standards.
- vii. The Foundation shall make its books and records available to the District and its agents for review and inspection upon reasonable written notice and at reasonable times.

B. Responsibilities of the District.

- i. The District will direct all charitable contributions in support of the District to the Foundation for acceptance and gift processing. If unusual circumstance requires a gift to be accepted directly by the District, the District will do so in accordance with the Foundation's Gift Acceptance Policy. (see attached)
- ii. The District agrees to honor donor instructions by using the restricted funds it receives from the Foundation only for the purposes intended by the donor.
- iii. The District shall select three (3) ex-officio directors on the Foundation Board, as described in Section 1.A.iv above.
- iv. The District shall have the right to review and inspect the Foundation's books and records, upon reasonable notice and at reasonable times.
- v. The District agrees to make all books and records pertinent to the Foundation available to the Foundation for review and inspection upon reasonable notice and at reasonable times.
- vi. The District may fund an independent audit of the Foundation annually.

2. Transfer of Funds

- A. All requests for funding must be submitted in writing, with approval by the Hospital President/CEO, to the Foundation for consideration for approval by the Board of Directors of the Foundation.
- B. The Foundation agrees to review grant requests submitted by the District within sixty (60) calendar days of receipt.
- C. If a grant is approved by the Foundation Board, the Foundation will notify the primary project contact, as indicated on the grant application, within seven (7) calendar days of approval.
- D. If a grant is denied by the Foundation Board, explanation of the Board's decision will be submitted in writing to the Hospital President/CEO within seven (7) calendar days.
- E. Grants approved by the Foundation Board will be paid within thirty (30) days of receiving request for payment, which shall be submitted in writing by the Hospital President/CEO District and shall be accompanied by the invoice or purchase order showing the equipment and/or services.

3. Funding Cost of Foundation Operations

- A. Based on a budget approved by the Foundation Board and the District Board, the District will fund operating expenses of the Foundation.
- B. The District will fund Foundation staff compensation, including salaries and benefits.
- C. The District will fund expenses related to the donor database. The database content will be owned by both the District and the Foundation.
- D. The District will fund certain overhead expenses, including office space, computer and telephone systems, utilities, office supplies, Human Resources services, payroll services, and at times other such services that may be necessary or required to fulfill its responsibilities and obligations.
- E. The District may fund additional operating expenses, including but not limited to, postage, design, or other professional services, subject to the approval of the Hospital President/CEO.
- F. The Foundation will fund all other operating expenses not funded by the District.

4. Terms and Termination

- A. *Term.* The term of this Agreement shall expire at midnight on June 30, 2014.
 - B. *Termination.* This Agreement may be terminated by either Party, with or without cause, by giving sixty (60) days written notice as provided in Paragraph 12 of this Agreement.
 - C. *Dissolution and Distribution of Assets.* In the event the Foundation be dissolved, all properties, monies, and assets will be distributed as outlined in the Fourth section of the Foundation's Articles of Incorporation.
5. **Negotiation and Mediation Clause.** In the event of disagreement or dispute between the Parties arising out of or connected with this Agreement, the disputed matter shall be resolved as follows:

A. *Negotiation.*

- i. The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Agreement promptly by negotiation between District and Foundation Board Chairs. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the notice, the executives of both parties shall meet at a mutually acceptable time and place.
- ii. Unless otherwise agreed in writing by the negotiating parties, the above-described negotiation shall end at the close of the first meeting of executives described above ("First Meeting"). Such closure shall not preclude continuing or later negotiations, if desired.
- iii. All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.
- iv. At no time prior to the First Meeting shall either side initiate an arbitration or litigation related to the Agreement except to pursue a provisional remedy that is authorized by law or by agreement of the parties. However, this limitation is inapplicable to a party if the other party refuses to comply with the requirements of Paragraph i above.
- v. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in Paragraphs i and ii above are pending and for 15 calendar days thereafter. The parties will

take such action, if any, required to effectuate such tolling.

B. Mediation.

- i. If the matter is not resolved by negotiation pursuant to paragraphs i – v above, then the matter will proceed to mediation as set forth below.
 - ii. The parties agree that any and all disputes, claims or controversies arising out of or relating to this Agreement shall be submitted for mediation.
 - iii. Either party may commence mediation by providing the other party a written request for mediation, setting forth the subject of the dispute and the relief requested.
 - iv. The parties will cooperate in selecting a mediator and in scheduling the mediation proceedings. The parties agree that they will participate in the mediation in good faith and that they will share equally in its costs.
 - v. All offers, promises, conduct and statements, whether written or oral, made in the course of the mediation by any of the parties, their agents, employees, experts and attorneys, and by the mediator, are confidential, privileged and inadmissible for any purpose, including impeachment, in any arbitration or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.
6. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of California.
7. **Forum.** Any mediation to enforce or interpret the provisions of this Agreement or the Parties' rights and liabilities arising out of this Agreement or the performance hereunder shall be maintained only in the County of Sonoma, California, or within one of such County's incorporated cities.
8. **Severability.** If any provision of the Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.
9. **Integration.** This Agreement contains the entire agreement among the Parties and supersedes all prior and contemporaneous oral and written agreements, understandings, and representations among the Parties. No amendments to this Agreement shall be binding unless executed in writing by all of the Parties.
10. **Waiver.** No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute a waiver of any other provision, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver.

11. **Notices.** Any notice required by this Agreement shall be effective only if sent by certified or registered mail, postage prepaid, as follows:

If to District:

Chair, Board of Directors and President/CEO
Sonoma Valley Hospital, 347 Andrieux St, Sonoma, CA 95476

If to Foundation:

Chair, Board of Directors and Executive Director
Sonoma Valley Hospital Foundation, 347 Andrieux St, Sonoma, CA 95476

For the purposes of determining compliance with any time limit in this Agreement, a notice shall be deemed to have been duly given on the second business day after mailing, if mailed to the Party to whom notice is to be given in the manner provided in this Section. Either Party may, at any time, change its address designated above by giving to the other Party thirty (30) days' written notice of the new address to be used for the purposes of this Section.

12. **Assignability.** Neither this Agreement nor any duties or obligations hereunder shall be assignable by any Party hereto without the prior written consent of the other Parties.

In witness whereof, the Parties have executed this Agreement as of the date first above written.

Sonoma Valley Hospital Foundation

By: _____
Sharon Nevins, Chair, Board of Directors

Sonoma Valley Health Care District

By: _____
Bill Boerum, Chair, Board of Directors

**SONOMA VALLEY HOSPITAL
FOUNDATION**

GIFT ACCEPTANCE POLICY

Adopted on: December 7, 2012

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I. OVERVIEW

The purpose of this Gift Acceptance policy is to give guidance and counsel to those concerned with soliciting or receiving gifts. To prevent misunderstandings, these guidelines should be viewed as flexible and realistic in order to accommodate unpredictable fundraising situations and donor expectations. Such situations and expectations, however, must be consistent with the spirit of this policy.

The Sonoma Valley Hospital Foundation accepts gifts for the following purposes: Capital expenditures, renovation and new construction of hospital buildings, equipment purchases, medical and other professional health care education, community health education, specific health care programs, medical research, patient care and hospital operations. In addition, the Foundation may raise funds to underwrite new programs and services, or underwrite campaigns.

A gift is defined as a voluntary transfer of assets from a person or organization to a Foundation where no goods or services are expected, implied or forthcoming for the donor. The gift is motivated by charitable intent and can be designated for unrestricted or restricted general areas of use. Once the Foundation accepts a gift, it becomes Foundation property.

The Foundation reserves the right to review all gifts prior to acceptance to determine the appropriateness of the gift, and to determine whether the Foundation may comply with the donor's wishes regarding restricted uses.

II. TYPES OF GIFTS

Gifts can be: unrestricted **or** restricted.

An unrestricted gift is made with no stipulation as to its purpose and is credited to "area of most need" within the Foundation's records. The Foundation transmits donations to the District in accordance with the Foundation's Memorandum of Understanding with the Sonoma Valley Health Care District. All endowment funds will be held by the Foundation and invested per the policies and guidelines of the Foundation.

Restricted gifts are gifts made with a stipulation by the donor as to its specific purpose or use. The Foundation will accept gifts for specific programs and purposes stipulated by the donor, provided that such gifts are consistent with the stated mission, purposes and priorities of the District. Such gifts may be:

- Temporarily restricted, which means the gift will be expended for the designated purpose or used within a reasonable period from the date of the gift; or
- Permanently restricted, which means the gift will be placed in the Foundation's Endowment Fund.

The Executive Director of the Foundation, in consultation with the CEO of the Hospital, will also determine if that gift would require a major capital expenditure, creation of a new program, or other burden on the part of the hospital to comply with the donor's

restriction, or if the restriction is in conflict with any known laws or with the District's strategic plans for the Hospital, and make recommendation to the Foundation's Board of Directors for final decision.

In the case of restricted gifts that cannot be accepted, the Foundation's Executive Director will make every effort to work with the donor to complete the gift in an acceptable manner. If no agreement can be made, the gift will be returned or declined in its entirety.

The Foundation accepts the following gifts:

- **Cash Gifts:** Cash, checks, money orders, cashier's checks currency and charges to approved credit cards. These can be an outright gift or pledge over a specified time period.
- **Non-Cash Gifts:** Bonds, securities, trusts, bequests, real property, personal property, gifts in kind to be used in the form in which given; royalties, copyrights, trademark rights, insurance policies naming the Foundation as beneficiary in whole or in part, or other forms of non-cash or non-cash equivalents. Gifts of tangible property both real and personal shall be immediately sold unless the Foundation Board of Directors or its advisors determines that it is in the Foundation's best interest to retain the property.
 - **Securities:** The Foundation accepts gifts of marketable securities unless they cannot be assigned, have no apparent value or could create a liability for the hospital.
 - **Gifts in Trust/Endowment Funds:** The Foundation accepts gifts in trust and other planned gifts such as annuities, insurance, bequests and restricted special gifts that are put into an endowment fund to generate income for future use.
 - **Real estate:** Real estate will be accepted only after consultation with Foundation attorneys, and agreement with the Foundation's Board and the Hospital CEO. The property's condition, clear title, marketability, carrying costs, pending sale, and other relevant financial and environmental considerations will be evaluated through an inspection. Property value must be determined by an unrelated third-party licensed appraiser. The fees incurred are the obligation of the donor, although the Foundation staff will likely work with the donor to ameliorate the costs. Note: these guidelines are also applicable to gifts of a personal residence from a donor's life estate.
 - **Gifts in kind:** An in-kind or non-cash charitable donation is a gift that is to be used in the form it is given, such as equipment, supplies or services. The Foundation requires all of the same information regarding a gift-in-kind that it does for cash or tangible donations: i.e., donor's name, mailing address, contact information, description of gift, etc.

- **Tangible personal property:** Tangible personal property, such as artwork or collectibles, will be received only on approval of the Foundation. The property's condition, marketability, potential liabilities and other relevant financial considerations will be evaluated through an unrelated third-party certified appraiser. Title to gift property should be transferred to the Foundation unencumbered and properly documented. The Foundation will sell or liquidate any gift property as soon as a value is established.
- **Automobiles and other vehicles:** The Foundation accepts gifts of vehicles that are in working order and salable. The Foundation may sell the donated car, may donate it to a District department in need of a vehicle or may use a third-party auction house to liquidate the vehicle. (Note: IRS regulations require that the use/disposition of the vehicle be determined at the time of transfer to the Foundation. Foundation staff will work with the donor to establish the anticipated use of the vehicle).
- **Life Insurance:** The Board of Directors of the Foundation will determine if a gift of insurance is acceptable, taking into account the rating of the issuing company and other terms of the policy. The Foundation must be named as both beneficiary and irrevocable owner of any insurance policy before a life insurance policy can be recorded as a gift. The gift is valued at its interpolated terminal reserve value, or cash surrender value, upon receipt. The policy should be "paid-up," with no additional premiums required; a policy with outstanding loans against it will be refused.
- **Anonymous Gifts:** Donors may elect to make any gift anonymously. Such gifts may be made personally by the donor with a request that s/he remain anonymous, or they may be made with the assistance of the donor's advisor (e.g. attorney). *However, "anonymous" is not to be misconstrued as unknown to the Foundation.* In order to properly acknowledge the donor and for IRS tax reporting purposes, all donor data must be made available to the Foundation.
- **Tribute or Memorial Gifts:** Memorial gifts enable donors to honor a special person or occasion. Commemorative gifts are considered unrestricted unless restricted by the donor.
- **Employee Gifts via Payroll Deduction:** Employees may arrange through Human Resources to have a pledge deducted from their paycheck to be directed to a gift fund. This may be an ongoing commitment or an annual or one-time pledge. Payroll pledges are recorded as annual pledges, with durations of not more than one year. The deductions will automatically be canceled upon employment termination.
- **Other Forms of Gifts:** The Foundation may accept other forms of gifts not listed here with the approval of the Board of Directors of the Foundation.

All gifts made in support of the Hospital District shall be made payable to Sonoma Valley Hospital Foundation, including checks and other negotiable instruments. Title to

other types of assets given in support of the Foundation, shall be conveyed to the Foundation, including real and personal property, securities and life insurance. Gifts of tangible property, both real and personal, shall be immediately sold unless the Foundation Board determines that it is in the Foundation's best interest to retain the property.

III. RECEIVING PERSONAL ITEMS

All personal property accepted by the Foundation will be held in a secure manner under dual control, with security protocols established with the Finance department at the time of acceptance. Because each gift will vary significantly, it is impossible to anticipate the proper storage needs for every possible donation (i.e. jewelry versus automobiles). However, it is critical that all departments adhere to the following procedure:

- On receipt of any donation, the receiving department must contact the Foundation on the day of receipt, but in any case no later than the first business day following the day of receipt. The Foundation will work with the department to ensure proper credit for the donor and proper disposition of the item.
- On receipt of any individual item* valued at \$500 or more, the Foundation office must be contacted by the next business day to evaluate the donation and determine proper next steps. An initial valuation is based on either the donor's claim of value, or the recipient department's estimation, whichever is higher. The Foundation office will take necessary steps to obtain possession of the physical item from the department or work with the donor to obtain possession.
- The item will be appraised and sold per the above policies.
- The Foundation will supply the donor with all necessary receipts and IRS paperwork.
- The funds will be held for the District with proper credit to the program, service, endowment, or capital needs of the District as directed by the donor. Should the donor not specify a preference, the funds will be credited to "area of most need."

**Note: an "individual" gift or item includes collections or sets*

IV. GIFT APPRAISAL AND/OR VALUATION

Current IRS regulations will be observed when calculating the charitable contribution deduction value of gifts. It is the donor's responsibility to obtain any appraisals needed for tax purposes. Non-cash contributions with an estimated value over \$500 shall comply with IRS Form 8283 (Non-Cash Charitable Contributions). Fees incurred for the advice and assistance of specialists during this process are the obligation of the donor, or will be deducted from the fair market value of the donation as recorded by the Foundation.