

Granting Policy, Due Diligence & Degen Grant Agreement

GRANTING POLICY

POLICY OBJECTIVE

The Foundation encourages grants with large “ripple effects,” that is, those which generate benefits which spread beyond their primary grantee into the wider community, as well as “seed money” grants, whereby Foundation support provides a needed catalyst or first step to a significant, and preferably ongoing, positive core value effect.

To realize maximum benefit from its grants and to use its resources prudently, the Foundation has established policies to encourage meritorious proposals and to enable the Foundation to be a positive force for good by promulgating and stressing its core values while honoring its purposes, intent, and integrity.

GUIDANCE FOR APPLICANTS

1. All grant applications must be filed on the Foundation’s standard form and directly with The Degen Foundation, not with members of the Board of Directors. In fact, lobbying individual Directors may result in the application’s rejection.
2. No application will be considered from a non-profit organization unless the non-profit organization is currently recognized by the Internal Revenue Service as a tax-exempt, non-profit organization in accordance with the provisions of the Tax Reform Act of 1969.
3. In keeping with its mission and with the intent of the Board, all grant funds must be used exclusively within the defined service area (as defined by the attached map) and exclusively for healthcare or healthcare educational purposes.
4. Approval of a portion of a grant request does not obligate the Foundation to further support that project.
5. Grants are approved only by specific resolution of the Foundation Board and are effective only after a standard Grant Agreement has been executed and delivered to the Foundation by the Applicant and subsequently accepted by the Foundation in writing by the Executive Director. Grants which are not funded within six (6) months of the execution of the Grant Agreement by the Foundation may be rescinded, and a vote of the Foundation's Board of Directors shall not be required.
6. The Foundation does not favor grants to federal, state, or municipal governments and will make such grants only on a three-fourths vote of its Board.
7. To conserve its resources and to maximize its support, the Foundation does not prefer to grant funds to pay for completed projects or to pay existing debts or deficit funding. The Foundation

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will not pay for political expenditures or lobbying activities.

8. Grants for endowments are not viewed favorably and require a three-fourths vote of the Board of Directors.
9. All funds distributed by the Foundation must be used for the project designated in the application and the grant agreement, and any funds not used for the designated project must be returned to the Foundation. Further, all funds not used for the specific project within 12 months following the funding of the project must be returned to the Foundation unless waived by the Board prior to the 12 month period.
10. Appropriate grant applications will be considered semi-annually at the Board of Directors meetings in June and December of each year. To be considered in June, an application must be received by March 31st. To be considered in December an application must be received by September 30th.
 - a. The Foundation may at any time make such grants as it deems appropriate by a three-fourths vote of its Board.
 - b. Applications requesting consideration out of the regular time sequence (June and December) may be considered by the Grants Committee or by the Board. If the Grants Committee or Board declines to act, the application will be processed in the regular manner.
 - c. A grant for emergency relief from an act of God, or similar unforeseen event, may be approved for charity institutions in the defined service area. Emergency relief grants shall be only for emergency food, shelter, clothing, and medical treatment.

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GRANT APPLICATIONS

Applications can be received two ways: 1. Scanned and emailed electronically or 2. Hard copied at the choice of the requesting agency. Hard copies will require three (3) sets of all application documents. Our format preference for application documents is black typeface, on white paper, in file folders, without permanent document bindings. All applications must include:

APPLICATION COVER SHEET (approved form provided by the Foundation) must be complete and signed by the senior corporate officer.

NARRATIVE – 5 to 7 pages preferred. Include the following:

1. A brief history of your organization's development and accomplishments.
2. An overview of major programs and/or strategies, and how they further your mission.
3. A full description of the project and how it furthers your organization's mission.
4. Description of how the project for which funding is sought will address recognized community needs.
5. Documentation to show that specific services in your proposal represent the most effective way to reach the greatest number of people who need the services.
6. A description of the people the project serves or will serve directly (in addition to the total population in your target area). Please use actual numbers (vs. percentages) whenever possible and cite the sources for demographic data.
7. The goals you have set for the project during the proposed grant period. If the project is funded by the Foundation, these goals will be considered expectations of your grant.
8. A description of how you will track and record grant expenditures.
9. A description of how you measure or will measure the impact of the project on participants and/or the defined service area. Which specific indicators of change do you or will you track and how often? Please describe your data collection system.
10. Examples of how you have used information about your organization's impact to improve your organization's activities or strategy.

FINANCIAL DATA

1. The most recent IRS Forms 990, or the most recent audited financial statements including, if issued, the independent auditor's management or reportable concerns letter, and the management response.
2. If the most recent audit is more than six months' old, a recent unaudited balance sheet (assets and liabilities) and statement of income and expenses (preferably no more than three months' old).

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3. The current operating budget for the organization.
4. The total project budget (approved format provided by Foundation).
5. A complete list of all governmental and nongovernmental sources of income – \$25,000 per year or more – for your current fiscal year and future commitments. Feel free to annotate an existing list, but please indicate annual amounts, grant periods and which grants are restricted to the project.

OTHER ATTACHMENTS

1. Applicant's current IRS determination letter.
2. A list of your Board members and their relevant experience.
3. Profiles or resumes of key staff members.
4. Your most recent annual report, if not already provided.
5. Articles from peer-reviewed academic journals, government publications, consensus reports from professional societies and other reports to show that the proposed services or interventions represent the most efficacious "best practices" to deal with the needs identified in the proposal if available.
6. Reports, studies or other assessments that illustrate your project's priority among the health and wellness needs of the community if available.

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GRANT REPORTING

Grant recipients will be required to file Grant Status Reports following approved formats and using forms prepared and provided by the Foundation as applicable. The Foundation will not approve applications from a grant recipient which has failed to file timely status reports for a previous grant.

DEADLINES

1. Interim Progress Reports must be received by the Foundation each quarter, no later than the 15th of the month following the quarter being reported.
2. Final Report must be filed within 12 months after the funding of the grant or within 60 days after the project is completed, whichever is the sooner.

FORMAT

Please use this format for both **Interim Progress Reports** and **Final Reports**.

1. Narrative – 2 to 4 pages preferred.
 - a. Include a brief description of the project.
 - b. Please restate the goals you set for the project during the grant period.
 - c. Progress and/or setbacks relative to these goals.
 - d. How you measured the project's impact on participants and/or the broader community. Please cite specific indicators of change and the time period over which you measured them.
 - e. What you learned from this information and how you applied or will apply it to improve future activities or strategy.
 - f. Significant board and/or staff changes, if any.
2. Financial – complete the "Expenditure Report" form provided by the Foundation.

Please send all materials to:

Att: Executive Director
The Degen Foundation
P.O. Box 10366
Fort Smith, AR 72917

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THE DEGEN FOUNDATION
Post Office Box 10366
FORT SMITH, AR 72917

Application Cover Sheet

Please return this completed Application for Funding cover sheet along with the full proposal that briefly describes your organization and the purpose for which funds are being requested.

Organization _____

Contact Person _____ Title _____

Address _____

Phone _____ Fax _____ E-Mail _____

President/Executive Director _____

Board Chair Person _____

Phone _____ Fax _____ E-Mail _____

Program/Project Name (if applicable) _____

Purpose of Grant

Grant Period _____ to _____.

Amount Requested \$ _____ Federal ID Number _____

Project Budget _____ Organization's Total Operating Budget _____

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Is there pending litigation or filed legal liens against your organization that would affect this grant?

If so, please explain: _____

Please indicate the main issue area(s) this project would address:

- Access to health care by the uninsured and underinsured
- Behavioral health needs, particularly those of children and families
- Prenatal health care
- Services to children at risk
- Populations with special needs
- Wellness and prevention of illness and injury
- Healthcare career opportunities
- Other: _____

Locations(s) served:

- Crawford County, AR
- Franklin County, AR
- Logan County, AR
- Scott County, AR
- Sebastian County, AR
- LeFlore County, AR
- Sequoyah County, AR

SIGNATURE OF SENIOR CORPORATE OFFICER:

Signature Date

Print Name

Title

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<Name of Project>				
Project Budget				
Income/Revenue	Actual Amount			
TDF Support	0.00			
Other Foundation Support	0.00			
United Way	0.00			
Gifts/Bequests	0.00			
Endowment Income	0.00			
Grants/Contracts/Gov't Agencies	0.00			
Client Fees	0.00			
Fundraising Events	0.00			
Miscellaneous Revenue	0.00			
Total Income/Revenue	0.00			
Expenses	Total Funds Needed	TDF Request	Funds From Other Sources	Funds Contributed by Applicant
A. PERSONNEL (Itemize all positions)				
	0.00	0.00	0.00	0.00
B. CONSULTANTS				
	0.00	0.00	0.00	0.00
C. TRAVEL (Itemize by category)				
	0.00	0.00	0.00	0.00
D. SUPPLIES (Itemize by category)				
	0.00	0.00	0.00	0.00
E. PUBLICATIONS (production and dissemination)				
	0.00	0.00	0.00	0.00
F. EQUIPMENT (Itemize by category)				
	0.00	0.00	0.00	0.00
G. OTHER EXPENSES (Itemize)				
	0.00	0.00	0.00	0.00
H. EXPENSE SUMMARY				
Direct Costs (sum of A through G)	0.00	0.00	0.00	0.00
Indirect Costs (Specify rate and base - not to exceed 15% of direct costs)	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00
<i>Note: Please attach separate sheet detailing the basis for cost estimate of each line item.</i>				

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EXPENDITURE REPORT				
Organization Name:			TDF Grant #:	
Project Title:			Total Grant Amount:	
Period Covered:				
Report Type: <input type="checkbox"/> Interim <input type="checkbox"/> Final				
A. Grant funds received from TDF during period specified above:			0.00	
B. Unexpended balance from previous reporting period, if applicable:			0.00	
C. Total funds available for expenditure:			0.00	
D. Total expended funds previously reported:			0.00	
E. Unexpended balance (Line D minus Line C)			0.00	
Category	Total Approved Budget	Prior Period Expenditures	Current Period Expenditures	Remaining Approved
A. PERSONNEL (Itemize all positions)				
	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
B. CONSULTANTS				
	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
C. TRAVEL				
	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
D. SUPPLIES				
	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
E. PUBLICATIONS				
	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
F. EQUIPMENT				
	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
G. OTHER EXPENSES				
	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00
EXPENSE SUMMARY				
Direct Costs (sum of A through G)	0.00	0.00	0.00	0.00
Indirect Costs (not to exceed 15% of direct costs)	0.00	0.00	0.00	0.00
TOTAL EXPENDITURES	0.00	0.00	0.00	0.00
I hereby certify that the foregoing report is true in all respects and that the expenditures have been made with my approval and are within the provisions of the grant for the purposes approved.				
Signature of Corporate Officer:			Date:	
Print Name:				
Title:				

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GRANTING DUE DILIGENCE POLICY

The “Due Diligence and Expenditure Responsibility Grant Procedures” checklist has been developed in accordance with applicable federal tax law rules, best practices for all foundations and the National Standards for U.S. Community Foundations, and should be completed by Foundation staff on **each** grant request. Applicable sections of the checklist should be completed. Documentation of the completion of these procedures should be included in all staff grant recommendations and denials and kept with grant applications on file.

The application of these “Due Diligence and Expenditure Responsibility Grant Procedures” will:

- Ensure the grant application meets the geographic service area of the Foundation and will assist only recipients in that service area;
- Ensure that grants will be used for charitable purposes consistent with the nature of the grant and any restriction on the funds from which the grant is made;
- Guide the determination of which grants require the Foundation to exercise expenditure responsibility, whether required by law or “best practice”;
- Identify the parties responsible for final approval of the grant. Limited approval authority has been delegated to the Executive Director pursuant of the Foundation’s conflict of interest policy; and
- Ensure that grants will be made consistent with the Bylaws of the Foundation.

This policy shall be reviewed as needed, upon passage of any nonprofit tax laws, by staff with competent nonprofit tax counsel to ensure it remains in compliance with current laws and regulations. These findings shall be reported to the board.

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STAFF DUE DILIGENCE FOR GRANT APPLICATIONS

Name of Organization: _____ Date Received: _____

1. Does the intended use of these funds meet the healthcare/wellness intent of the grant policy?

Yes _____ No _____ Undetermined _____

2. Is the purpose of the grant request charitable in nature?

Yes _____ No _____

3. Is the request of the grantee organization consistent with the mission of The DegenFoundation?

Yes _____ No _____

- Is the grant to be made from Restricted Funds?

Yes _____ No _____ If so, name the restricted fund _____

- Does the grant meet such restrictions on the funds to be used?

Yes _____ No _____ Not applicable _____

4. Will this grant provide benefit to any Degen Foundation Board/Volunteer/Staff Member?

Yes _____ No _____

- Does the grant provide benefit to any Grantee Board/Volunteer/Staff Member?

Yes _____ No _____

5. Is this grant intended to fulfill any legally enforceable financial obligation, including a donor pledge to the grantee organization?

Yes _____ No _____

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6. Will the grant benefit the defined and identified needs in the geographic service area as designated by the Board?

Yes _____ No _____

Explanation of service area needs: _____

Is the proposed grantee a 501(c) (3) organization?

Yes _____ No _____

7. Does the staff have financial or legal concerns regarding the designated organization?

Yes _____ No _____

Brief description: _____

8. Is the purpose of this grant to support political campaigns, or for lobbying purposes?

Yes _____ No _____

9. Does any related party control the potential grantee organization or an organization that the potential grantee supports?

Yes _____ No _____

Clarify relationship: _____

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11. The following document(s) were reviewed to determine what type of organization the potential grantee is:

___ Form 990 ___ Audited financial statements

10. Was a pre-grant inquiry conducted including a reasonable investigation of the grantee to ensure that the proposed activity is charitable and that the grantee is able to perform the proposed activity?

Yes ___ No ___

General comments:

Staff Member:

Date:

Qualified Not Qualified

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THE DEGEN FOUNDATION GRANT AGREEMENT

Date

Name

Address

City, State, Zip

Dear _____:

The Board of Directors of The Degen Foundation are pleased to inform you that a grant has been approved in the amount of \$_____ for [description of grant]. This letter and its attachments outline the terms and conditions of accepting our grant. Please read all the terms and conditions carefully, and by signing and returning the agreement, no later than (date) you agree to accept and comply with the terms and conditions.

Upon signing this contract, your agency states that you agree to notify us if there is any change in your public charity status. In addition, we request a report on the expenditure of our grant each month and a final report after one year. When available, please furnish us with a copy of any audited statement of the finances of the project.

This contract also gives the Foundation your permission to use photographs, logos, published/printed information, and any other materials you supply, without further notice, to promote the Foundation. .

Congratulations on this recognition of your important efforts. We look forward to working with you during the coming year.

Sincerely,

ACCEPTED AND AGREED:

Name of Executive Director of Organization

Date

Thomas, H. Webb, Jr., Executive Director

Grant No:

GRANTING DUE DILIGENCE POLICY

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GENERAL GRANT TERMS, CONDITIONS AND UNDERSTANDINGS

In addition to the specific terms and conditions in the grant award letter dated (date), to which these General Grant Terms, Conditions and Understandings are attached, The Degen Foundation (The Foundation) is awarding this grant to you as the Grantee contingent upon the following:

Tax-Exempt Status:

You are a nonprofit organization currently recognized by the Internal Revenue Service as a public charity described in sections 501(c)(3) and 509(a)(1), (2), or (3) of the Internal Revenue Code of 1986 as amended (the "Code"):

- Your tax-exempt status under sections 501(c)(3) and 509(a) of the Code has not changed since the issuance of the IRS determination letter which you provided to The Foundation,
- If you are a Type III Supporting Organization, then you must be a “functionally integrated Type III Supporting Organizations” and
- There is no issue presently pending before any office of the Internal Revenue Service that could result in any proposed changes to your tax-exempt status under Sections 501(c)(3) and 509(a) of the Code.

Expenditure of Funds:

This grant (together with any income earned upon investment of grant funds) is made for the purpose outlined in the grant award letter and may not be expended for any other purpose without The Foundation's prior written approval.

If the grant is intended to support a specific project or to provide general support for a specific period, any portion of the grant unexpended at the completion of the project or 12 months from receipt of funds (whichever occurs first) shall be returned immediately to The Foundation unless waived by the Board prior to the end of the 12 month period.

You may not expend any grant funds for any political or lobbying activity or for any purpose other than one specified in section 170(c)(2)(b) of the Code.

No Assignment or Delegation:

You may not assign, or otherwise transfer, your rights or delegate any of your obligations under this grant without prior written approval from The Foundation.

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Records and Reports:

You are required to keep a record of all receipts and expenditures relating to this grant and to provide The Foundation with a written report summarizing the project promptly following the end of the period during which you are to use all grant funds.

Interim Reports:

The Foundation will also require interim reports. Your reports should describe your progress in achieving the purposes of the grant and include a detailed accounting of the uses or expenditure of all grant funds. You also agree to provide any other information reasonably requested by The Foundation. If your organization obtains any audited financial statements covering any part of the period of this grant, please provide a copy to The Foundation as well. You are required to keep the financial records with respect to this grant, along with copies of any reports submitted to The Foundation, for at least four years following the year in which all grant funds are fully expended.

DEADLINES:

1. Interim Progress Reports must be received by the Foundation each quarter, no later than the 15th of the month following the quarter being reported.
2. Final Report must be filed within 12 months after the funding of the grant or within 60 days after the project is completed, whichever is the sooner.

FORMAT:

Please use this format for both **Interim Progress Reports** and **Final Reports**.

1. Narrative – 2 to 4 pages preferred
 - a. Include a brief description of the project.
 - b. Please restate the goals you set for the project during the grant period.
 - c. Progress and/or setbacks relative to these goals.
 - d. How you measured the project's impact on participants and/or the broader community. Please cite specific indicators of change and the time period over which you measured them.
 - e. What you learned from this information and how you applied or will apply it to improve future activities or strategy.
 - f. Significant board and/or staff changes, if any.
2. Financial – complete the "Expenditure Report" form provided by the Foundation.

Required Notification:

You are required to provide The Foundation with immediate written notification of: (1) any changes in your organization's tax-exempt status; (2) your inability to expend the grant for the purposes described in

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the grant award letter; or (3) any expenditure from this grant made for any purpose other than those for which the grant was intended.

Reasonable Access for Evaluation:

You will permit The Foundation and its representatives, at its request, to have reasonable access during regular business hours to your files, records, accounts, personnel and clients or other beneficiaries for the purpose of making such financial audits, verifications or program evaluations as The Foundation deems necessary or appropriate concerning this grant award.

Publicity:

You will allow The Foundation to review and approve the text of any proposed publicity concerning this grant prior to its release. The Foundation may include information regarding this grant, including the amount and purpose of the grant, any photographs you may have provided, your logo or trademark, or other information or materials about your organization and its activities, in The Foundation's periodic public reports, newsletters, and news releases.

Right to Modify or Revoke:

The Foundation reserves the right to discontinue, modify or withhold any payments to be made under this grant award or to require a total or partial refund of any grant funds if, in The Foundation's sole discretion, such action is necessary: (1) because you have not fully complied with the terms and conditions of this grant; (2) to protect the purpose and objectives of the grant or any other charitable activities of The Foundation; or (3) to comply with the requirements of any law or regulation applicable to you, of The Foundation or this grant.

If the Foundation does not receive signed copies of the grant award agreement within 30 days after the date of The Foundation's grant award notification, this grant may be revoked.

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Scholarship Policy, Due Diligence & Degen Scholarship Agreement

SCHOLARSHIP POLICY

Policy Objective

To facilitate and promote health and wellness education in Western Arkansas and Eastern Oklahoma, including granting scholarships to individuals in furtherance of their education as a healthcare service provider.

Procedure

All applicants for scholarships shall be required to submit a written application on such forms as may be adopted from time to time by the Foundation or by the Scholarship Committee.

Completed applications shall be submitted to The Degen Foundation office.

Qualified applicants shall be interviewed by Degen Foundation staff and Scholarship Committee members.

The Scholarship Committee shall recommend applicants for awards to the Board of Directors for approval.

Criteria

Recent high school graduates (within the last five years) shall submit ACT scores and high school transcripts. Preference shall be given to those with a score of 21 or higher on the ACT and a 3.0 grade point average.

If an applicant is currently employed as a healthcare provider, those with continuous employment shall be given preference.

Scholarships shall be granted without regard to any candidate's race, color, sex, handicap, national origin or religious creed.

General Condition

- No scholarship to any individual shall exceed \$10,000 for any one calendar year.
- Recipients must apply each year for continuing scholarship support. No individual shall receive scholarship funds in excess of a total of \$40,000.

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- It is expected that students receiving scholarship funds shall work as a healthcare provider in the service area for a number of years equal to the years scholarship support was received.
- Upon proof of acceptance in the specified program and proof of enrollment, scholarship funds shall be paid directly to the educational institution. Exceptions may be made only with the approval of the Scholarship Committee.
- Upon the completion of each educational term, the recipient shall provide The Degen Foundation, in writing, a report as to the use of Foundation funds and the benefits derived, as well as a copy of current grades for that time period.
- All scholarship recipients must be making satisfactory progress toward their degree and/or certification. Any recipient not in good academic standing shall not be eligible for further scholarship awards.
- The Degen Foundation shall make reasonable efforts to publicize the availability of scholarships in the service area.
- The Degen Foundation shall maintain case histories of scholarship recipients. The case history shall include the name and last known address of the recipient, the purpose of the scholarship, the amount of each scholarship, the manner of selection of the candidate to receive the scholarship, and any relationship of the recipient to any officer, director or donor of funds to The Degen Foundation.
- Any member of the Board of Directors or the Scholarship Committee who has any relation to any candidate for scholarship shall abstain from voting with respect to the matter of granting a scholarship to that individual.
- Misuse of scholarship funds by a recipient in violation of representations made to The Degen Foundation in request of scholarship funds may be subject to legal action at the discretion of the Foundation.

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STAFF DUE DILIGENCE FOR SCHOLARSHIP APPLICATIONS

Name of Applicant: _____ Date Received: _____

1. Does the intended use of these funds meet the healthcare/wellness intent of the scholarship policy?

Yes _____ No _____ Undetermined _____

2. Has the applicant provided all completed information required? 1 application form; letters of recommendation from current employers/teachers; ACT Score; most current transcript:

Yes _____ No _____ Follow-up required _____

Notes:

3. Does the applicant have an ACT score in excess of 21?

Yes _____ No _____ Unavailable _____ Score _____

4. Does the applicant have a current GPA in excess of 3.0?

Yes _____ No _____ Unavailable _____ Score _____

5. Does a Conflict of Interest exist between the applicant and any of the staff or a board member?

Yes _____ No _____ Unknown at this time _____

Notes:

6. Has applicant received a Degen Foundation Scholarship previously?

Yes _____ Amount _____ No _____

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General comments:

Staff Member: _____ **Date:** _____

- Qualified Not Qualified Resubmit for next cycle

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THE DEGEN FOUNDATION SCHOLARSHIP AGREEMENT

Notice of Scholarship Award and Agreement Letter

Date

Name

Address

City, State, Zip

Dear Title L Name:

The Board of Directors of The Degen Foundation are pleased to inform you that a scholarship has been approved in the amount of \$_____ for [description of scholarship].

This letter and its attachment outline the terms and conditions of accepting our scholarship award. Please carefully read all the terms and conditions, sign, and return the attached contract no later than [date to be returned].

Upon signing this contract, you state that you agree to notify the Foundation if there is any change in your educational status.

Congratulations on this recognition of your efforts to broaden your education and to provide a much needed service to our community.

We look forward to working with you during the coming year.

Sincerely,

Thomas, H. Webb, Jr., Executive Director

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GENERAL SCHOLARSHIP CONDITIONS AND AGREEMENT

In acknowledgment of the conditions outlined below regarding the \$_____ scholarship awarded to _____ by letter on ___/___/___, you agree to abide by these General Scholarship Conditions and Understandings:

- Scholarships to be paid directly to the institution of choice, with proof of enrollment
- For each year you remain on scholarship, the expectation is for the student to remain in the service area for the same number of years post graduation and provide support to the community
- At the completion of each educational term the recipient should provide the Foundation, in writing, as to the use of Foundation funds and the benefits derived there from as well as a copy of current grades for that time period.
- Any recipient NOT in academic good standing or whose grades don't meet requirements of the Foundation (maintaining a 3.0 GPA) will be immediately ineligible for further participation.

Reasonable Access for Evaluation:

You will permit The Foundation and its representatives, at its request, to have reasonable access for the purpose of making such verifications or program evaluations as The Foundation deems necessary or appropriate concerning this scholarship award.

Publicity:

You will allow The Foundation to include information regarding this award in The Foundation's periodic public reports, newsletters, and news releases.

Right to Modify or Revoke:

The Foundation reserves the right to discontinue, modify or withhold any payments to be made under this scholarship award if, in The Foundation's sole discretion, such action is necessary because you have not fully complied with the terms and conditions of this scholarship.

If The Foundation does not receive signed copies of its scholarship award letter and of these general grant terms within 14 days after the date of The Foundation's scholarship award letter, this scholarship may be revoked.

ACCEPTED AND AGREED TO:

Student Name	Date
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Thomas, H. Webb, Jr., Executive Director	Date
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SCHOLARSHIP POLICY

Policy reviewed and approved by corporate action of the Board of Directors on March 18, 2013

Service Area Map

Service Area Map



THE DEGEN
FOUNDATION

*We have all drunk
from wells*

we did not dig;

*We have been warmed
by fires we did not
build;*

*We have sat in the
shade of trees*

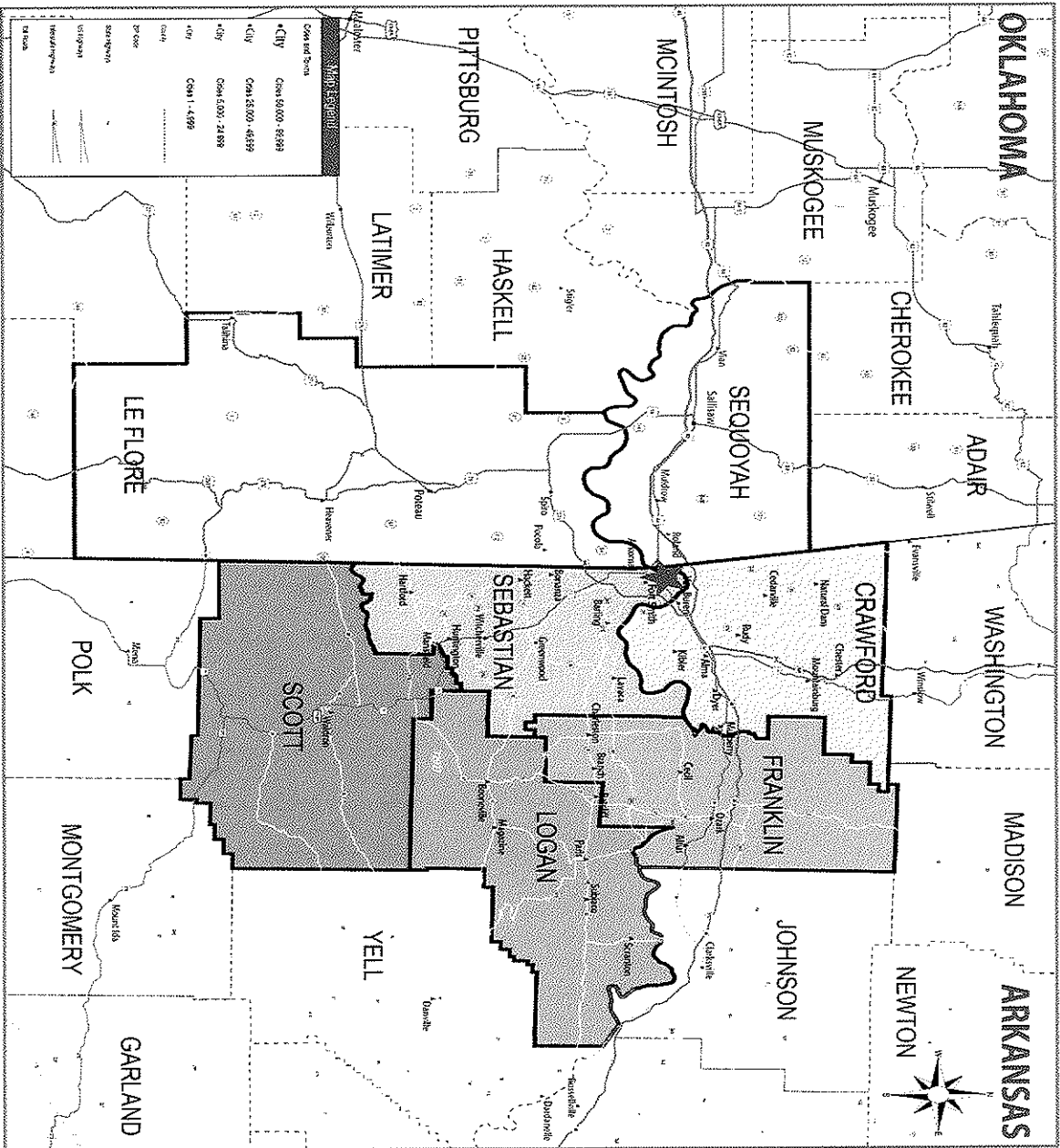
we did not plant;

We are where

we are

*because of what
someone else did.” —*

Author Unknown



SERVICE AREA MAP

Policy approved by corporate action of the Board of Trustees – FSRHF on May 23, 2011

Policy reviewed and approved by corporate action of the Board of Directors on June 20, 2011

Record Retention Policy

RECORD RETENTION POLICY

The Foundation takes very seriously its obligations to preserve information relating to litigation, audits, and investigations. It is a federal offense to destroy, alter or mutilate any record under federal investigation. The consequences of failing to retain items subject to a Legal Hold can be serious, including possible criminal and civil sanctions against the Foundation and its employees, and possible disciplinary action against responsible individuals (up to and including termination of employment). Each employee has an obligation to contact the Executive Director immediately in the event the employee obtains knowledge of any potential or actual litigation, external audit, investigation, or similar proceeding involving the Foundation.

In each case, records should be retained as noted in the Retention Period column, unless a Legal Hold (as defined below) has been placed, then that record should be held permanently. Records may be retained in either hard copy or digital format. If a digital format is selected, a duplicate must be maintained as protection against hardware failure. The retention period for correspondence, including emails, related to an item outlined in the policy, will be the same as the specified document.

Legal Hold: From time to time the Executive Director may issue a notice, known as a "Legal Hold," suspending the destruction of records due to pending, threatened or otherwise reasonably foreseeable litigation, audits, government investigations or similar proceedings. No records specified in any Legal Hold may be destroyed, even if the scheduled destruction date has passed, until the Legal Hold is withdrawn in writing by the Executive Director.

Questions about Legal Holds should be addressed to the Executive Director.

	Retention Period
Corporate	
❖ Articles of Incorporation	Permanent
❖ Bylaws	Permanent
❖ Board Resolutions	Operating - Permanent; Non-operating - 7 years
❖ IRS Exemption Determination	Permanent
❖ IRS Private Letter Ruling	Permanent
❖ Board Packet	7 years

RECORD RETENTION POLICY

Policy approved by corporate action of the Board of Trustees – FSRHF on May 23, 2011

Policy reviewed and approved by corporate action of the Board of Directors on June 20, 2011

	Board/Committee Meeting Minutes	Permanent
	Board of Directors Conflict of Interest and Confidentiality Annual Statements	7 years
General		
	Contracts (All contracts including, but not limited to, investment managers, investment consultants, maintenance, mortgages, security agreements, leases, escrow agreements, employment, philanthropic consulting software licenses and support agreements)	7 years after obligation ceases
		Retention Period
Finance and Administration		
	<i>Financial Statement Audit</i>	
	❖ Audit Report	Permanent
	❖ Audit Management Letters	Permanent
	<i>Tax</i>	
	Tax returns/990's	Permanent
	❖ Tax audit closing letters	Permanent
	❖ Correspondence w/legal counselor accountants, not previously listed	7 years after return filed
	❖ Payroll Tax Forms (941's, State Withholding, W-2's, W-3's)	7 years
	<i>Accounting</i>	
	❖ General Ledger, Journal Entries, Bank Deposits, Bank Statements, Investment Statements, Check Register, Accounts Payable Ledger, Invoices/Bills, Expense Reports	7 years
	❖ Tax Forms (1099, 1096)	7 years
	<i>Banking</i>	
	❖ Deposit Account Agreements, Signature Authority, Loan Agreements	7 years after account closure
	<i>Investments</i>	
	❖ Investment performance reports	7 years
	<i>Fixed Assets</i>	
	❖ Equipment files & maintenance (including purchase/sale documents)	7 years after disposition
	❖ Real Estate Deeds	Permanent
	❖ Leases (expired)	7 years after obligation

RECORD RETENTION POLICY

Policy approved by corporate action of the Board of Trustees – FSRHF on May 23, 2011

Policy reviewed and approved by corporate action of the Board of Directors on June 20, 2011

Human Resources		
	Employee Handbook	Maintained currently; Portions revised or amended - 7 years after revision
	Employment applications/resumes – Not hired	3 years
	Employee personnel files	Tenure, +7 years
	Payroll records	7 years
	Conflict of Interest and Confidentiality Annual Statements	7 years
	Retirement Plan (Plan Document, Plan Amendments, IRS determination letter, Form 5500 annual report, plan distribution records, nondiscrimination and coverage test results, employee communications, summary plan description, summary annual report)	7 years after plan termination
	Employee Insurance (Policies, Disability & Sick-Benefit Records, Group Disability Records)	7 years after end of benefit/policy
		Retention Period
Fund Services		
	Agreements (Signed fund agreements, trust agreements)	7 years after fund closure
	Gift Acknowledgements	7 years
	Donor Gift Agreements and related solicitations	7 years after final disbursement of funds received in response to solicitation
	Grant/funding requests, correspondence and reports (funding received)	7 years after completion of funded program
	Quarterly fund statements	7 years
	Donor grant requests	7 years
	Scholarship records, including applications and supporting documents	7 years
Communications		

RECORD RETENTION POLICY

Policy approved by corporate action of the Board of Trustees – FSRHF on May 23, 2011

Policy reviewed and approved by corporate action of the Board of Directors on June 20, 2011

	Annual Reports (Electronic)	Permanent
	Photos	7 years
	Press Clippings	7 years
	Press Releases	7 years
	Research Reports	7 years
Grantmaking Program		
	Approved grants (Request for proposal, proposal, due diligence documents, grant agreement letter, grant monitoring documents)	7 years after completion of initiative or date of grant if general operating support
	Post grant reporting information and outcome analysis	7 years after completion of initiative or date of grant if general operating support (Should be in annual report)
	Declined/withdrawn grant applications and funding requests	1 year
Estate Planning Council		
	CLE Renewal Applications, Attorney Applications, Attendance Documents	2 years
	CPE documents	5 years
Insurance		
	Policies	Life of policy + 7 years
	Accident Reports & Claims, including Workers Compensation	7 years after settlement
	Fire inspection	7 years
Retention Period		
Predecessor Documents (Hospital)		
	Sparks Regional Hospital IRS Exemption Determination	Permanent
	Sparks Health Systems, Inc. Articles of Incorporation and Bylaws (Electronic)	Permanent

RECORD RETENTION POLICY

Policy approved by corporate action of the Board of Trustees – FSRHF on May 23, 2011

Policy reviewed and approved by corporate action of the Board of Directors on June 20, 2011

	Sparks Regional Medical Center Closing Documents	Permanent
	Sparks Regional Medical Center, Inc. Defined Benefit Plan	
	❖ Audited Financial Statements	Permanent
	❖ Form 5500 Annual Report	Permanent
	❖ Termination Documents and Work-papers	7 years after Plan Termination
	Sparks Regional Medical Center, Inc. 403(b) Plan	
	❖ Audited Financial Statements	Permanent
	❖ Form 5500 Annual Report	Permanent
	❖ Termination Documents and Work-papers	7 years after Plan Termination

* Will need to look at what is still in storage and determine retention time frames per the APA, we will need to review and relocate all stored materials by November 30, 2011.

RECORD RETENTION POLICY

Policy approved by corporate action of the Board of Trustees – FSRHF on May 23, 2011

Policy reviewed and approved by corporate action of the Board of Directors on June 20, 2011

Spending Policy

SPENDING POLICY

The purpose of this Spending Policy is to establish a clear understanding of the spending authorization levels of The Degen Foundation (“Foundation”). In implementing this policy, the Foundation understands and accepts its role in the community (service area). In keeping with its mission, the Foundation intends to provide needed assistance to its citizens directly through scholarship programs and to organizations that through their charitable programs improve the health in our community, especially the uninsured and under served.

In implementing this Policy, the Foundation is committed to maintaining a focus on the management, and to a reasonable degree, the perpetuity of its funds in order that a stable source of funding to projects, programs, and organizations in the Foundation’s service area remain continuous and uninterrupted.

- The Foundation’s spending policy is based on a “qualified distribution” concept, rather than either an “income only” or a “total return” concept. Initially, and until it is determined by the Board of Directors differently, the Foundation will provide a “qualified distribution” at a minimum of 5% per annum of the Degen Foundation investment assets.
- This policy applies to all permanent funds from which grants are recommended. Unrestricted funds may be used in any manner that may be determined by Board direction, while restricted funds will be utilized only to the extent that they meet the original intent of the funds’ purpose.
- To meet the objectives of being quick in the response to specific and identified needs in the service area, when appropriate, the Board of Directors establishes the following authority on Grant and Scholarship gifting:
 - **The Executive Director is authorized to provide funds of up to \$5,000 per request and an aggregate amount not to exceed \$25,000 in any fiscal year without prior approval from the Grant/Scholarship Committee or the Board of Directors.**
 - **The Grant /Scholarship Committee is authorized to provide up to \$25,000 per request and an aggregate amount not to exceed \$100,000 in any fiscal year without prior approval of the Board of Directors.**
- All Grant/Scholarship applications in excess of the prior approved amounts will be reviewed by the Grant/Scholarship Committee with recommendations to the Board of Directors in the normal grant cycle as defined by the Grant Policy.
- The Board of Directors will receive updates at each scheduled board meeting on the qualified distributions since the last scheduled meeting, fiscal year to date spending and a recap of total qualified distributions will be reviewed at the end of each fiscal year.

SPENDING POLICY

Policy reviewed and approved by corporate action of the Board of Directors on December 3, 2012

- The calculation of the 5% qualified distribution will be calculated annually at the end of the fiscal year and provided to the Board of Directors, the Grant/Scholarship Committee, and the investment managers for planning purposes.

SPENDING POLICY

Policy reviewed and approved by corporate action of the Board of Directors on December 3, 2012

Degen Investment Policy

DEGEN FOUNDATION INVESTMENT POLICY

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- V. Spending Policy
- VI. Investment Policies
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INTRODUCTION

The purpose of The Degen Foundation (“Foundation”) endowment is to support the healthcare community in the defined service area of Western Arkansas and Eastern Oklahoma by providing a reliable source of funds for current and future use (intergenerational equity). The earnings from the Foundation’s investments will support priorities such as scholarships, technology, and healthcare.

The Foundation’s endowment assets have an indefinite time horizon that runs in perpetuity. The Foundation’s temporary restricted and unrestricted assets will be prudently managed consistent with the time horizon associated with the assets. The Board of Directors (“Board”) has a fiduciary responsibility to manage the Foundation’s assets prudently and preserve the purchasing power of the Foundation in order to support present and future beneficiaries.

DEGEN FOUNDATION INVESTMENT POLICY

Updated Policy approved by corporate action of the Board of Trustees – FSRHF on December 3, 2012

Updated Policy approved by corporate action of the Board of Directors on December 3, 2012