

## LIVING WELL FOUNDATION

### GRANT-MAKING GUIDELINES AND PROCEDURES

This document sets forth the grant-making guidelines and procedures of the Living Well Foundation (the "Foundation"), including those relating to minimum eligibility requirements, grant selection factors, the grant selection process, grant agreements, and grant monitoring.

#### **I. Minimum Eligibility Requirements.**

All grants made by the Foundation must meet certain minimum eligibility requirements.

##### **A. Health-Related Nature of Program or Project.**

The Foundation only makes grants for a program or project that is consistent with the statutory purposes of the Hospital Service District No. 1 of the Parish of Ouachita, State of Louisiana (the "District"). Accordingly, the Foundation may make grants to support:

- activities related to rendering care to the sick and injured or in the promotion of health;
- activities designed and conducted to promote the general health of the community; or,
- activities undertaken in cooperation with public or private institutions or agencies engaged in providing health services to residents of the District.

##### **B. Geographic Location of Program or Project.**

The Foundation may make grants for a program or project providing for appropriate health-related facilities or services that serve or benefit persons who reside within the District and/or persons who reside outside the District.

The Foundation only makes grants for a program or project that is consistent with the statutory purposes of the District. Accordingly, in light of the prevailing interpretation of the hospital service district statute, the Foundation may only make grants for programs or projects providing for the construction or operation of facilities or performance of services *outside* the geographic boundaries of the District *if* each parish and each hospital service district in which such facilities outside the District are located and/or such services outside the District are performed agrees with, consents to, approves, or authorizes the making of the grant by the Foundation (which agreement may be evidenced by any reasonable means, including but not limited to a letter from, or counter-signed by, a parish or hospital service district official consenting to the making of the grant, whether specifically or as one of a general class of permitted grants). The geographic boundaries of the District are illustrated in Appendix A. In the Coordination Agreement among the Foundation, the District, Glenwood Regional Medical Center, and the Police Jury of the Parish of Ouachita (the "Coordination Agreement"), the Police Jury of the Parish of Ouachita has already consented to and authorized the Foundation to perform services and make grants to programs and projects of any kind throughout the Parish of Ouachita.

**C. Nature of Applicant.**

The Foundation considers only applications for grants to the following types of organizations or individuals:

- a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code that is not a private foundation described in Section 509(a) of the Internal Revenue Code;
- an organization described in Section 170(c)(1) of the Internal Revenue Code (governmental entities); or,
- an organization described in Section 511(a)(2)(B) of the Internal Revenue Code (state colleges and universities).

The Foundation does not consider applications for grants to any of the following:

- private foundations, business corporations, limited liability companies, partnerships, or sole proprietorships; or,
- directors, officers, or employees of the Foundation, or their children; or any organization with which any of them has an employment or financial relationship, except after full disclosure and compliance with the provisions of the Conflict of Interest Policy set out in Article VII of the Bylaws of the Foundation.

**D. Other.**

The Foundation has been established to operate substantially as a program of social welfare for the aid and support of the needy within the meaning of Article 7, Section 14(B)(1) of the Louisiana Constitution. The Louisiana courts have interpreted the needy to include not only the indigent but also all persons in need of health care.

Also, the Foundation is not prohibited from:

- providing financial support to a tax-exempt, non-profit institution to provide urgent care clinics, health screenings, charity care services, educational programs, any programs offered through the Wellness Center as of July 20, 2006, and any programs substantially similar to such programs; and,
- making charitable grants to programs of social welfare operated by tax-exempt, non-profit institutions for the aid and support of the needy.

**II. Grant Selection Factors.**

The Foundation considers a variety of factors in deciding what grants to make.

**A. Identified Community Health Needs.**

The Foundation will cause to be prepared from time to time a formal written Community Needs Assessment to identify the health and wellness needs of the residents of the Parishes of Ouachita, Union, Lincoln, Jackson, Caldwell, Franklin, Richland, and Morehouse, and a Community Plan to address those needs (taking into account, with respect to activities in Ouachita Parish, the Foundation's agreement in Section 8 of the Coordination Agreement to endeavor to make grants to programs and projects in such a manner as to distribute the over-all benefits throughout the Parish of Ouachita in a manner generally consistent with the patient origin patterns of Glenwood hospital prior to November 18, 2006), as well as annual strategic plans and annual budgets. The community health needs identified and targeted for action in the most recent Community Needs Assessment, Community Plan, strategic plans, and budget of the Foundation, all of which will be posted on the Foundation's website, will weigh heavily in the Foundation's selection of grants

**B. Other Appropriate Health Care Purposes.**

The Foundation has been established in connection with the sale of a hospital in accordance with the Louisiana Nonprofit Hospital Acquisition Statute, La. R.S. 40:2115.11, *et seq.* In order to further the objectives of that statute, the Foundation favors making grants that meet one or more of the following criteria:

- the grant would help assure the continued existence of accessible, affordable health care facilities in the District and the community that are responsive to the needs of the community;
- the grant would be designed to assure the community continued access to affordable care;
- the grant would support the provision of health care to the disadvantaged, the uninsured, and/or the underinsured;
- the grant would support the provision of benefits to the affected community to promote improved health care; or,
- the grant would provide support for medical education and teaching programs or medical research programs.

**C. Other Grant Selection Factors.**

In addition to the foregoing, the Foundation will also consider other available information relating to a proposed grant, including:

- the clarity, concreteness, and definiteness of the program or project to be supported by the grant, including its specific goals, activities, time-lines, budget, and means of measuring success;
- the impact that the program or project is likely to have on the community, including any long-term benefits;
- the expected cost of the program or project, the financial needs of the applicant, and the amount of the grant requested;
- the apparent feasibility and likelihood of success of the program or project;

- whether the applicant operates under sound financial principles;
- the past performance of the applicant;
- the qualifications, credentials, and experience of the applicant's staff who will oversee and carry out the project;
- the recommendations of references supplied by the applicant;
- whether the program or project will promote cooperation with other organizations and integrate, rather than duplicate, existing community resources and services;
- whether and to what extent other organizations are funding part of the program or project, have made a challenge grant, or will make a matching grant, or the applicant otherwise is able to obtain other funding; and,
- whether the applicant has a plan for future ongoing financial support for the program or project from sources other than the Foundation

The Foundation is not inclined to make grants:

- to retire indebtedness or for the payment of interest;
- to pay taxes, penalties, fines, lobbying expenses, costs of litigation, licensing fees, or for cash prizes or gift cards, or alcoholic beverages;
- to establish or add to endowment funds;
- to support general operating expenses or annual sustaining fund drives;
- to religious, fraternal, athletic, or veterans organizations seeking support for programs or projects for which the primary beneficiaries would be their own members; and,
- to political, business, or labor organizations or social clubs.

The Foundation will not discriminate against any applicant on the basis of race, color, creed, religion, national origin, ethnicity, sex, sexual orientation, veteran status, or political affiliation.

#### **D. Examples of Possible Types of Grants.**

The Foundation anticipates that it may make grants of a nature similar to those made in recent years by the Foundation. Some examples of those grants can be found on the Foundation's website, [www.livingwellfoundation.net](http://www.livingwellfoundation.net), under the "Grants" menu.

### **III. Grant Selection Process.**

#### **A. Solicitation of Applications.**

The Foundation will actively solicit applications by:

- posting on its website the Foundation's grant-making guidelines and procedures, all Foundation grant application forms and instructions, and other relevant information;
- placing advertisements in local newspapers and other local media typically once a year, but not more than twice a year, publicizing the availability of grants from the Foundation and the manner in which copies of the Foundation's grant-making guidelines and procedures and grant application forms and instructions may be obtained; and,
- notifying past grantees and sometimes other qualifying organizations who provide services or programs that are comparable to the identified community needs.

**B. When Applicants May Apply for Grants.**

Except during those times when the issuance of grants has been suspended by the Foundation, and that suspension is supported by the HSD, the Foundation will accept for review grant applications at least once a year based on the following:

- The letter of intent must be submitted electronically within the last 2 weeks of August and completed by August 31.
- The completed grant application must be submitted electronically not later than September 30.

The Foundation may authorize an additional grant cycle upon approval of the majority of the Board of Directors of the Foundation on or before the 20<sup>th</sup> day of February of any year. If so authorized, the Foundation will accept for review grant applications from March 1<sup>st</sup> to March 15<sup>th</sup> for the letter of intent, with the completed application due not later than March 31<sup>st</sup>.

To be accepted for review, all letters of intent and grant applications must be submitted electronically using the Grant Lifecycle Manager software. A link to the software can be found on the Foundation website [www.livingwellfoundation.net](http://www.livingwellfoundation.net).

**C. How Applicants May Apply for Grants.**

To apply for a grant from the Foundation, an applicant must submit a complete application in accordance with the Foundation's application instructions. Information about applying for a grant may be found on the Foundation's website [www.livingwellfoundation.net](http://www.livingwellfoundation.net). Questions about grant applications may be submitted to Foundation staff by e-mail, telephone, or fax.

A complete application by an organizational applicant includes:

- a completed letter of intent;
- a completed grant application which will include:
  - a detailed statement describing the program or project proposed to be funded, including a statement of the need to be addressed, the objectives

to be accomplished, the tasks to be performed, the qualifications of the personnel to perform the tasks, a proposed timeline for performing the tasks, an approved budget, and the manner in which the outcome is to be measured.

The following list of documents must be in an electronic format that can be uploaded into the application form in the Grant Lifecycle Manager software. Documents required to complete the application include:

- a list of directors and officers of the applicant and disclosure of any known relationships with any directors, officers, or employees of the Foundation;
- a copy of the applicant's most recent Section 501(c)(3) IRS letter of determination of tax-exempt status (unless the applicant is a government entity or state college or university);
- a copy of the most recent audited or reviewed financial statements of the applicant, including the audit or review report; the most recent unaudited financial statements of the applicant; and a copy of the applicant's budget for the current fiscal year;
- a copy of the applicant's most recent Form 990 (unless the applicant is a government entity or state college or university);
- letters of reference concerning past performance by the applicant; and,
- any other information required by the Foundation's grant application instructions.

#### **D. The Foundation's Grant Review Process.**

**1. Letter Acknowledging Receipt.** The Foundation will send an e-mail through the Grant Management Software to each applicant acknowledging receipt of their respective application.

**2. Staff Review for Completeness and Eligibility.** The Foundation staff will review each application to determine if it meets minimum eligibility requirements and is complete. If an application fails to meet minimum eligibility requirements (see part I above), it will be rejected with an explanation of the failure. If an application is incomplete (see part III.B. above), the Foundation staff will send a letter to the applicant requesting the missing information, which must be submitted before the end of the grant cycle, otherwise the application will be rejected. If an application meets minimum eligibility requirements and is complete, it is then qualified to be evaluated.

**3. Contractor Evaluation Review.** The Foundation will cause experienced contractors who do not reside in the District to review and score qualified applications in light of the Foundation's grant selection factors (see part II above) and provide written reports to the Foundation on the results of the scoring and other comments the contractors may have. Contractors will use the Grant Management Software for this evaluation.

4. **Staff Review.** If a contractor's report indicates that additional information about an application is needed, or if the Foundation's Programs/Grant Review Committee or Board of Directors requests additional information about an application, the Foundation staff may attempt to secure the information in the manner it deems most appropriate, such as by requesting the additional information from the applicant, requesting interviews of applicant's personnel or a visit to applicant's site, and/or obtaining information or assistance from consultants or other third-parties. The Foundation staff will prepare a written report on any material additional information secured.

5. **Committee Evaluation Review.** The Foundation's Programs/Grant Review Committee will evaluate all qualified applications in light of the Foundation's grant selection factors, the contractors' reports, and any staff reports, and make recommendations to the Board of Directors of the Foundation.

6. **Board Evaluation Review.** The Foundation's Board of Directors will evaluate all qualified applications in light of the Foundation's grant selection factors, the contractors' reports, any staff reports, and the recommendations of the Foundation's Programs/Grant Review Committee, and decide which grant applications to approve, in each case subject to Section III.D.8 below.

7. **Notification Letter.** The Foundation will send an e-mail through the Grant Management Software to each applicant whose application was evaluated notifying the applicant whether or not a grant has been approved, and if so for how much, but in each case of approval subject to Section III.D.8 below.

8. **Approvals Subject to Conditions.** Every grant application approval is subject to the negotiation and execution of a formal written grant agreement. In addition, as specified in the Foundation's Bylaws, certain grant application approvals are also subject to the approval of the Board of Commissioners of the District.

9. **Appeal Process.** Any applicant notified that the grant sought by the applicant has not been approved may submit a written appeal of such decision to the Foundation within 15 days of delivery of notification. The Foundation will use best efforts to consider each timely appeal, within 60 days of receipt of the written appeal, by repeating the procedures set forth in Sections III.D.6 and II.D.7 above with respect to the application in question. The Foundation will not entertain a second appeal with respect to the same application.

10. **Meetings Open to Public.** All discussions, deliberations, and determinations regarding applications by the Programs/Grant Review Committee and the Board of Directors, including appeals, will be open to the public.

#### IV. **Grant Agreements.**

The Foundation staff will contact each applicant whose application was approved by the Board of Directors (subject to the negotiation and execution of a formal written grant agreement) to develop and refine the program or project's objectives, activities, budget, means of measurement of success,

and other elements in order to negotiate a formal written grant agreement. A formal written grant agreement must be executed by the President/CEO and the Board Chair on behalf of the Foundation and by an authorized individual and the Board Chair or other appropriate designee on behalf of the grantee.

The terms and conditions of each grant agreement must contain certain substantive provisions, including:

- The specific purpose, duration, and total amount of the grant must be expressly set forth.
- All grant funds must be used exclusively for the specific purpose of the grant.
- Funds expended prior to execution of the grant agreement may not be reimbursed with grant funds.
- Any grant funds not expended at the end of the grant period or upon earlier termination of the grant must be returned to the Foundation.
- The grantee agrees to account separately for all grant funds and to allow the Foundation to monitor and review the accounting, disbursement, financial practices, and internal audit systems of the grantee.
- The grantee will provide the Foundation unaudited financial statements at least twice a year and an audited year-end financial statement of the grantee.
- The grantee will provide the Foundation regular reports by specified dates and a final report providing specified information regarding the program or project.
- The renewal of any multi-year grant for any succeeding period will be contingent upon evidence of adequate performance in the prior year(s).

## **V. Grant Monitoring.**

### **A. Required Reports by Grantees.**

Each grant agreement will require a written report from the grantee to the Foundation on the progress of the grant program or project in achieving the objectives of the grant at least once a year and upon completion of the grant program or project.

### **B. Foundation Review of Reports.**

Foundation staff will be assigned to follow the progress of all grants, that is, to check whether each grantee has made the required reports, to review each report submitted by a grantee, to make a determination as to whether the grant purposes are being or have been fulfilled, to conduct site visits, and to look into any questions requiring further scrutiny or investigation. The Foundation staff will report the results of such monitoring periodically in writing to the Programs/Grant Review Committee.

**C. Investigation.**

Where grantee reports to the Foundation or other information (including failure to submit reports after a reasonable period of time has elapsed from their due date) indicates, in the judgment of the Foundation's President/CEO, that all or any part of grant funds are not being used for the specific purposes of a grant, the President/CEO will cause the Foundation staff to initiate an investigation. While the Foundation is conducting an investigation, the President/CEO may cause the Foundation to withhold further grant payments to the grantee under investigation from time to time to the extent the President/CEO deems prudent in light of the nature of the information received to date and the overall circumstances.

**D. Remedial Actions.**

If after investigation the President/CEO of the Foundation determines that any part of a grant has been used by a grantee for a purpose not specified in the grant agreement, the President/CEO shall (1) cause the Foundation to take reasonable and appropriate steps, which may include legal action, to attempt to recover diverted grant funds for the Foundation or cause the restoration of diverted funds to the grantee and to ensure other grant funds held by the grantee are used only for the specific purposes of the grant, and (2) cause the Foundation to withhold further payments on the particular grant until (a) the grantee has submitted to the Foundation all reports that are due, (b) the diverted funds have been recovered by the Foundation or the grantee has provided the Foundation satisfactory evidence showing that the diverted funds have been restored to the grantee, and (c) the grantee has provided to the Foundation written assurance of the extraordinary precautions that the grantee is taking to prevent future diversions from occurring.

# APPENDIX A

## Map Showing Geographic Boundaries of District

