



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE
REGULAR MEETING AGENDA
TUESDAY, JANUARY 28, 2014
8:30 AM**

**LOCATION: 1ST FLOOR SOLARIUM
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 .	Boerum	
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>	Boerum	
3. CONSENT CALENDAR A. GC Meeting Minutes, 12.23.13	Boerum	Action
4. 2014 GC WORKPLAN	Hohorst	Discuss/Inform
5. COMMUNITY FUNDING POLICY	Hohorst	Inform/Action
6. GIFT, TICKET AND HONORARIA POLICY	Hohorst	Inform/Action
7. CLOSING COMMENTS/ADJOURN	Boerum	

3.

CONSENT CALENDAR



**SONOMA VALLEY HEALTH CARE DISTRICT
GOVERNANCE COMMITTEE
REGULAR MEETING MINUTES
Monday, December 23, 2013
Schantz Conference Room**

Committee Members Present	Committee Members Absent	Administrative Staff Present
Kevin Carruth Peter Hohorst		

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW- UP
MISSION AND VISION STATEMENTS			
1. CALL TO ORDER	8:30 AM		
2. PUBLIC COMMENT:	None.		
3. CONSENT CALENDAR: A. GC Meeting Minutes, 12.16.13	<i>Carruth</i>	Action	
	Approved.	MOTION by Hohorst to APPROVE Consent Calendar. All in favor.	Goes to Board 1/9/14.
4. GC 2013 REPORT TO BOARD (AKA ANNUAL REPORT)	<i>Carruth</i>	Inform/Action	
	Approved.	MOTION by Hohorst to APPROVE . All in favor.	Goes to Board 1/09/14.
5. 2014 GC WORKPLAN	<i>Carruth</i>	Inform/Action	
	Put forward for the new GC Committee to develop.		Put over to GC on 1/27/14.
6. SALINAS VALLEY MEMORIAL HEALTHCARE DISTRICT POLICIES DEVELOPED IN RESPONSE TO THE BUREAU OF STATE AUDITS AUDIT	<i>Carruth</i>	Inform/Action	
	Items 1 & 2 below were approved and will go the Board on 1/9/14. The remaining items 3-5 to be put forward to the next	MOTION by Hohorst to APPROVE 1 & 2 . All in	#1 & 2 go to Board on

AGENDA ITEM	DISCUSSION	CONCLUSIONS/ ACTION	FOLLOW- UP
	GC meeting on 1/27/14. 1) Community Funding 2) Gift, Ticket and Honoraria 3) Consideration for Inclusion in Procurement Policies a) Procurement management b) Procurement manual c) Comparative Solicitation d) Fair market value e) Value analysis f) Expense approval matrix g) Physician services contract Policy & Procedure 4) Records Retention 5) Business Plan	favor.	1/09/14. #3-5 are put forward to GC on 1/27/14
7. SVH POLICY GOVERNING PURCHASES OF MATERIALS, SUPPLIES AND EQUIPMENT AND PROCUREMENT OF PROFESSIONAL SERVICES	<i>Carruth</i>	Inform/Action	
	See Item #6 above.		
8. SVH RESIDENCY REQUIREMENTS FOR BOARD COMMITTEE MEMBERS	<i>Hohorst</i>	Inform/Action	
	The GC expanded the definition of “residency”.	MOTION by Carruth to APPROVE . All in favor.	To Board 1/9/14.
9. SVH BOARD MEDIA RELATIONS POLICY	<i>Carruth</i>	Inform/Action	
	The GC recommends that the CEO further develop this policy and re-submit to a future GC meeting, preferably the January or February GC. <u>Note 12/22/13:</u> Mr. Carruth has submitted the finalized policy for Board approval on 1.9.14.		To Board 1.9.14
10. CLOSING COMMENTS/ADJOURN	<i>Carruth</i> Adjourn 10:00am		

5.

COMMUNITY FUNDING



Meeting Date: January 28, 2014

Prepared by: Bill Boerum, Chair, Governance Committee,
Peter Hohorst, Governance Committee

Agenda Item Title: **Community Funding Policy**

Recommendation:

The Board shall adopt the attached policy on Community Funding at the February Board meeting.

Background and Reasoning:

The Community Funding Policy was included on the agenda for the January Board meeting for discussion. Some minor changes to the wording have been made to ensure clarity. They have been highlighted in yellow.

In 2013 there were two requests for funding support from local community organizations. The Board acted to not fund either request so as to err on the side of caution. We had no written guidance. It appears that these requests have been relatively infrequent.

The Board does not have a written policy on Community Funding and related marketing at community events. This policy will give policy guidance to the Board and the CEO, and provide a process whereby the public, the CEO, or Board Members can request community funding for events and activities, as well as District/Hospital marketing at such events.

The language for this policy was taken from similar policy at the Salinas Valley Memorial Healthcare System (SVMHS). This policy grew out of an audit by the California Legislature's Bureau of State Audits (BSA) and we are advised by SVMHS that the policy language was deemed adequate by the BSA. This policy will enable the SVHCD and SVH to comply with the State Constitution, numerous California codes, and the Fair Political Practices Commission Regulations.

This proposed policy has not been reviewed by District Counsel. The GC determined that since it was carefully reviewed by the BSA for legal compliance when it was developed by the SVMHS, the cost of additional review by our counsel was unnecessary.

Consequences of Negative Action/Alternative Actions:

If the Board does not adopt this or some similar policy, it will not have a written policy to guide the actions of the CEO and the Board in regard to these issues and therefore increases the risk of not being in compliance with state law.

Financial Impact: None.

Selection Process and Contract History: Not applicable.

Board Committee:

The GC unanimously recommends acceptance of this policy.

Attachments:

Community Funding Policy

COMMUNITY FUNDING

I. PURPOSE

- A. The purpose of this Community Funding Policy ("Policy") is to ensure that all funds and other resources of Sonoma Valley Health Care District (SVHCD or District) are expended in furtherance of valid public purposes in full accordance with applicable laws and the rules in this Policy.
- B. This Policy sets forth procedures and standards for consideration, approval and administration of potential expenditures of SVHCD resources in the areas of community benefit support and community benefit marketing.

II. POLICY

It is the general policy of the SVHCD not to fund such requests for community benefit support and marketing due to the District's constrained finances, and because without the parcel tax approved by the voters the District would not be able to continue to operate. However, any Board Member, or the CEO, can bring a written request to the Board for its consideration at a Regular or Special Board meeting. Only the Board can approve such expenditure, and all approvals must be in advance of the event/expenditure. When considering such expenditure it is the policy that the SVHCD shall:

- A. Ensure compliance with State law prohibitions on unlawful expenditures or gifts of public funds, including as specifically addressed in Sections 5 and 6 of Article XVI of the California Constitution, Government Code Section 8314, Code of Civil Procedure Section 526a and Penal Code Sections 424, et seq.
- B. Expend Agency resources only in furtherance of the District's statutory purposes and in the exercise of powers set forth or implied in SVHCD's enabling legislation (California Health and Safety Code Sections 32000, et seq.).
- C. Distribute all tickets/passes according to the Fair Political Practices Commission §18944.1. Gifts: Agency Provided Tickets or Passes.
- D. Expend District resources only in the furtherance of its mission and vision related to improving the healthcare of our region and beyond.
- E. Make expenditures related to community funding and marketing only after consideration pursuant to this Policy and an evaluation of the financial capacity of SVHCD to make such expenditures.
- F. Not provide Community Funding to support or oppose campaigns for against political candidates or ballot measures.
- G. Not provide Community Funding to or in aid of any religious sect, church, creed, or sectarian purpose, or to help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination.
- H. Not provide Community Funding for endowment funds.
- I. Not provide funding for multi-year requests, each request shall be submitted for consideration each year. Requests may be funded in successive years if approved separately each year.

III. DEFINITIONS

- A. "Community Funding" means SVHCD resources – including tax revenue or other funds, materials or in-kind support – given to or spent to support any individual, organization, or entity for the purpose of benefitting the healthcare of the region served by SVHCD, including the areas within and surrounding the SVHCD jurisdictional boundaries. Community funding can include money or materials/in-kind benefits. There

are two types of Community Funding: Community Benefit Support and Marketing Support.

B. "Community Benefit Support" is resources given or spent for the purpose of improving the healthcare of the SVHCD community. Examples include contributions to community events at which individuals can benefit from health screenings or wellness screenings, community health education, and contributions to community health clinics.

C. "Marketing Support" means resources given or spent to promote the business, mission and goals of SVHCD and the services SVHCD provides. Examples include advertisements of SVHCD services at community events or in local organization publications. "Marketing Support" does *not* include advertising in, on or through newspaper, radio, television, social media or direct mail, except when such advertising is associated with a specific community event hosted by an entity other than SVHCD itself.

D. "Materials or In-kind Support" is resources other than money, including time and materials.

IV. PROCEDURES

A. Community Funding Committee ("Committee").

1. The Chief Executive Officer (CEO) may create a Community Funding Committee to maintain the integrity of the procedures set forth in this Policy. In the absence of such a Committee, the duties and responsibilities assigned to the Committee in this Policy shall be carried out by the CEO.

2. The Community Funding Committee shall conduct the following activities:

a. Meet monthly (or less often if no requests are pending) to review requests for Community Funding and present recommendations on funding decisions to the CEO.

b. Review this Policy at least once every three years to ensure that Implementation of this Policy remains consistent with the Policy's purpose, and then report on its findings and recommendations for changes to the Board.

c. By April of each year, evaluate the prior year's Community Funding activities for alignment with the SVHCD strategic plan and provide recommendations for the next year's Community Funding budget to the Finance Committee and the Board in the annual budget process. These recommendations shall include planned community events, tentative line-item expenses and a total budget projection for the upcoming fiscal year included in the annual budget.

3. The CEO shall, at least monthly (or less often if no Committee recommendations are pending), review recommendations of the Committee and determine whether, in turn, to recommend Community Funding awards to the Board of Directors.

B. Community Funding Requests and Decisions.

1. All Committee and CEO decisions related to Community Funding shall be made pursuant to the procedures set forth in this Policy.

2. All applicants for Community Funding, including SVHCD officers or employees, shall submit a Community Funding Request Form (see Attachment A as an example) to SVHCD Administration for Committee review. The Request Form can be accessed from the CEO's Office or by mail, email, or in person.

3. Community Funding Request Forms shall be submitted at least 60 days prior to proposed events or endeavors that are the subject of the request. Each event

or endeavor requires submittal of a new Community Funding Request Form. Requests for support of annual events shall be submitted annually; no multiple year requests shall be submitted or approved.

4. The Committee shall limit Community Funding expenditures to the amounts set forth in the adopted SVMHS Budget for such purpose.

a. Community Benefit Support may only be granted following a review and recommendation by the Committee/CEO, and action by the SVHCD Board of Directors.

b. Marketing Support may only be granted following recommendation by the Committee/CEO, and action by the SVHCD Board of Directors.

c. The CEO shall ensure applicants for Community Funding shall be promptly notified of the disposition of their request in writing.

C. Budgeting and Tracking of Community Funding Expenditures. For budgeting and resource tracking purposes, Community Funding expenditures shall be designated as follows: Community Benefit Support will be assigned to **budget code#** and Marketing Support will be assigned to **budget code #**.

D. Policy Review. Decisions made and actions taken pursuant to this Policy shall be reviewed by the CEO at least once every three years to ensure compliance and alignment of Community Funding decisions with SVHCD's strategic plan and vision, mission and goals.

E. Tickets and Related Benefits. If SVHCD receives event tickets or other benefits in response to the provision of Community Funding, such as in exchange for sponsorship of a community event, such benefits shall be managed according to the SVHCD Gift, Ticket and Honoraria Policy.

V. EDUCATION

The CEO shall cause the Community Funding Committee, associated departments, and others, as appropriate, to receive training on this Policy during the annual budget process and following any Policy revisions.

VI. DOCUMENTATION

As detailed above:

A. All applicants for Community Funding shall complete and submit a Community Funding Request Form (Attachment A).

B. The Community Funding Committee shall utilize the Community Funding Request Form (Attachment A) to consider and support recommendations to the CEO.

C. The CEO shall ensure applicants for Community Funding shall be promptly notified of the disposition of their request in writing.

D. The Committee shall maintain all documentation related to Community Funding requests, including completed Community Funding Request forms; records of Committee and CEO Community Funding Request evaluations and recommendations; and notices of Community Funding awards or request denials, in compliance with the SVHCD record retention policy.

E. Deliberations on and outcomes of Board of Directors consideration of any requests shall be reflected in the minutes of the Board.

F. The SVH Foundation is separately responsible for maintaining records of all tickets and related benefits received and the distribution thereof.

VII. REFERENCES

- A. Sonoma Valley Health Care District Strategic Plan
- B. Article XVI, Sections 5 and 6, California Constitution
- C. California Government Code Section 8314
- D. California Code of Civil Procedure Section 526a
- E. California Penal Code Sections 424, et seq.
- F. Fair Political Practices Commission §18944.1. Gifts: Agency Provided Tickets or Passes

Attachment A
Sample Community Funding Request Form

For consideration this form must be received 60 days prior to the event/activity.

Please complete this form and return to:

*Sonoma Valley Health Care District
Office of the Chief Executive Officer
347 Andrieux Street
Sonoma, CA 95476
Email: administration@svh.com*

Applicant Information

Organization Name:

Name of Individual Completing Form:

Mailing Address:

Phone: Fax:

Email: Organization Website:

501(c) (3) tax identification number, if applicable:

If a not-for-profit organization, attach applicable status determination letter.

Community Funding Request Information

Type of Community Funding requested: _____ Monetary Support

_____ Materials/ In-kind Support

_____ Monetary and Materials/In-kind Support

Amount of Community Funding Requested: _____ Monetary Support

_____ Materials/ In-kind Support

How will the Community Funding be used?

Has this organization requested and/or received Community Funding from SVHCD before and, if so, how much and when?

What kinds and amounts of support are being provided by other sponsors?

Date by which support is required:

If Community Funding request relates to a specific activity or event:

Name of Event/Activity:

Date of Event/Activity:

Location of the Event/Activity:

Brief description of the Event/Activity, including purpose, and target attendees/participants and planned publicity/outreach:

If Materials/In-kind Support are requested:

Descriptions and quantities of materials/in-kind support requested:

Community Benefit Questions:

How will the requested SVHCD Community Funding be used to promote / benefit the health and wellness of the SVHCD residents/community?

SVMHS Mission, Vision and Values:

The Mission of Sonoma Valley Health Care District is to restore, maintain and improve the health of everyone in our community.

Our vision is that we *will be a nationally recognized, compassionate place of healing known for excellence in clinical quality. We serve as the guide and indispensable link for our community's health care journey.*

Our Values are C-R-E-A-T-I-N-G:

Compassion: We show consideration of the feelings of others at all times.

Respect: We honor and acknowledge the value of the people, places and resources in providing care.

Excellence: We strive to exceed the expectations of the people we serve.

Accountability: We are reliable, self-responsible owners of the outcomes of our organization.

Teamwork: We are productive and participative staff members who energize others.

Innovation: We seek new and creative solutions to deliver quality health care.

Nurturing: We cultivate, develop and educate those with whom we work to achieve their highest potential.

Guidance: We direct and lead our community members through their health care journey and in health improvement.

How will the requested SVHCD Community Funding be used to support the above mission, vision and goals?

Marketing Funding Questions:

How will the requested SVHCD Community Funding be used to promote SVH in the SVHCD?

What promotional opportunities, if any, will be available to SVHCD:

Ad space Booth Banners

Use of logo Other:

Additional Comments:

Affirmations:

I certify that the information provided in this Community Funding Request is true and correct and that I am authorized by this organization to submit this funding request to SVHCD.

Sign here: _____

I certify that the Community Funding requested will not be used to support or oppose a political campaign. I further certify that the Community Funding requested will not be used by or in aid of any religious sect, church, creed, or sectarian purpose, or to help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination.

Sign here: _____

If applicable: I certify that this organization is in good standing with the IRS and retains its official 501c (3) tax exempt status, and is further classified as a public charity and not a private foundation.

Sign here: _____

Sonoma Valley Health Care District Community Funding Request

For official use only: Request Number: _____

Community Funding Committee Recommendation

____ Deny Request due to: ____ Ineligible for Community Funding

____ Low Community Funding Benefit

____ Budget Constraints

____ Recommend Community Funding:

Total Amount of Funding: \$ _____

Type of Funding: \$ _____ in Community Benefit Support and/or \$ _____ in Marketing Support

Form of Funding: \$ _____ Funds and / or \$ _____ Materials / In-kind Benefits

Type of Materials/In-kind Benefits: _____

Date of Review: _____

Notes:

Community Funding Determination by CEO

____ Deny Request due to:

____ Ineligible for Community Funding

____ Low Community Funding Benefit

____ Budget Constraints

____ Recommend Community Funding to the Board of Directors:

Total Amount of Funding Recommended: \$ _____

Type of Funding: \$ _____ in Community Benefit Support and/or \$ _____ in Marketing Support

Form of Funding: \$ _____ Funds and / or \$ _____ Materials / In-kind Benefits

Type of Materials/In-kind Benefits: _____

Community Benefit Funds remaining if approved by the Board of Directors: \$ _____

Date of Review: _____

Notes:

Community Funding Determination by SVHCD Board of Directors, if applicable

____ Deny Request due to:

____ Ineligible for Community Funding

____ Low Community Funding Benefit

____ Budget Constraints

____ Approve Community Funding:

Total Amount of Funding Approved: \$ _____

Type of Funding: \$ _____ in Community Benefit Support and/or \$ _____ in Marketing Support

Form of Funding: \$ _____ Funds and / or \$ _____ Materials / In-kind Benefits

Type of Materials/In-kind Benefits: _____

Date of Review: _____

Notes:

Date of Notice to Applicant of Funding Determination (attached): _____

6.

**GIFT, TICKET AND
HONORARIA POLICY**



Meeting Date: January 28, 2014
Prepared by: Bill Boerum, Chair, Governance Committee
Peter Hohorst, Governance Committee

Agenda Item Title: Gift, Ticket and Honoraria Policy

Recommendation:

The Board accept the Governance Committee recommendation to approve this policy at the February Board meeting.

Background and Reasoning:

The Board has adopted a Conflict of Interest Policy, but this goes further and complements the Conflict of Interest Policy. The Board does not have a written policy specifically detailing the expectations when dealing with gifts, tickets and honoraria. This policy will give guidance to the Board and the CEO as to the appropriate manner in which to handle these issues.

The language for this policy was taken from similar policy at the Salinas Valley Memorial Healthcare System (SVMHS), a Health Care District. This policy grew out of an audit by the California Legislature’s Bureau of State Audits (BSA). We are advised by SVMHS that the policy language was deemed adequate by the BSA. This policy will enable the SVHCD and SVH to comply with federal and state laws, and the Fair Political Practices Commission Regulations.

This proposed policy has been reviewed by District Counsel and it is their opinion that the prohibition of accepting Honoraria would not conflict with income payments for the attendance of Board members or staff at Association Board meetings where they are members . The District Council affirmed that because the policy had been carefully reviewed by the BSA for legal compliance when it was developed by the SVMHS, the cost of additional review by them (our counsel) was unnecessary.

Consequences of Negative Action/Alternative Actions:

Financial Impact: None.

Selection Process and Contract History: Not applicable.

Board Committee:

The GC unanimously recommends approval of this policy.

Attachments:

GIFT, TICKET AND HONORARIA POLICY

I. PURPOSE

A. The purpose of this policy is to ensure Sonoma Valley Health Care District (SVHCD) Board Members, leaders and staff members (including Sonoma Valley Hospital (hospital)) comply with external regulations and internally established standards regarding the receipt and provision of gifts, tickets and honoraria. This policy covers gifts to and from internal and external parties including individuals, businesses and organizations. The policy also governs SVHCD's distribution of tickets and passes (e.g., to sporting, cultural and community events), and acceptance of payments or reimbursements related to speaking or appearing at professional or educational events.

B. Gifts, tickets and honoraria can be perceived tools to influence SVHCD decisions and patient care, and can erode public confidence and the impartiality of decisions made by public officers, officials and employees. This policy has been adopted to guard against even the appearance of impropriety in all aspects of SVHCD's programs, services and administration. Furthermore, this policy is intended to prevent the perceived obligations of reciprocity that can arise from the giving or accepting of gifts, tickets and honoraria.

II. POLICY

A. **Federal Anti-Kickback Statute:** It is the policy of SVHCD to ensure full compliance with the federal anti-kickback statute, which prohibits the acceptance of any item of value (remuneration) made directly or indirectly, in cash or in kind, that may induce or appear to induce the purchase or referral of any kind of health care goods, services, or items reimbursed by a federal or state health care program (Medicare and Medicaid). The unlawful acceptance of any gifts or business courtesies from vendors or others with whom SVMHS presently conducts business – or potentially could conduct business – is strictly prohibited.

B. **State Gift Laws:** Directors, Officers and designated employees of SVMHS identified in the District's Conflict of Interest Code or covered by Government Code section 87200 (including public officials who manage public investments) are subject to State laws regarding the receipt and disclosure of gifts as set forth in the Political Reform Act (at Government Code Section 89503) and the Fair Political Practices Commission (FPPC) Regulations. These minimum requirements are not altered by this Policy.

1. Individuals in positions designated in the Conflict of Interest Code's Disclosure Category 1 or 2, or who are covered by Government Code section 87200 are prohibited from receiving gifts totaling more than \$440 from *any* single source in a calendar year.

2. Individuals in positions designated in the Conflict of Interest Code's Disclosure Category 3 are prohibited from receiving gifts totaling more than \$440 in a calendar year from any single source that provides services, supplies, materials, machinery or equipment of the type utilized by the District.

3. Individuals in positions designated in the Conflict of Interest Code's Disclosure Category 4 are prohibited from receiving gifts totaling more than \$440 in a calendar year from any single source that is a type to receive grants or other monies from or through SVHCD.

4. These annual limits shall automatically increase or decrease consistent with modification to the gift limit established by the FPPC every two years.

5. This Subsection B shall not be interpreted to permit receipt of Gifts prohibited under any other provision of this Policy, such as Subsection A, above.

C. Perishable Items: It is the policy of SVHCD that any department, clinical unit, or clinical practice may accept modest perishable gifts such as floral arrangements, cookies, candy or similar food items to be shared by staff members and, where possible, made available to the public.

D. Gifts to Agency: It is the policy of SVHCD that gifts received by SVHCD or any part thereof, which are then distributed to or used by individual recipients shall be used for official agency business, and must be distributed and reported as required under the Political Reform Act and FPPC Regulations.

E. Solicitation of Gifts: It is the policy of SVHCD that an employee shall not solicit (i.e., ask for or request) gifts unless authorized to do so for approved hospital functions, fundraisers or special events. Requests for authorization to solicit gifts shall be made in writing to the Director of the Human Resources.

F. Gifts Between Employees: It is the policy of SVHCD that gifts of a personal nature between employees are permitted, provided hospital funds are not utilized. The value of such gifts should not exceed \$25. It is further the policy of SVHCD that gifts between employees that are related to a person's employment at SVHCD (e.g., for Secretary's Day, Nurses Week, etc.) are permitted, provided they are customary for the occasion, are of reasonable value given the circumstances and the persons' positions in the organization, and hospital funds are not utilized. The value of such gifts shall not exceed \$25.

G. Tickets and Passes: All Tickets and Passes received by SVCHD shall be distributed and reported in accordance with this policy and relevant FPPC Regulations.

1. Tickets and Passes that are provided to a SVCHD board member or an official designated in the conflict of interest code are not considered "Gifts" to the official under State law when they are received and distributed by SVHCD in compliance with related FPPC Regulations and this Policy.

2. When Tickets and Passes are provided by a third-party so that the recipient can perform a ceremonial role or function on behalf of the hospital, as further described in related FPPC Regulations, such Tickets and Passes are not considered "Gifts" under State law, though such Tickets and Passes shall still be reported by SVHCD.

3. A ticket or pass shall not be considered a gift to the recipient when it is provided directly to the recipient from a third-party when the giver and

receiver treat the ticket or pass as income consistent with applicable state and federal income tax laws.

H. All Other Gifts: It is the policy of SVHCD that gifts other than those described in paragraphs D through G, above, shall not be accepted in the performance of any officer or employee's duties or responsibilities. This includes gifts from patients, family members of patients, vendors or business associates.

I. Honoraria: It is the policy of SVHCD to comply with the Political Reform Act and FPPC Regulations regarding the receipt of honoraria. SVHCD Board members and those who manage public investments (individuals who are required to file statements of economic interests under Government Codes section 87200) are prohibited from receiving honoraria payments. Likewise, employees whose positions are designated under the SVHCD Conflict of Interest Code are prohibited from receiving honoraria payments from any source of gifts or income included in their disclosure categories set forth in the Conflict of Interest Code. Exceptions to the State's honoraria prohibitions for local officials, such as for income earned from a bona fide business or profession, shall apply to SVHCD officers and employees. (Government Code Section 89502.) Honoraria and reimbursements for event attendance when permitted shall be handled pursuant to the procedures set forth below.

III. DEFINITIONS

A. "FPPC Regulations" means the regulations adopted by the Fair Political Practices Commission in its role as the implementing and enforcement agency of the State's Political Reform Act. These implementations are set forth in title 2, Division 6, Sections 18109-18997 of the California Code of Regulations.

B. "Gifts": For purposes of this Policy, "Gifts" are defined and excepted as set forth in the Political Reform Act and FPPC Regulations, as they may be amended from time to time. Generally speaking, the Political Reform Act defines a "gift" as any payment or other benefit received (including food/drink, travel or travel expenses, services, and items of any type) that confers a personal benefit for which the recipient does not provide something (e.g., payment, goods or services) of equal value. This includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status.

Exceptions generally include, but are not limited to:

1. Informational materials such as books, reports, pamphlets, calendars, or periodicals.
2. Gifts which are not used and which, within 30 days after receipt, are either returned to the donor or delivered to a nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, without being claimed as a charitable contribution for tax purposes.
3. Gifts from close family members (e.g., an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, sister-in-law, brother-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person) unless the donor is acting as an agent or intermediary for any person not covered in this paragraph.

4. Campaign contributions.
5. Inheritance.
6. Personalized plaques or trophies with an individual value of less than two hundred and fifty dollars (\$250).
7. Gifts from long-term, close personal friends or friends or colleagues from business relationships unrelated to the recipient's role as a public officer or employee.
8. Acts of neighborliness (e.g., picking up someone's mail or feeding a pet while the recipient is on vacation) or compassion (e.g., delivering food or flowers to someone in mourning).

C. **"Honoraria"** (plural form of "honorarium") are payments received for making a speech, publishing an article, or attending any public or private conference, convention, meeting, social event, meal or similar gathering.

D. **"Tickets" or "Passes"**: The FPPC, in interpreting the Political Reform Act, has established that "ticket" or "pass" means "admission to a facility, event, show, or performance for entertainment, amusement, recreational or similar purpose." This includes but is not limited to include tickets/passes/admission to fundraising events, luncheons, dinners, parties, etc. from third parties. (Tickets/passes purchased by the District/Hospital to enable Board members, the CEO or other employees to attend in their official capacity on official business shall not be governed by this policy, e.g., Sonoma Valley Chamber of Commerce meetings.)

IV. PROCEDURE

A. Giving and Receiving Gifts to or from Outside SVHCD in the Course of Business

1. **Receiving Gifts from External Parties:** Gifts from patients or patients' families shall be discouraged. An employee who is offered a gift of cash or a cash equivalent shall decline the gift or may suggest a donation to a charitable organization such as the Sonoma Valley Hospital Foundation. However, if the employee has a reasonable belief that refusing to accept such a gift would have a detrimental effect on a patient or the Hospital as an institution, the employee must report in writing and forward the gift immediately to the Department Director. The following applies to all gifts received by employees or SVHCD in the course of business:

- a. An employee who receives a gift shall notify and forward the gift to the department director, who shall determine, in cooperation with the CEO, whether State disclosures (e.g., on FPPC Form 801) are required.
- b. If a Gift is provided to SVHCD for distribution at the agency's discretion, the CEO shall distribute the Gift in accordance with FPPC Regulations. In such cases, the hospital shall maintain records of such gifts and utilize FPPC Form 801, Gifts to Agency Report, to document this information. The hospital shall forward the completed Form 801 (Attachment A) within 30 days from the distribution of each included Gift to the Sonoma County Clerk, and shall post completed forms on the SVHCD web site. Gifts appearing on a Form 801 need not be included in the eventual recipient's Statement of Economic Interests.

- c. If the Gift was provided other than for distribution at the agency's discretion, the CEO shall decide how to handle the gift under relevant FPPC Regulations, including allowing the employee to retain it, or distributing it within the department (where feasible).
- d. Gifts of minimal value (under \$25) such as pencils, desk calendars, and other promotional items may be distributed and used within the receiving department.
- e. With prior written approval of the CEO, vendors may provide meals and other food to employees only when the vendor is providing significant education related to products or procedures, or when conducting informational business meetings. Written attendance records must be provided to the CEO for all meetings at which meals are provided.
 - i. The total value of any meal should not exceed \$20 per attendee.
 - ii. Annual value of all meals provided by a single vendor shall not exceed \$300 per year without prior written approval of the CEO.

2. Offering or Giving Gifts to External Parties: Under limited circumstances, gifts may be given to external parties provided they relate to the business of SVHCD, are in SVHCD's best interests and are legally and culturally acceptable. In addition they should meet the following criteria:

- a. Cash gifts or cash equivalents, such as gift certificates, are prohibited.
- b. The non-cash or non-cash equivalent gift may not exceed \$25.00 per recipient/year.
- c. The item is customary and does not create an appearance of impropriety.
- d. Giving the gift imposes no sense of obligation on the part of either the giver or recipient.
- e. Giving of the item is not concealed.
- f. Giving of the item has been approved in advance and in writing by the relevant department executive and copied to the CEO.

B. Giving and Receiving Gifts within SVHCD in the Course of Business

- 1. Gifts and cash equivalents, such as gift cards may be given to employees as incentives for program attendance, recognition of outstanding achievement or for other positive rationale. Gifts in excess of \$25.00 shall be documented as income and taxed accordingly. The CEO shall develop written policies and procedures for this to occur.
- 2. If an employee receives a gift card of any value (e.g., \$10.00 Starbucks Gift Card) from the organization, the value (\$10.00) of such gift must be documented as income and taxed accordingly. This provision does not apply to coupons for specific items, such as a free drink or free meal, or discount coupons such as 10% off any purchase in the Cafeteria, Gift Shop or Starbucks.
- 3. If gift cards are approved in writing by the CEO for distribution from the department executive, the director is responsible to obtaining the names

of employees receiving such gifts and providing the information in writing to accounting with a copy to the CEO.

C. Ticket/Pass Distribution

This procedure section shall provide procedures for the distribution of Tickets and Passes as required under State law, to ensure proper identification and use of 1) receipt of Tickets and Passes; 2) the “public purpose” to be achieved in distributing Tickets and Passes; 3) distribution of Tickets and Passes; 4) documentation and 5) public posting of the receipt and use of Tickets or Passes. Proper exercise of these procedures will exclude Tickets and Passes from required disclosure on individuals’ Statements of Economic Interests. For the purposes of this section of the policy, “official” means all positions identified in SVHCD’s Conflict of Interest Code.

1. **Ticket/Pass Receipt Process:** All Tickets/Passes received by SVHCD shall be forwarded to Administration. Determination of whether to give the tickets/passes to the Foundation for use, or to distribute internally will be at the discretion of the CEO.

2. **Public Purpose:** The distribution of Tickets or Passes by SVHCD/SVH must be in furtherance of a “public purpose.” Examples of such public purpose:

- a. To promote networking opportunities of officials with community stakeholders.
- b. To evaluate SVHCD/SVH’s ability to attract business at the locale or event, and thus to contribute to the healthcare of the community in the future.
- c. To reward an official, employee or hospital stakeholder for his or her exemplary service to the organization or to encourage staff development.
- d. To promote attendance at a hospital-sponsored event or event held at the hospital in order to maximize potential from concession sales.
- e. To reward a hospital healthcare partner for its contributions to the SVHCD/SVH or the community.
- f. To provide opportunities to those who are receiving services from County and State agencies consistent with the District’s goals for the particular population (e.g., for use by juvenile wards in the custody of the Chief Probation Officer or mental health clients and seniors receiving services from the Health and Human Services Agency/Public Health); or
- g. To promote health, motivate and provide expanded opportunities to vulnerable populations in the SVHCD such as the disabled, underprivileged, seniors, and youth in foster care.

3. **Distribution:** Tickets/Passes are distributed at the discretion of the CEO. Once distributed, tickets cannot be transferred by the recipient other than to members of the official’s immediate family or no more than one guest, solely for such guest’s attendance at the event with the recipient.

4. **Documentation:** The CEO shall ensure that the hospital will maintain record of all Ticket/Pass distribution and the use of Tickets and Passes by SVHCD officials for ceremonial purposes, as required by FPPC Regulations and utilizing FPPC Form 802, Agency Report of Ceremonial Role Events and Ticket/Pass

Distribution, to document this information. The hospital must forward the FPPC Form 802 (Attachment B) within 45 days from the distribution of each Ticket or Pass to the FPPC via email to Form802@fppc.ca.gov; by Fax to 916.322.0886; or by mail to 428 J Street, Suite 620, Sacramento, CA 95814.

D. Honoraria and Reimbursement for Professional/Educational Involvement

1. With the prior written approval of the CEO, employees who provide education at professional conferences and meetings may accept reimbursement for travel, meals and hotel expenses for the date(s) of the presentation(s). Presentations must be professional and educational in nature and may not be for the sole purpose of product endorsement.
2. In such circumstances, unless prohibited above, honoraria of \$100 or less in value may be accepted from the host organization.

V. DOCUMENTATION

A. Department directors shall maintain written records of all gifts given to employees of their departments when such gifts are to be reported under this Policy. Such documentation will include the type and value of each gift, the name and affiliation or position of recipient(s) and giver(s), the date of receipt and disposition, and method of disposition and provide a copy to the CEO.

B. Human Resources shall maintain documentation of education done in orientation or at annual compliance training. Department directors shall maintain documentation of staff training meetings.

C. Statements of Economic Interest (including gift disclosures under State law) shall be handled in accordance with the SVHCD Conflict of Interest Policy.

D. The CEO shall develop and implement policies and procedures that will maintain a record of all ticket/pass distribution as required by FPPC Regulations, including copies of all completed FPPC Forms (e.g., Form 801: Gift to Agency Report; Form 802: Agency Report of Ceremonial Role Events and Ticket/Pass Distribution Form 802).

E. The CEO shall be responsible for posting completed FPPC Forms (e.g., Form 801: Gift to Agency Report) on the SVHCD website when required by State law.

VI. REFERENCES

- A. The Medicare and Medicaid Patient Protection Act of 1987 (42 U.S.C. 1320a-7b) (Anti-Kickback Statute).
- B. Political Reform Act, California Government Code §81000 et. seq.
- C. FPPC Regulations, Title 2 of the California Code of Regulations, Division 6, §18109 et seq.