

BHT Racism Policy Statement

Background:

Better Health Together convenes cross-sector leaders across 6 counties of eastern Washington to radically improve how we delivery community health. We strive for health equity - *where institutions support every individual in achieving their full health potential regardless of identify, environment, or lived experience*. When we look at the decision-making tables, we notice most of the leaders are white. When we look at who is most impacted by the work of these agencies, the data shows us people of color carrying the unjust burden of the greatest barriers. This disparity tells us we are working in a white-dominant system, and if we are not intentional about applying an anti-racist lens to everything we do we are at risk for perpetuating behaviors of [white-supremacy culture](#), such as perfectionism, defensiveness, and sense of urgency.

White supremacy culture has enabled systemic racism and oppression resulting in patterns such as:

- While 91% of hospital CEOs across America are white¹, Spokane's Native American and Black communities lost 61% and 48% more years of life to early death than white people in 2018.
- While 86% of America's psychologists are white², Hispanic communities face the greatest rate of depression, and Native Americans and Black communities are most likely to lose someone to an opioid overdose in our region.
- While 95% of teachers in Spokane Public Schools are white and a third of the students are people of color³, Black students were twice as likely to be suspended in 2018.⁴
- While 80% of America's police officers⁵ and 71% of district court judges are white, black people in Spokane were made to sit in jail and an average of 12 days longer than white people.^{6 7}
- In Spokane, Native Hawaiian and Asian Pacific Islanders make up less than 1% of the population, but a third of positive cases for COVID-19, reflecting nationwide trends of people of color being placed in positions that make them more susceptible to the virus.⁸

We cannot ignore these patterns, and the unjust impact they have on health. BHT moves to adopt a policy position that racism is a public health crisis, so we may continue to center our work and deepen our commitment around addressing the root causes of health inequity in our community.

¹ [ACHE](#)

² [APA](#)

³ [OSPI](#)

⁴ [OSPI](#)

⁵ [New York Times](#)

⁶ [Inlander](#)

⁷ Any data point with source unlisted came from www.countyhealthinsights.org

⁸ [KHQ](#)

Position statement: Racism is a public health crisis

Racism is not just when a person treats someone else differently because of their race.

Racism is a developed false idea used to justify a culture whose behavior has positioned white people to dominate positions of power while perpetuating avoidable and unjust health outcomes for people of color for over 400 years.

BHT is committed to building an anti-racist community and opposing oppression in all forms – not only to stand against systemic oppression, but to invest in radical change and steward the process that will lead us to a better future.

We commit to critical analysis of how white-supremacy culture is influencing our decision making, and to acting on opportunities to disrupt cycles of discrimination and oppression.

Prompts for anti-racist and anti-oppression reflection in decision making:

- How is this decision being influenced by characteristics of white-supremacy culture?
- Where are we taking opportunities to disrupt white-supremacy culture in this decision?
- How and when have the people who will be impacted by this decision been included in decision making?
- How have we assessed and addressed how difference in identity, environment, or lived experience may be influencing this decision?
- How does this decision help to shift the power away from those who typically have the most?
- What don't we know?

A note on the evolving equity journey:

We have yet to see an anti-racist world, but we believe we can build one. We do not strive for perfection in our equity journey, but an openness to learn and willingness to be moved. We will make mistakes, and those mistakes will help us grow. We strive to build accountability in our work that will prevent and reduce the harm to those who have already been impacted by oppression along the way. We owe so much of our learning to people of color and members of other oppressed groups who have taken on a great burden in sharing their experiences of oppression in order for us to see how we must do better. To that end, we do our best to express our commitment as we know how to live it out today in this document, however, **our commitment to anti-oppression work is evolving and how we communicate and activate our commitment to this work will also evolve and grow.**



EMPLOYEE HANDBOOK

UPDATED JULY 2020

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PURPOSE OF THIS HANDBOOK

Better Health Together (BHT) believes it is important to keep employees fully informed about organizational policies and practices and to ensure that each employee understands expectations and obligations. The policies and practices described in this Employee Handbook reflect a great deal of care and concern for the employees who make it possible for BHT to exist.

The intent of this handbook is to provide employees with a basic outline of some of the programs, policies, and benefits associated with employment at BHT. These programs, policies, and benefits may change with time or they may need to be clarified, amended, supplemented, or rescinded. Therefore, BHT reserves the right to modify, rescind, delete, or add to the provisions of this handbook as well as any of its other personnel policies and practices from time to time as the organization deems necessary or in response to the needs of the organization.

Our Vision

An integrated community health system, accountable to improving health through delivering quality whole person care and addressing health inequities.

Our Mission

To radically improve the health of the region.

Goals

Improving access to integrated, whole-person care. People in the region have access to integrated physical, behavioral, and oral health in a whole person system of care

Optimizing use of community resources. Strong linkages exist between the health care delivery system and community resources to address social determinants of health.

Promoting health equity for all, by all. Equity is integrated and elevated in the health care delivery system and the health of every community is improved.

Achieving organizational excellence and accountability. BHT staff, board and operations maximize community investment for high performance.

How We Work

The BHT utilizes seven key approaches for structuring our work and meeting goals:

1. Convening & Leadership
2. Outreach & Engagement
3. Policy Advocacy
4. Incentives & Investments
5. Leveraging Data
6. Technical Assistance
7. Demonstrating Accountability

STRUCTURE

Better Health Together an independent 501(c)(3) organization, governed by a volunteer Board of Directors. The Board of Directors is comprised of a diverse and dedicated group of community leaders who are committed to improving the wellbeing and health of our region. They co-own the mission of BHT and provide strategic development and decision-making oversight. Members are accountable for BHT's policy, fiduciary, legal, and mission attainment commitments and monitor the metrics that help prove that BHT is bringing significant value to the region. These executives are decision-makers and can commit or

secure the commitment of their organization's or the community's resources to support BHT's mission and goals.

Better Health Together employs a professional executive director to guide the organization's strategies and operations. BHT additionally employs paid staff to carry out the operations of the organization.

COMMITMENTS AND COMPLIANCE

Commitment to Equal Opportunity

Better Health Together is an equity opportunity employer and does not discriminate against employees or job applicants on the basis of race, national origin, color, religion, creed, sex, gender, gender expression or identification, sexual orientation, pregnancy, age, disability, military and/or veteran status, marital, or family status, actual or perceived status as a victim of domestic violence, sexual assault, or stalking or any other status or condition protected by the applicable federal, state, or local laws, except where a bona fide occupational qualification applies.

This policy extends to all aspects of the employment relationship, including, but not limited to, recruiting, interviewing, job assignments, training, compensation, benefits, discipline, use of facilities, participation in BHT- sponsored activities, termination and all other terms, conditions, and privileges of employment.

Voluntary Employee Identification Information Collection

During the pre-employment process, a potential employee may voluntarily provide Human Resources Consultant with their gender, ethnic and racial background, Veteran status, and disability status. Sharing this information is optional, and the refusal to furnish the information will not have any adverse effects. The information is used to study BHT's efforts to attract diverse pools of qualified applicants and ensure equitable employment opportunity. Hiring decisions are based on individual job qualifications.

Upon hire, any voluntary employee information provided is kept confidential, separate from the employee's personnel files.

Americans with Disabilities Act Compliance

BHT will reasonably accommodate qualified individuals with disabilities if such an accommodation would allow the individual to perform the essential functions of the job, unless doing so would create an undue hardship on BHT. When the disability and/or need for accommodation are not obvious, BHT may ask the employee for reasonable documentation about their disability and functional limitations.

Harassment and Discrimination Policy

BHT provides a work environment in which all employees are treated with respect and dignity. It is our policy that all employees have the right to work in an environment free from any type of discrimination or harassment, including racial and sexual harassment. BHT's general harassment policy is designed to ensure that all individuals can work in an environment that promotes equal opportunities and prohibits discrimination on the basis of race, national origin, color, sex, sexual orientation, gender identity or expression, pregnancy, religion, creed, age, disability, military and/or veteran status, marital or family status, actual or perceived status as a victim of domestic violence, sexual assault, or stalking, or any other status or condition protected by the applicable federal, state, or local laws. BHT celebrates diversity and we strive to be sensitive to and tolerant of all.

Discrimination may take many forms including, but not limited to, the following employment actions if based on the individual's race, national origin, color, sex, sexual orientation, gender identity, gender expression, pregnancy, religion, creed, age, disability, military and/or veteran status, marital or family status, actual or perceived status as a victim of domestic violence, sexual assault, or stalking, or any other status or characteristic protected by federal, state, or local laws:

- Eliminating individuals from opportunities to interview for employment;
- Eliminating opportunities for transfers, raises or promotions;
- Denying leave or other reasonable accommodation;
- Transferring an individual or modifying duties in a manner that has a negative impact on the employee;
- Discharging or laying off an employee; or
- Failing to respond to discrimination or harassment concerns so as to leave the employee no option but to quit their job.

BHT additionally prohibits harassment because it is a barrier to equality in the workplace, and is therefore a form of illegal discrimination. Harassment includes verbal and physical conduct having the effect of demeaning, offending, insulting or harming another individual because of that person's sex, sexual orientation, gender expression or identity, race, color, creed, national origin, age, religion, disability, military and/or veteran status, marital status, or any other characteristic protected by federal, state, or local laws.

Sexual Harassment. There are two distinct categories of sexual harassment: "Quid Pro Quo" harassment and "hostile work environment" harassment. Quid Pro Quo harassment occurs when an individual's submission to or rejection of unwelcome sexual conduct is used as a basis for employment decisions affecting that individual, including granting of employment benefits. Hostile Work Environment Harassment occurs when unwelcome sexual conduct or non-sexual offensive conduct that is directed at an employee because of their gender unreasonably interferes with an individual's job performance or creates an intimidating, hostile, or offensive working environment, even if it does not lead to tangible or economic job consequences. Sexual harassment may include various forms of offensive behavior based on sex or gender. Examples of sexual harassment may (depending on the circumstances) include, without limitation:

- **Visual and/or written conduct:** leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, posters, websites, emails, notes, or text messages;
- **Verbal conduct:** offering employment benefits in exchange for sexual favors, making or threatening reprisals after the rejection of sexual advances, verbal sexual advances or propositions, making or using derogatory comments, epithets, slurs, sexually explicit jokes, or comments about an employee's body or dress, verbal abuse of a sexual nature, suggestive or obscene letters, notes or invitations; or
- **Physical conduct:** unwanted sexual advances, unwanted touching, unwelcome hugging or kissing, assault, impeding or blocking movements.

Harassment on the Basis of Other Protected Characteristics. Prohibited harassment may include behavior similar to the illustrations of sexual harassment identified above, based on other protected characteristics (including sexual orientation, gender expression or identity, race, color, creed, national origin, age, religion, disability, military and/or veteran status, marital status, or any other characteristic protected by federal, state, or local laws). By way of illustration only, some examples of such harassment may include:

- **Verbal conduct,** such as threats epithets, derogatory comments or slurs based on an individual's protected classification (e.g., race, age, sexual orientation, gender, etc.);

- **Visual conduct**, including derogatory, degrading, or offensive posters, photography, cartoons, drawings, notes, letters, messages, or gestures based on a legally protected classification;
- **Physical conduct**, including assault, unwanted or offensive touching or blocking normal movement, or other physically threatening, intimidating, or offensive conduct based on an individual's legally protected status

Harassment is prohibited by this policy whether it involves co-worker harassment, harassment by a supervisor or manager, or by third parties doing business with or for the BHT (such as clients, contractors, or vendors). Therefore, any harassing conduct may result in prompt disciplinary action against the harassing employee, up to and including immediate termination of employment. There are times when this type of conduct may occur off duty and off premises, but may impact the working environment. Therefore, such conduct having a nexus to the workplace will be treated as a violation of this policy with disciplinary consequences. Finally, such prohibited activity includes conduct carried out in person, and via telephones, cellular and mobile phones, computer systems, electronic mail, social media and any other electronic means.

If an employee feels that a violation of this policy has occurred, they may report the concerns to their immediate supervisor, or to any supervisor. If the individual feels that these parties are unable to respond to this concern or are responsible for or otherwise involved in the offensive conduct, they may contact Human Resources Consultant, the Executive Director or the Chairperson of the Board of Directors. The complaint need not be in writing or any other format and should simply be brought to the appropriate party's attention promptly in order to allow adequate investigation and response as discussed below. Regardless of the method of reporting, any complaint will be dealt with promptly and with the utmost discretion. Employees will not be penalized or retaliated against for reporting such concerns.

An investigation of all complaints will be undertaken by Human Resources Consultant as immediately as is reasonable. Complaints will be kept confidential to the extent practical, while allowing a thorough investigation to proceed. The employee who filed the complaint will be kept informed of the progress of any investigation. Any and all people involved in or having details regarding the complaint will become part of the investigative process. Any corrective action taken will be designed to immediately stop the conduct and prevent any future harassment.

Any form of retaliation, including but not limited to questioning of, derogatory comments, threats, intimidation, or actual harm against individuals making harassment complaints, witnesses or any other involved employees, is against the company's policy and is strictly prohibited. Retaliatory activities will be treated as a separate violation of this policy and will subject the individual to discipline, up to and including immediate termination of employment.

Compensation Philosophy

Better Health Together (BHT) believes that bringing together diverse perspectives strengthens our team and community. We recognize that BHT is an institution and employer that functions in a white supremacy culture. We see that without intentionality, employment practices tend to favor this dominant culture at the cost of marginalized populations, namely women, Black people, indigenous people, and people of color.

In our commitment to disrupting this pattern, we have centered our compensation package around supporting diversity, equity, and belonging within our organization. BHT has taken an equity lens to our compensation package so that, in as many ways as possible, we may actively work against the inequities created by generations of oppression and marginalization.

BHT has crafted the salary and benefits package to provide the best support for our staff. This means that this may not look the same for every employee, depending on what their individual needs might be. So

that we are not faced with choosing to cut benefits, BHT will continue to right-size our work and compensation package.

BHT believes that well-compensated employees are engaged employees. This looks like:

- Committing to pay employees in the top 25 percent for our industry by conducting a bi-annual review of salaries, creating tiered pay ranges, and disclosing the salary on job postings.
- Paying 100% of health insurance premiums for our staff and their families, thus ensuring that staff and their families have access to health care, and no one on our team would have to choose for family members to go uninsured because they can't afford the premiums.
- Ensuring maximum flexibility with paid time off, to recognize the diversity of personal, cultural, and religious lifestyles.
- Working to level the wealth inequities created by income, gender, and race by contributing equally to the future.

RECRUITING

Screening for Candidates

As part of the interview process, candidates may be asked to complete a skills test specifically to demonstrate the knowledge, skills and abilities related to the job duties.

Prior to employment with BHT, each applicant must have a background check and Motor Vehicle Report completed. See “New Employees” Section for more information.

EMPLOYMENT POLICIES

New Employees

All candidates offered employment with Better Health Together are required to submit to the following background checks: Criminal History, Motor Vehicle Report, and Credit Check (dependent on position).

Better Health Together covers the expenses of the background screening and a third-party vendor conducts all relevant checks. If an applicant does not clear the background screen, the Executive Director will work with the Human Resources Consultant to determine if the items are disqualifying for employment. The affected applicant will be notified, in writing, of any decisions to not offer employment based on the results of a background check or drug screen. Decisions will be made in accordance with all applicable state laws.

Candidates will submit any education requirements and licenses required by the position and keep them current for employee file.

Existing Employees

Existing employees may be required, in accordance with any grant receipt requirements, to submit to an updated background check.

At Will Employment

As an employee of BHT, you are employed “at will.” This means that either you or BHT may terminate the employment relationship at any time, without cause or advance notice. Nothing contained within this handbook or any Better Health Together policy or document is intended to create, or shall be construed as creating, an express or implied contract or guarantee for employment for any period of time. Any policy, document, or statement (whether written or oral) that conflicts with employment at-will is void. No representative of this organization has the authority to change this at-will relationship except in a specific written agreement declaring such intent and signed by both the employee and the Executive Director.

Employment Classification

Employment classifications are provided so that employees understand their employment status and eligibility for benefits. The following classifications do not guarantee employment for any specific length of time. The employer and employee retain the right to terminate employment at any time, without reason or notice.

- **Exempt Employee:** These employees must meet the definition of executive, administrative, or professional staff member and are paid on a regular salary basis. Exempt employees are not eligible for overtime pay and are eligible for benefits on the first day of the month if starting on the 1st of a month or first day of the month following date of hire if starting after the 1st day of a month.
- **Non-Exempt Employee:** Non-Exempt employees are paid on a salary basis, and are eligible for overtime pay. Non-exempt employees must keep accurate records of the hours worked; individual employees are responsible for the accuracy and completeness of their timesheets. Timesheets must be approved by the employee's supervisor prior to being turned in to Payroll each pay period. Non-Exempt employees are eligible for benefits on the first day of the month if starting on the 1st of a month or first day of the month following date of hire if starting after the 1st day of a month.
- **Regular, Full -Time Employee:** An employee who is regularly scheduled to work **at least** thirty (30) hours per week.
- **Regular, Part-Time Employee:** An employee who is regularly scheduled to work **less than** thirty (30) hours per week.
- **Temporary Employee:** An employee hired for a limited duration of time or to complete a specific project, including interns and fellows are considered temporary. A temporary employee may be eligible for limited benefits.

Standard of Conduct

Every employee is a representative of BHT. In this role, employees are expected to provide excellent and reliable performance to ensure orderly operations. Employees are expected to conduct themselves in a manner that aligns with the mission, vision and values of BHT.

BHT is responsible for providing a workplace where staff and clients are valued and appreciated and strives to ensure that all individuals associated with the organization are treated in an equitable manner. Though it is not possible to list all forms of behavior that are considered unacceptable in the workplace, the following are examples of behavior that would be considered BHT's standard of conduct. Deviation of such behavior may result in disciplinary action, up to and including termination of employment.

This list isn't intended to be exhaustive:

Professional Conduct: Employees will conduct themselves in a professional manner. In particular employees will act in a manner congruent with BHT mission, vision and values, share thoughtful insights, and provide their best judgement when dealing with clients and community partners in a way that ensures both high quality products and high quality relationships are promoted and maintained. This applies whether interacting electronically, in writing, by telephone, or in person.

Cooperation and teamwork: All employees will work cooperatively in the executing of their duties. Work is often shared and teamwork is always encouraged. Employees will maintain a collaborative attitude with their co-workers and work together to solve challenges.

Accountability and responsibility: Employees will be provided job descriptions and their supervisor will be

clearly identified. Expectations will be clearly communicated to employees. All employees will be held accountable for the timeliness and quality of their work.

Respect for colleagues: Interaction, verbal and non-verbal, will be respectful. Disagreements will be shared in a constructive manner. Use of profanity is not condoned and will be viewed as disruptive.

Sexual and other unlawful harassment: Any form of harassment will not be tolerated at BHT. Harassment of co-workers, subordinates, colleagues, or anyone connected with BHT is not allowed and may result in disciplinary action, up to and including termination.

Respect for diversity: BHT embraces and respects diversity, equity and inclusion in the workplace. Employees will reflect this outlook as well. Any communication or interaction will not be offensive on the basis of race, color, creed, religion, national origin, gender, sexual orientation, gender identity, age, disability, marital status, veteran status or any other characteristics protected under federal or state law.

Respect for Equipment: Employees are expected to use good judgement in the use of all company equipment and facilities. Personal use of organizational equipment may be permissible as long as it does not affect job performance, cause a disruption to the workplace, or result in an expense to the company or damage to or loss of the equipment.

Honesty and truthful representation: BHT employees will be honest and truthfully represent themselves in written or verbal interaction. This includes the filing of timesheets, work summaries, writing reports or development of other documents. Plagiarism in the preparation of research or other written, design, or creative work products is not allowed. Clear citations must be provided when using the work of others. Knowingly filing false statements regarding time worked, expenses owed, or other financial payment documents will be taken seriously, and may result in termination or referral for criminal prosecution.

Safe work environment: BHT strives to ensure a safe work environment for all employees. This includes facility safety, security and maintaining a healthy work environment. Employees will support this effort by keeping their work area clean, uncluttered, and by respecting the common areas in workspaces.

Unlawful conduct: Any unlawful conduct that may harm the reputation or work environment of BHT may be grounds for termination.

Confidentiality

As a result of your employment with BHT, you will acquire and have access to confidential information belonging to BHT that has special and unique value to the organization and its mission. Confidential information includes BHT's technical, business, and financial information, as well as any and all information provided by or held about clients, partners, stakeholders, employees, consultants, funders, or others that has not been made publicly available by BHT. As a condition of employment, employees must ensure that no confidential information is released or disclosed, except in the responsible exercise of their jobs. If you are unsure of your obligations under this policy, please consult the Executive Director, immediately. Staff are required to sign a Confidentiality Agreement that will remain in their personnel file.

As an employee of BHT, you must agree to maintain physical control of data devices (such as laptop computers) at all times, or keep them in locked storage. Never leave data devices or media unattended in a vehicle. If confidential information, devices or media are lost or misplaced, it must be reported immediately to your Supervisor.

Health Insurance Portability and Accountability Act

Upon hire, all staff members are required to complete training in the Health Insurance Portability and Accountability Act (HIPAA). BHT will provide each employee a HIPAA training within your first week of employment. A certification of completion will be printed and provided to Human Resources once the training has been successfully completed. This certificate of completion will be filed in each staff

member's personnel file. All employees are required to follow HIPAA provisions in the course of their work at BHT. Violation of this policy may result in disciplinary action including termination if necessary.

Conflict of Interest

The primary interest of employees should be the community we serve. A conflict of interest occurs when an employee or family member uses the employee's position for personal benefit through any investment, transaction, association or relationship, or the interests of that employee or a family member otherwise interfere with the employee's ability to exercise independent judgement on behalf of BHT.

Employees shall not accept gifts, gratuities, free trips, personal property, or other items from an outside person or organization as an inducement to provide services or engage in other business transactions. Employees should not participate in paid appearances at organizations that have or may have an affiliation or association with BHT, or any interest in BHT's programs, activities or recommendations. Such appearances could include being paid by the organization to conduct a training session, teach a seminar, give a speech, or appear on a panel. In the event payment is provided to the employee, it will be remitted to BHT.

BHT employees are also required to refrain from activities that may give rise to a potential conflict of interest or a perceived conflict of interest, and to report all potential or perceived conflicts of interest to an appropriate supervisor within BHT. Such potential or perceived conflicts of interest exist when a person may be influenced, or may appear to be influenced, by any purpose or motive other than the success, best interest, and well-being of BHT, and the achievement of BHT's mission.

If you believe that you have a conflict of interest, or a potential or perceived conflict of interests may exist, contact your supervisor immediately.

Open Door Policy and Team Communication

BHT practices an open-door communication policy. Employees are encouraged to discuss with their immediate supervisors any questions, problems, or concerns. We commit to listen to concerns with respect and do our best to help solve any problems.

Team members are encouraged to communicate with their fellow team members directly and with respect. Gossip and triangulation are not acceptable in the BHT work setting. In cases of conflict or sensitive situations, team members are encouraged to seek coaching from their direct supervisor, leadership or Human Resources Consultant to help navigate such situations in productive ways that are respectful to all team members and that support swift and effective resolution of issues.

Personal Information and Release of Personnel Records

BHT maintains personnel files for all employees. Medical records are maintained in a separate confidential file from other personnel records.

Personnel records, including medical information about an employee, are confidential. Access will be limited only to those who have a need to know the information. Although BHT will maintain personnel records as confidential, employees may discuss their wages, benefits, or other terms and conditions of employment with other employees or third parties at their choosing.

BHT also reserves its right to provide references regarding current or former employees. Generally, such references include verification of dates of employment and job title and duties. More information may be shared in BHT's discretion in accordance with applicable law. BHT also reserves its right to provide personnel information to third parties, such as government agencies or law enforcement, or in response to legal process, like subpoenas or court orders.

Additionally, as part of the enforcement of court ordered child support payments, BHT does report all persons hired to the Washington State Support Registry, along with relevant details of their employment.

Employee Access to Personnel and Payroll Records

Current or former employees may review and obtain copies of their own personnel records at a mutually convenient time, with a designated representative of BHT, during business hours and may add additional items to the file in accordance with applicable law. Any concerns regarding the completeness or accuracy of the information contained in the personnel file should be discussed with your supervisor or the Executive Director.

When a current employee needs BHT to verify employment (such as for a loan approval), the Employee should advise BHT of the need at the earliest opportunity so that BHT can verify the authorization to release employment information.

Upon request, BHT will make an employee's file, including records relating to the employee's hours worked on a daily and weekly basis, rate or rates of pay, total wages earned, deductions, and net pay for each pay period, available for review or provide a copy within a reasonable period of time.

OUTSIDE POLITICAL ACTIVITY

Politics on Personal Time

BHT respects the right and civic responsibility of every employee to participate voluntarily in the political process. Our employees are free to engage in personal political activities of their choice, on their own time, as long as those activities are lawful and do not create a conflict of interest or otherwise impact, directly or indirectly, BHT or its responsibilities or obligations.

If BHT employees choose to participate in politics, they must do so only on their time and they must be mindful of the time required to perform their BHT job responsibilities.

As a Section 501(c)(3) organization, BHT is prohibited by federal law from intervening or participating in any political campaign on behalf of (or in opposition to) any candidate for public office. This prohibition applies to elections at any level (*i.e.*, local, state or federal) within the United States or in any foreign country, and is an absolute prohibition. BHT's tax-exempt status may be jeopardized (and penalties imposed) in the event of prohibited electioneering.

Accordingly, BHT does not and will not endorse the candidacy of any employee seeking public office. Any BHT employee running for office must take the position that their candidacy is their personal political activity and that they are not pursuing it on behalf or as a representative of BHT.

Any BHT employee who participates in the political process does so as an individual and not as an employee, representative or spokesperson of BHT.

Conflicts of Interest

Nothing in this policy is intended to create an exception to BHT's Conflict of Interest policy, which remains in full force and effect and governs all outside activities of BHT employees.

The Reach of this Policy

Nothing in this policy is intended to:

1. Interfere with the political rights of any employee under federal, state or local law.
2. Interfere with any employee's constitutional rights including the rights of free speech and association.
3. Interfere with any employee's rights under Section 7 of the National Labor Relations Act including the right of employees to communicate with each other regarding the terms and conditions of their employment and to engage in concerted activities.

4. Govern or regulate activities that any employee pursues on the employee's own time, provided that those activities do not impact the employee's job responsibilities or BHT.

BHT Resources, Premises and Personnel

No employee may use BHT resources for campaign purposes including, but not limited to, BHT telephones, email accounts, personal digital assistants, meeting facilities, office space, office supplies, postage, equipment, courier services, computers, research materials, social media or lists.

- No employee may use BHT facilities or BHT contact lists to conduct campaign-related communications or solicitations.
- No employee may conduct campaign phone calls, communications, meetings, fundraising events, or other activities on BHT premises.
- No employee may charge BHT or seek reimbursement from BHT for any expenses that are in any way related to the employee's political campaign including, but not limited to, costs relating to transportation, meals, lodging, printing or mailing.
- No employee may utilize for campaign purposes (including fundraising or event organization) the services of any personnel who directly or indirectly report to the employee at BHT.
- No employee may permit subordinate BHT personnel to work on a paid or volunteer basis for the employee's political campaign.
- No employee may solicit contributions or campaign assistance from BHT personnel.
- No employee may engage BHT's paid consultants for campaign purposes unless the employee or the employee's campaign committee: (1) executes a new contract directly between the consultant and the employee's campaign committee; and (2) pays the consultant at the fair market rate.
- No BHT employee may create or tolerate a suggestion or perception that an individual's or entity's relationship with BHT will benefit or suffer as a result of support for (or opposition to) any political candidate or cause.

BHT Employees Serving as Public Officials

If a BHT employee is elected to public office, they must recuse themselves entirely from any governmental consideration, discussion, or decision related to the activities of BHT. Further, a public official elected to office may be reassigned to a different position within BHT or their employment with BHT may be discontinued, consistent with the terms of the employee's at-will employment.

Use of BHT's Name and Logo

No employee may use BHT's name (or any other derivation of BHT's name) or logo in connection with campaign-related activities, except that an employee may identify themselves as a BHT employee in general biographical materials for identification purposes only.

At-Will Employment

Nothing in this policy alters the at-will nature of BHT employment. As an at-will employee, either the employee or BHT may terminate the employee's employment at any time, with or without notice, for no reason or any lawful reason.

Change of Employee Information

When an employee moves, changes telephone numbers, or has other changes in personal information, they should keep Human Resources Consultant informed of such changes so we may maintain accurate and up-to-date records. It is the employee's responsibility to be sure that the Human Resources has their present address, phone number, and current dependent/marital status for tax and benefit purposes. When changes occur, the Human Resources should be notified as soon as possible.

HOURS, SCHEDULES, ATTENDANCE, AND TIME REPORTING

Operating Hours

Typical business hours are between 8 a.m. to 5 p.m. Monday through Friday. Access cards and codes for the building will be provided to exempt employees for access outside of these time periods.

Work Week and Scheduling

The standard workday for full-time employees is eight hours (exclusive of meal period), and the standard work week is five days per week (Monday through Friday). BHT strives to create a work environment that recognizes the importance of work/life integration and therefore may allow employees to schedule work hours that are different from BHT's standard business hours.

Furthermore, when needed, BHT is open to discussing the appropriateness of remote work arrangements and/or flexible scheduling provided they effectively accommodate the needs of the organization, programs, and individual job requirements. Employees are expected to work all of their assigned hours and days. Punctual and consistent attendance is a condition of employment.

BHT reserves the right to assign employees to jobs or shifts other than their usual assignment when required for program, mission, or organizational effectiveness. Additionally, employees may be required to work overtime or hours other than those normally scheduled when necessary. If you are unable to work an alternate schedule, please notify your supervisor immediately and make arrangements to ensure your areas of responsibility will be covered.

Rest and Meal Periods

Individual schedules are established with your immediate supervisor, with the following parameters in mind. Whenever nonexempt employees work more than five consecutive hours, they are to take one lunch break of at least 30 minutes for each 5-hour period worked. Lunch breaks must commence no fewer than two hours nor more than five hours from the beginning of the shift. Lunch breaks are not paid and are duty-free. During their breaks, employees are free to leave the BHT premises. Employees who work three or more hours longer than a "normal workday" (i.e., the shift the employee is regularly scheduled to work) are permitted to take one 30-minute meal period prior to or during the overtime period.

Nonexempt employees are encouraged to also take one 10-minute break for every four hours of work. To the extent possible, employees should take their rest breaks as near as possible to the midpoint of the work period; employees must take their breaks no later than three hours after the beginning of each four-hour block of work time. These 10-minute breaks are paid.

While these are legal requirements, BHT also sees these breaks and meal periods as important to the wellbeing, quality of life, and productivity of employees. BHT is mindful of the need to serve clients and partners and to support the effectiveness and efficiency of the organization and fellow team members. As such, breaks should be taken being mindful of this.

Overtime

As a general rule, employees are within the coverage of the minimum wage, overtime, and record keeping provisions of state and federal law. This means that unless specifically exempted (that is, in a position that is classified as "exempt"), employees must receive at least the minimum wage for all hours worked and overtime compensation at the rate of one and half times the employee's regular hourly rate for all hours worked over forty in a given workweek (Sunday – Saturday). Additionally, non-exempt employees must keep accurate records of the hours worked to ensure they are paid correctly. Exempt employees receive no overtime compensation. Although we strive to provide advance notice of overtime scheduling, this may not always be possible. The employee's supervisor or department head must approve overtime work in advance. Nonexempt employees must begin work no earlier than five minutes before their shift starts and end work no later than five minutes after their shift ends. Employees may not

report earlier or stay later without the specific advance approval of their supervisor. Although all overtime worked will be paid, unauthorized overtime or other violations of this policy are subject to discipline, up to and including immediate termination of employment.

Children in the Office

Occasionally an employee may need to bring their child/children to work. When this is the case, the employee is responsible for their child and must ensure that they do not disrupt others. The conference room and small private offices are available for children so long as these rooms are not otherwise needed. Children may be asked to leave a room by any employee who needs it. If these basic rules cannot be abided by, the employee will be asked to take the child home for the day.

Record Keeping and Time/Duty Reporting

All of BHT's employees must keep accurate records of the hours worked to ensure they are paid correctly, to calculate benefits, and to correctly allocate time. If an employee believes their compensation has been subject to improper deductions (from exempt employee's salaries for absences of less than a full day, jury duty or attendance as a witness for less than a week or military service for only part of the week or for nonexempt employees benefit contributions, hours worked or calculated overtime), the employee should immediately contact their supervisor. The matter will be reviewed thoroughly and promptly. If improper deductions have been made, any needed corrections, including the payment of deducted sums, will be made as soon as possible. Employees should raise these concerns in order to protect themselves and the organization and shall not be retaliated against for doing so. Similarly, if you have any questions about exempt status, please speak with your supervisor.

PTO use shall be reported on your bi-monthly time sheet. All PTO shall be reported on time sheets. In the event time needs to be adjusted due to timing issues, these adjustments should be reported on the next time sheet submitted.

Some programs may require detailed hourly accounting of time based on the funder and/or contract. In such cases those hours will be reported in the manner specified by the employee's direct supervisor, Executive Director, or funder.

Attendance

Consistent, reliable, and punctual attendance is essential to the functioning of BHT, yet there will be times when employees will not be able to attend work or will be unable to be there at their scheduled time. BHT wishes to support the health and wellbeing of team members while ensuring that all staff are appropriately accountable for their professional duties. On occasions when an employee will be absent or delayed in arriving, the employee should contact their direct supervisor immediately, and provide an estimated arrival time or day. If meetings with other staff or community partners or stakeholders are scheduled, the employee is expected to make arrangements to reschedule that meeting or work with their supervisor or other BHT team members to cover the meeting. If the absence or tardiness is due to the employee's incapacity, the employee should have another person call in for them if possible. Excessive absences or tardiness, as well as failure to call in, may result in disciplinary action, up to and including immediate termination of employment. Failure to notify supervisor of absence or tardiness will result in:

1st Offense – Oral Warning

2nd Offense – Written Warning

3rd Offense – Grounds for Immediate Termination

Payroll

Regularly scheduled employee paydays are the 15th and the last day of every month. You will arrange for direct deposit of paychecks into your bank account. In the event that a regularly scheduled payday falls

on a weekend or holiday, you will receive your paycheck on the business day prior to the weekend or holiday.

Applicable laws require the following payroll deductions: FICA (social security), Medicare, federal income tax (effective Jan. 2019, Washington Paid Family and Sick Leave premiums). Other deductions may require an employee's written authorization. Examples of additional deductions may include deductions for an employee's portion of any insurance premiums or retirement plan contributions. BHT will honor administrative and court orders for garnishment or wage withholding pursuant to state and federal law.

DRESS CODE

Better Health Together's office dress code is casual wear for the office. To attend meetings and appointments with community members, for presentations, Board meetings, and/or client appointments BHT dress code is business casual. If you have questions concerning what is and is not appropriate, please ask your supervisor.

SUBSTANCE USE POLICIES

Substance Use Policy

BHT intends to provide a healthy work environment free of the harmful effects of drugs or substance abuse. Employees shall not possess, use, be in consumption or under the influence of alcohol, illegal drugs, or other impairing substances while working. The possession, sale, purchase, transfer, or transit of any illegal or unauthorized drug, including prescription medication that is not prescribed to the employee or drug-related paraphernalia, and the illegal use of prescription drugs is also prohibited. In circumstances such as professional or organizational functions including meetings, receptions, dinners, or celebrations where alcohol is served, staff members should exercise personal responsibility, professional decorum, and appropriate safety (personal and legal) if alcohol is consumed.

Nothing in this policy is meant to prohibit the appropriate use of over-the-counter medication or other medication that can legally be prescribed under both federal and state law, to the extent that it does not impair an employee's job performance or safety or the safety of others. Employees who take over-the-counter medication or other medication that can legally be prescribed under both federal and state law to treat a disability should inform their supervisor, the Executive Director, and/or Human Resources Consultant if they believe the medication will impair their job performance, safety, or the safety of others or if they believe they need a reasonable accommodation before reporting to work while under the influence of that medication.

BHT may ask an employee to submit to a drug and/or alcohol test at any time if it has reasonable suspicion that the employee may be under the influence of controlled substances, alcohol, or other impairing substances. If a drug test is not immediately possible, the employee will be sent home or to a medical facility by a safe transportation alternative and accompanied by the supervisor or another employee if necessary. If an employee is tested for drugs or alcohol outside of the employment context and the results indicate a violation of this policy, or if an employee refuses a request to submit to testing under this policy, the employee may be subject to appropriate disciplinary action, up to and including termination.

This policy applies to all employees. BHT will support employees who feel they may have a substance abuse problem and are strongly encouraged to seek assistance. BHT offers resources for assistance to employees who wish to seek professional help with problems of substance abuse or addiction problems and other needs. Efforts to seek such help are confidential. Please contact Human Resources Consultant if you wish to seek such assistance, or for more information.

Tobacco Use Policy

BHT is a smoke-free organization. Employees who do smoke or use other forms of tobacco may do so only during rest or meal periods and may only do so in outside areas designated at least 25 feet from any window, door, or air vent into the building. Employees may not smoke on premises or during the actual performance of their jobs at other locations (breaks notwithstanding). As we are a health promotion organization, BHT encourages all employees to be smoke-free. We support cessation through health-insurance reimbursed cessation programs and encourage use of the Washington State Department of Health's Quit Line at 1-800-QUIT-NOW for assistance in smoking cessation.

USE OF BHT AND PERSONAL PROPERTY DURING WORK HOURS

Use of BHT Property

BHT owns and maintains various systems and equipment, including computer hardware, software, Internet and electronic mail (e-mail) access, an office-based telephone system, fax and copy machine, presentation equipment, and other items designed to provide you with all necessary equipment to do your job. Laptops and LCD projectors can also be checked out for use for presentations, travel, or remote work arrangements as deemed appropriate and necessary. As property of BHT, all equipment must be returned to BHT immediately at job separation or termination, or at the request of BHT leadership.

BHT property may not be used to solicit or proselytize for commercial ventures, religious, political, or charitable causes, outside organizations, or other non-job related solicitations. These systems and equipment may not be used to create, view, access, transmit, download, display, print, or store offensive, threatening, or disruptive messages, websites, or images. Among the websites, messages, or images that are considered offensive are any containing sexually explicit or obscene language, images, or content, or those containing language or content prohibited by this organization's unlawful harassment policy. These systems and equipment may not be used to threaten harm against any person or property or to criminally harass or stalk any individual. BHT property is not to be utilized to generate chain letters, to post messages to multiple list servers, or for recreational game playing. Nor is it to be used for the transfer of copyrighted materials, trade secrets, confidential information, or other proprietary information without prior authorization.

Personal Communications While at Work

As part of Better Health Together's commitment to the importance of work/life integration and the expectation that we hire team members who are ethical and highly accountable professionals, there are no set limitations on personal calls, texts, or e-mails while at work. With this in mind, staff are expected to use their best judgment in determining the need, volume, and appropriateness of such communication. BHT reserves the right to access, audit, review, copy, disclose, and delete any messages sent, received, or stored on these systems or equipment for any purpose and to disclose this information to any party it deems appropriate, inside or outside the organization, without prior notice. Even voicemail or e-mail messages deleted or erased by an employee may not be permanently deleted from BHT's systems, and BHT retains the right to access them for so long as the information may be obtained from any source. Based on this fact, employees have no expectation of privacy in these systems and are urged not to use them for messages they would not want reviewed by others. An employee's use of these systems for any non-work related purposes signifies their consent to these terms of use.

Use of Personal Mobile Phones and Other Telecommunication Devices

Employees may carry and use personal mobile or cellular telephones, or other telecommunications devices. These devices may not interfere with productivity, safety, or morale. Moreover, these devices may not be used to create, view, access, transmit, download, display, print, or store offensive, threatening, or disruptive messages while on company premises or while in the course of employment. These devices may not be used for the transfer of copyrighted materials, trade secrets, confidential information, or other proprietary information of BHT or those we serve at any time. Any employee in

violation of this policy may be subject to disciplinary action, up to and including immediate termination of employment.

BENEFITS

All BHT benefits have been carefully determined to create a work opportunity that fairly compensates staff members and that encourages long-term employment. From time to time it may be necessary to adjust benefits options, levels, or contributions to ensure the effective and efficient operation of the organization. As such, the benefits listed below are accurate as of the date listed on this document but the BHT Board of Directors and/or Executive Director may make changes to these benefits at any time. When changes are made employees will be notified and a revised version of the employee handbook will be made and available.

Health Insurance Benefits

BHT strives to provide comprehensive medical benefits for eligible employees and their family members. Employees who are FT, and regularly scheduled >30 each week are eligible to receive this benefit. Such coverage includes medical, dental, vision and group life insurance benefits. Employees who start employment on the first day of the month are eligible for the health insurance benefits on their first day of work. Employees who start employment on any other day of the month are eligible for benefits on the first day of the month following date of hire. Employees may cover their spouses, registered domestic partners, and dependent children up to age 26 with the BHT-provided medical, dental and vision insurance.

Insurance benefits discussed in this handbook are more accurately described by the applicable Summary Plan Descriptions (SPD) and benefit booklets issued by coverage carriers on an annual basis. Should any differences be noted between this handbook and summary plan descriptions or benefit handbooks, the language in the SPD or benefit booklets will prevail.

Continuation of Coverage Policy

Upon resignation, and with proper notice as discussed in this policy, the employee may elect to continue medical/dental/vision benefits for up to three months. BHT will cover the agreed upon portion of the premium payment for regular employees, and the employee will be expected to pay the remaining portion of the premium payment. For temporary employees, and where an employee has been terminated for cause, they may continue medical/dental/vision and will bear 100% of the cost of coverage.

Please contact the Payroll Department for assistance in executing an authorization for deduction and necessary enrollment forms.

401K Benefits

BHT encourages investment in the financial future of our employees and, to this end, BHT provides a 401K benefit for all FT (regular weekly hours of 30 or more) employees. BHT automatically enrolls new employees into the plan at the full 6% match rate. BHT employees are eligible for this benefit immediately upon hire, and the employee and employer contributions are fully vested right away and can opt out if desired.

Paid Time Off (PTO)

Better Health Together recognizes the need for employees to have paid time off for a variety of reasons. Our paid time off (PTO) program provides flexibility regarding the use of time off for occasions such as vacation, holidays, illness, any purpose for which paid sick leave may be used under Washington's paid sick leave law (49.46.210 RCW), appointments, family events, other personal time, or emergencies. It is the employees' responsibility to manage their personal leave hours in a manner that allows the individual to deal with unexpected illnesses or other emergencies.

Immediately upon hire, Part-time and full-time employees are eligible to accrue PTO leave. Employees must report all PTO taken on their time sheets. If PTO was not reported due to timing issues, then it must be reported on the employee's next time sheet.

The maximum amount of PTO accrual is 240 hours annually, which is equivalent to 30 days of paid time off per year. Annually, employees will only be permitted to carryover 80 hours from one calendar year to the next. PTO is earned at a rate of .923 hours for each day of work. PTO hours are not included in hours considered for purposes of calculating overtime compensation for those who are non-exempt. Full-time and part-time employees are eligible for this benefit. Part-time employees will accrue PTO on a pro-rata basis.

PTO should be taken in increments of no more than two (2) weeks and no less than the minimum increment in which hours worked is recorded by BHT. Requests for exceptions can be submitted for consideration and approval by the Executive Director. Planned periods of PTO must be scheduled in advance with the employee's direct supervisor or Executive Director.

Approval of personal leave requests depends on workload and scheduling requirements. When possible, leave will be scheduled at the time requested by the employee, but BHT's need to ensure proper service and production coverage will take precedence. Leave requests made ahead of time are more likely to be honored. If a conflict occurs between two employees in scheduling personal leave, the employee who requested the time off first will have preference as long as BHT determines that proper service and production levels can be met.

Unscheduled absences for illness, injury, health condition, need for medical or mental diagnosis or treatment, or need for preventative care (for the employee or the employee's family member, as defined on page 16), emergent circumstances, and any other purpose covered by Washington's paid sick leave law are also covered by PTO. For such unscheduled illness/health-related absences exceeding three consecutive days, BHT may, in its discretion, require verification that the employee's use of PTO is for an authorized purpose under the Washington sick leave law, unless, under the circumstances, such verification would result in an undue burden or expense on the employee. In general, a healthcare practitioner's note stating that an employee is in need of time off work for a purpose authorized by Washington's paid sick leave law, shall be sufficient verification to satisfy the requirements of this policy. All information provided to BHT shall be treated confidentially, consistent with applicable privacy laws. If BHT requires verification of the use of sick leave for an authorized purpose under this policy, and the employee believes that it will result in an unreasonable burden or expense, BHT will make a reasonable effort to identify an alternative manner in which the employee may meet BHT's request for verification.

Employees must use available PTO, before requesting any unpaid time.

Upon separation, employees having earned and unused PTO available will receive payment for such benefit up to 120 hours.

Paid Sick Leave (Temporary Employees Only)

Pursuant to 49.46.210 RCW, temporary employees shall accrue paid sick leave at a rate of one hour for every 40 hours worked. Temporary employees shall begin accruing sick leave starting on their first day of employment, and may begin using accrued sick leave starting on the 90th calendar day after the commencement of their employment. Temporary employees may take accrued sick leave for the following purposes:

- For the employee's own mental or physical illness, injury, or health condition; to accommodate the employee's need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or to obtain preventive medical care;

- To allow the employee to provide care for a family member with a mental or physical illness, injury, or health condition; care of a family member who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or care for a family member who needs preventive medical care. For the purposes of this policy, “family member” means (a) a child, including a biological, adopted, or foster child, stepchild, or a child to whom the employee stands in loco parentis, is a legal guardian, or is a de facto parent, regardless of age or dependency status; (b) a biological, adoptive, de facto, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child; (c) a spouse or registered domestic partner; (d) a grandparent; (e) grandchild; or (f) a sibling;
- When the employee's place of business has been closed by order of a public official for any health-related reason, or when an employee's child's school or place of care has been closed for such a reason; or
- For absences that qualify for domestic violence leave under chapter 49.76 RCW.

For absences exceeding three consecutive days, BHT may, in its discretion, require verification that the employee's use of paid sick leave is for an authorized purpose, unless, under the circumstances, such verification would result in an undue burden or expense on the employee. In general, a healthcare practitioner's note stating that an employee is in need of time off work for a purpose authorized by Washington's paid sick leave law, shall be sufficient verification requirements of this policy. All information provided to BHT shall be treated confidentially, consistent with applicable privacy laws.

If BHT requires verification of the use of sick leave for an authorized purpose under this policy, and the employee believes that it will result in an unreasonable burden or expense, BHT will make a reasonable effort to identify an alternative manner in which the employee may meet BHT's request for verification.

Up to a maximum of 40 hours of accrued, unused paid sick leave may be carried over from one calendar year to the next. All accrued, unused Paid Sick Leave hours in excess of 40 hours shall be forfeited on January 1 of each calendar year. Upon an employee's termination, resignation, retirement, or separation from employment, their sick leave balance shall be lost, and shall **not** be paid out to the employee with his their final compensation. However, where there is a separation from employment and the employee is rehired within twelve months of separation by BHT, any previously accrued unused paid sick leave shall be reinstated and the previous period of employment shall be counted for purposes of determining whether the employee has satisfied the preliminary 90-day waiting period for using accrued sick leave.

Paid Family and Medical Leave

The Paid Family and Medical Leave (PFML) policy is created to provide full support to employees who are managing or participating in the care, including physical or psychological, of their family and themselves in cases of child birth, adoption or child placement (under the age of 18), the care of a family member* with a serious health condition or for the care of the employees serious health condition, as well as military pre and post exigency for the employee and employee's family members (as defined in RCW50A.05.010) who are a member of the Armed Forces (including the National Guard and Reserves) and who are on covered active duty or has been notified of an impending call or order to covered active duty. This plan will be in effect the first day of the quarter immediately following approval of the plan or on April 1, 2019 for no less than one year and thereafter continuously unless notice has been given to the state to withdraw from the plan.

Eligibility begins for all current and future full-time, part-time and temporary employees who work 820 hours in a qualifying period which means, the first four of the last five completed calendar quarters or, if eligibility is not established the last four completed calendar quarters immediately preceding the application for leave for any Washington State employer with a voluntary plan or participating in the state's Family and Medical Leave Plan. These employees qualify for PFML after working for this

organization for at least 340 hours. If an employee had previously participated in a voluntary plan or Washington State's Paid Family and Medical Leave plan with a former employer, eligibility on this plan would begin upon hire. In the event staffing grows to more than 50 employees, Better Health Together will abide by RCW 50A.35.010.

Employees can take up to 16-weeks of 100% paid leave per calendar year for medical leave, plus an additional 2-weeks for pregnancy complications or up to 16-weeks of 100% paid leave per calendar year for family leave. Leave taken may be a combination of family and medical leave not to exceed 16 weeks, except in the case of a serious health condition with a pregnancy resulting in incapacity which would extend the combined leave to 18-weeks. While on PFML, eligible employees will not accrue PTO hours, unless the employee elects to work part time and take part time PFML. For those employees, PTO hours will be accrued on a pro-rated basis, based on the hours worked. While on PFML, all elected monthly benefit premium payments will continue being paid by the employer (100% medical, dental, vision, group life insurance and 401k non-elective employer contributions). Any employee portion of elected monthly premiums (voluntary life insurance, 401k contributions and Flexible Spending Account elections) will continue being the employee's responsibility and will continue to be taken from the employee's pay as designated. If needed, alternate arrangements can be made with the finance team. The Executive Director in his/her sole discretion, may allow extensions to this policy on a case by case basis if in her/his opinion facts and circumstances warrant.

If an employee is planning on taking PFML, they should notify both their supervisor and Human Resources as soon as possible. If no advance notice is possible, the employee should notify their supervisor as soon as they are able to.

*Family Member as defined in RCWA 50A.05.010

Pregnancy Disability Leave

Medically disabled employees as a result of pregnancy or childbirth are eligible for an unpaid leave of absence for the period of disability, regardless of duration. BHT may request a doctor's note to verify the employee's incapacity due to pregnancy or childbirth.

If available, the employee must (or may) use available vacation leave, to run concurrently. Benefits provided by BHT for the employee and their dependents will continue. The employee will be responsible for paying their portion of the premium for their individual coverage along with any premium due for dependent insurance coverage.

When the employee returns from an approved Pregnancy Disability Leave, BHT will endeavor to return the employee to the same or equal job before taking leave and the employee will suffer no loss in seniority, unless this is no longer possible due to business necessity. BHT may request certification from the employee's health care provider indicating that they are fit to return to work.

Any leave taken as a reasonable accommodation for a pregnancy-or childbirth-related disability or medical condition shall run concurrently with any applicable leave entitlement under the federal Family and Medical Leave Act (FMLA). After an employee finishes pregnancy/childbirth disability leave, subject to other eligibility requirements provided by law, they may be entitled to take up to an additional 12 weeks of leave to bond with and care for their newborn child under the Washington Family Leave Act (WFLA). If, after the employee has completed pregnancy/childbirth-disability leave, they have any remaining balance of FMLA leave, any leave taken to bond with or care for their newborn child under the WFLA shall run concurrently with the remaining FMLA leave.

Break Time for Nursing Parents

Nursing mothers may take a reasonable amount of break time to accommodate the need to express breast milk for the employee's nursing child for up to one year after birth. Notify your direct supervisor of

the frequency, timing and duration of lactation breaks needed. BHT has a designated location as the lactation room. For more information regarding break time for nursing parents, employees should contact Human Resources Consultant.

Lactation breaks under this policy are generally unpaid. However, employees who use paid break time to express breast milk should let their supervisor know and will be compensated in accordance with the policy on paid break time.

Bereavement Leave

Better Health Together does not provide Bereavement and encourages staff to use PTO during this period.

Jury Duty Leave

Serving on a jury is a fundamental responsibility of citizenship and, unless business necessity requires it, the employer will not ask that an employee be excused from jury duty. If an employee is serving on a jury, they will be paid their regular earnings up to a maximum of fourteen (14) days. Employees are entitled to retain any jury pay they receive. Employees are expected to work their regular work schedule on days when court is not in session and work the remaining part of their scheduled shift if they are excused from court for two (2) hours or longer. This benefit is accurate as of the date listed on this document but the BHT Board of Directors and/or Executive Director may make changes to this benefit at any time.

Leave Without Pay

Leave without pay may be granted for prolonged illness, maternity causes, educational pursuit, or other valid reason. Though the employee retains their relative job status, no pay or other compensation is received during this leave. During a period of military conflict, an employee whose spouse is a member of the Armed Forces, National Guard, or Reserves is entitled to 15 days of unpaid leave when the military spouse has been called to active duty or when on leave from deployment. The Executive Director in their sole discretion, may allow an extension or imitations of this policy on a case-by-case basis if in their opinion facts and circumstances warrant.

MILITARY LEAVE

Consistent with the Uniformed Services Employment and Reemployment Act (USERRA), it is our policy to permit employees **except temporary employees** to take military leaves of absence in order to serve on a voluntary or involuntary basis in the Army, Navy, Air Force, Marine Corps, Coast Guard and the reserves for those branches, the Army National Guard, the Air National Guard, commissioned corps of the Public Health Service, and/or any other uniformed service or classification qualifying for protection under USERRA or other applicable law. Military service for which leave may be taken includes active duty, active duty for training, initial active duty for training, inactive duty training, full-time National Guard Duty, absences for examinations to determine fitness for active duty, and absences for the purpose of performing funeral honors duty. This is unpaid leave; however, the employee may apply accrued PTO if available.

The employee's employment rights will be preserved while the employee is on military leave.

Unless circumstances at BHT change so dramatically while the employee is on annual or active duty military leave that reinstatement is impossible or impractical, when the employee returns after military leave, the employee will either be reinstated to the position the employee held before taking military leave or be given a similar position with the same seniority, status, and pay, if in either case the following conditions are met:

- Proof of honorable discharge from duty;

- Proof of ability to resume the position; or
- Notice of intention to return is given.

If the employee is unable to return to the same position after annual or active duty military leave, BHT will arrange for another position at the same seniority, status, and pay if possible.

The returning employee must notify BHT of their intent to return to work promptly following completion of military service. The notice requirements vary with the length of service, and any employee taking leave under this policy should consult with Human Resources Consultant regarding those requirements.

BHT makes it a policy not to discriminate in any way against employees who are members of the military. The employee's job will not be in jeopardy if a military leave of absence is requested or taken except or unless financial reductions at BHT do not allow for continued employment.

UNIFORMED SERVICES SHARED LEAVE

The Uniformed Services Shared Leave Program (USSLP) allows employees to donate leave to eligible BHT employees who have been called to serve in the uniformed services. The USSLP is administered by the Military Department. For more information, please review the guidelines established by the Military Department.

Care for a Service Member

An eligible employee needing leave to care for a covered military member, including both members of the Regular Armed Forces and the National Guard Reserves may utilize up to 26 workweeks of leave within a 12-month period related to a serious injury or illness incurred or aggravated by service in the line of duty for which the spouse, child, parent, or next of kin is undergoing medical treatment, recuperation, or therapy, or other outpatient care. The single 12-month period begins on the first day the eligible employee takes FMLA leave to care for a covered service member and ends 12 months after that date, regardless of the method used by the employer to determine the employee's leave entitlement for other FMLA-qualifying reasons. If an eligible employee does not use the full 26 workweeks of leave entitlement during this single 12-month period, the time remaining is forfeited. This leave entitlement is applied on a per-covered-service member, per-injury basis such that an eligible employee may be entitled to take more than one period of 26 workweeks of leave if the leave is to care for different covered service members or to care for the same service member with a subsequent serious injury or illness, except that no more 26 workweeks of leave may be taken within any single 12-month period. Employees are entitled to a combined total of 26 workweeks of leave for any FMLA-qualifying reason during the 12-month period, provided that the employee is entitled to no more than 12 weeks of leave for one or more of the following:

- Birth of a child of the employee and in order to care for such child;
- Placement of a child with the employee for adoption or foster care;
- To care for a spouse, child, or parent with a serious health condition (who is not a covered service member);
- To care for the registered domestic partner (WFLA);
- The employee's own serious health condition; or
- A qualifying exigency.

Requesting Leave

When an employee plans to take leave under this policy, the employee must give the employer 30 days' notice. If it is not possible to give 30 days' notice, the employee must give as much notice as possible. An employee undergoing planned medical treatment is required to make a reasonable effort to schedule the treatment to minimize disruptions to the operation of business.

Leave may be requested for a full entitlement period or less. It may also be requested for intermittent periods or to create a reduced work schedule. When intermittent leave is considered, the employee should talk with their supervisor or Human Resources Consultant. In some cases, such as use of leave for bonding with an infant, approval must be obtained.

BHT may require that the employee provide certification of their own serious health condition or a family member's serious health condition by a qualified health care provider. BHT may also request verification of a qualifying exigency when requested.

Exclusion of Highly Compensated Key Employees

Salaried employees in the highest paid ten percent of all employees may be exempt from reinstatement rights when leave is taken would cause substantial and grievous economic injury to BHT. A notice will be provided to the employee in writing, if this is the case.

Health Insurance Benefits

Health insurance benefits will continue to be provided to the employee on FMLA/WFLA leave. The employee will be responsible for paying their portion of the premium for their individual coverage along with any premium due for dependent insurance coverage.

Job Restoration

BHT will endeavor to return the employee to the same or equal job before taking leave and the employee will suffer no loss in seniority. Washington employees will be returned to a job within a 20 mile radius of the location the employee was employed at the time leave began. (WFLA)

Use of Paid Time Off Benefits

The employee may use accrued paid time off during this time, which will be counted concurrently with unpaid FMLA/WFLA leave. It may not be used consecutively to extend the leave.

Domestic Violence, Sexual Assault, and Stalking Leave

An employee may take reasonable leave from work to seek legal or law enforcement assistance; to seek treatment by a health care provider for mental health counseling for physical or mental injuries caused by domestic violence, stalking or sexual assault; to seek services from a shelter, crisis center, or other social services program; or to participate in safety planning, relocation or other actions to increase safety from future incidents. The leave may be taken all at once, on an intermittent basis, or on a reduced work schedule. This leave provision applies whether the employee is directly a victim of such violence, or is assisting a spouse, registered domestic partner, individual they are dating, or if the employee's children, parents, grandparents, or parents-in-law have been the victim of these forms of violence.

If the leave is foreseeable, employees must provide advanced notice of the need for leave. If the leave is unforeseeable or is based on an emergency due to domestic violence, sexual assault, or stalking, the employee, or their designee, must provide notice no later than the end of the first day of the leave.

Use of Paid Time Off Benefits

This leave is unpaid. The employee may utilize available paid time off benefits such as vacation and sick leave during this time.

Health Insurance Benefits

BHT will continue to provide health insurance benefits to employees. Employees will be responsible for paying their portion of the premium for their individual coverage along with any premium due for dependent coverage.

Job Restoration

With some potential exceptions, BHT will return the employee to the same job or an equivalent position when the employee returns from leave. An employee who takes this leave will suffer no loss in seniority.

Verification

BHT may require the request for leave be supported by verification if the employee or a family member is a victim of these crimes and the leave requested/taken/is/was to allow for access to legal or law enforcement assistance, treatment or counseling, or other needed services as described above.

The types of information that an employee may provide for verification include:

- A police report indicating that the employee or family member was a victim;
- A court order protecting or separating the employee or employee's family member from the perpetrator or other evidence from the court or prosecutor that the employee or family member appeared, or is scheduled to appear, in court;
- Documentation from a victim advocate, an attorney, a member of clergy, or a medical or other professional; or
- An employee's written statement that the employee or employee's family member is a victim and that leave was taken for one of the reasons described above.

If leave is taken to assist or care for a family member, the familial relationship may be substantiated by, for instance, a statement from the employee, a birth certificate, a court document, or other similar documentation.

Confidentiality

BHT and its designated representatives shall maintain the confidentiality of all information provided by the employee, including:

- The fact that the employee or family member is a victim; and
- That the employee requested or obtained leave as a result of domestic violence, sexual assault, or stalking; and
- Any written or oral statement, documentation, record, or corroborating evidence provided by the employee.

BHT may disclose the information to third parties only if:

- Requested or consented to by the employee;
- Ordered to do so by a court or administrative agency; or
- Otherwise required by applicable federal or state law.

Protection from Retaliation

No employee will suffer any reprisal or retaliation because they exercised their right to take leave or participated or assisted, as a witness or otherwise, in another employee's attempt to exercise rights under this policy.

SEPARATION FROM EMPLOYMENT

As an at-will employee, you are not subject to an employment contract. As such, you may choose to, or BHT may choose to, end your employment with BHT at any time, with or without cause. If an employee voluntarily ends employment, to assist BHT in planning for your departure, you are requested to submit a notice of resignation in writing to your direct supervisor two weeks prior to the date you intend for your resignation to take effect. Managers and Directors are encouraged to give at least thirty (30) days' notice of resignation.

Exit Interview

Upon termination of employment, whether voluntary or involuntary, with or without cause, Human Resources Consultant will schedule an exit interview with the departing employee. The purpose of this interview is to ensure the return of all files of any kind, and any equipment such as a mobile phone, laptop, keys, tools, and any other materials provided to the employee by BHT to be used within the course and scope of employment. This interview may also be utilized to secure feedback from the employee and/or to provide feedback to the employee about their tenure at BHT.

EXPENSE REIMBURSEMENT

Employees may have occasions where they need to use their own funds to pay for BHT expenses, especially while traveling on BHT business or setting up meetings. To comply with Federal and IRS regulations, guidelines and procedures have been set for reimbursement. The following must be adhered to:

- A necessary, reasonable, and appropriate expense incurred for the primary benefit of BHT business is therefore permitted to be reimbursed or directly charged based on the permission of BHT or by the terms of federally or privately sponsored agreements. An expense that is reasonable reflects a prudent decision to incur the expense on behalf of BHT business. It is not extreme or excessive and is an amount that normally would be spent in a specific situation. This policy does not define precise dollar amounts for what constitutes reasonable, because the reasonableness of an expense depends upon many relevant factors including the business purpose, the context, the source of funds, the geographic location, and other circumstances surrounding the expenditure.
- The original merchant receipt or invoice issued by the supplier or service provider to document and substantiate the business transaction must be turned in. When the original receipt is not available or does not contain adequate information, a cancelled check, credit card receipt, supplier statement, or a paid notice will be accepted.
- Written documentation to support an incurred business expense that includes the original receipt, documentation of business purpose on BHT's Employee Expense Reimbursement Form, and the names of persons in attendance (if appropriate) must be turned in.

Travel Reimbursement Policy

BHT Administration recognizes that staff members may be required to travel or incur other expenses to attend educational and various periodic events or meetings. It is BHT's policy to reimburse reasonable and necessary expenses actually incurred by staff members. The purpose of this policy is to outline cost controls and appropriate expenditures and provide a consistent procedure for timely reimbursement.

When incurring travel expenses, BHT expects staff to:

- Exercise discretion and good business judgement with respect to those expenses;

- Be cost conscious and arrange travel in the most efficient and cost-effective manner possible.
 - Ground Transportation is encouraged. Unless provided other direction from BHT, employees on extended travel have the option of using a rental vehicle or their personal vehicle. Reimbursements will be made for the cost of renting a compact or standard size car and for the automobile-related expenses. When possible and applicable, ride share, shuttle services or taxis for transportation between the airport and the event/meeting should be used.
 - Air Travel reservations should be made in advance and booked in economy class
 - Lodging may be reimbursed at the single room rate for the reasonable cost of hotel accommodations. “Deluxe” or “Luxury” hotel rates will not be reimbursed.
- Report expenses, supported by required documentation, as they were actually spent with a completed *BHT Expense Reimbursement Form* along with all receipts (originals or copies) within 30 business days of the day the expense was incurred.

Mileage Reimbursement Policy

Mileage shall be reimbursed at the current IRS Standard Mileage Rate for all travel (local or out of town) in conducting BHT business. Mileage reimbursement must be submitted for payment using the BHT Expense Reimbursement form, documenting the destination and number of miles driven. The BHT Expense Reimbursement form is then submitted to the BHT Finance department for processing. The BHT Finance department can answer any questions regarding the current mileage rate. Mileage expenses incurred during normal commute to and from the office will not be reimbursed.

Submission of Request for Reimbursement

Employees are required to submit a written request for reimbursement for travel, meals and entertainment, supplies, meeting expenses, mileage, or other approved expenses by completing the BHT Employee Expense Reimbursement Form and attaching all applicable receipts to substantiate the expenditures. The form must be signed by the employee’s direct supervisor or the Executive Director and should be submitted to the BHT Finance department to ensure timely reimbursement. Requests for reimbursement must be made within 30 days of the expenditure. After 30 days, your reimbursement must be reported by BHT to the IRS as taxable income.

SAFETY

Reporting of Accidents Resulting in Injury

In cases where accidents result in injury of any kind, regardless of how insignificant the injury may appear, employees must immediately notify their supervisor or, if unavailable, the Executive Director. Such reports are necessary to comply with laws and initiate insurance and workers' compensation benefits procedures. Following the incident, as soon as reasonable, the injured employee must complete an Incident Report and submit to Operations Director. The incident reporting form can be accessed on BHT's Airtable.

Off-Site Safety Procedures

As each situation can be different, this procedure includes a variety of recommendations to help ensure personal safety. Such options include:

- Travel in pairs to situations where safety is a known concern and schedule visits for those situations deemed as potentially unsafe only during daylight hours.
- Notify the Operations Administrator of your location and use the In/Out board to communicate where you are going.
- Take a mobile phone into unsafe or unfamiliar situations, keeping it turned on and unlocked during your visit. Call authorities if necessary.
- Retain the option to leave the situation if you feel that there may be potential of a threat to safety. Use your judgment and trust your instinct.
- If concerned about another staff member's safety or whereabouts, contact a supervisor or other personnel, requesting they contact the employee to confirm safety of the individual.
- Request from the Office Administrator a personal alarm and/or pepper spray to carry with you into potentially unsafe situations.
- If necessary, request to be accompanied by local law enforcement.
- Under no circumstances may staff members possess or carry weapons of any kind during the course of their work, including but not limited to knives, guns, or other such items.

RESTRICTION FROM LOBBYING

Under IRS regulations, all organizations exempt from federal income tax under 501(c)(3) are prohibited from engaging in substantial attempts to influence legislation. As an employee and representative of Better Health Together, all staff must not use BHT communication methods and/or affiliation with BHT to:

- Influence the outcome of any legislation, or specific election for candidates to public office, or
- Induce or encourage violations of law or public policy, or cause any private inurement or improper private benefit to occur, or take any other action inconsistent with IRS Section 501(c)(3).

For any questions concerning your involvement in other engagements outside of the Better Health Together's activities (board duties, volunteer activities, etc.), please see the Executive Director to ensure your actions are aligned with BHT policies in accordance with IRS Section 501(c)(3)

EMPLOYEE ACKNOWLEDGMENT

This handbook has been prepared for your understanding of the policies and practices of Better Health Together (BHT). As such, it is important that you read this entire handbook. After you finish reading it, please print current page; sign, date, and return this Acknowledgement.

I acknowledge that I have entered into my employment relationship with BHT voluntarily, and that there is no specified length of employment. Accordingly, either BHT or I may terminate the employment-at-will relationship at any time, with or without cause, for any reason, with or without notice. **I EXPRESSLY ACKNOWLEDGE AND UNDERSTAND THAT NO POLICY, DOCUMENT, OR STATEMENT (WHETHER WRITTEN OR ORAL, EXPRESS OR IMPLIED) THAT CONFLICTS WITH OR PURPORTS TO ALTER MY EMPLOYMENT AT-WILL IS VOID, UNLESS CLEARLY AGREED TO IN A SPECIFIC WRITTEN CONTRACT AND SIGNED BY BOTH THE EXECUTIVE DIRECTOR AND I.**

This handbook provides important information about the terms of my employment with BHT. I understand that I am responsible for familiarizing myself with its contents, and that I should consult my supervisor or Human Resources Consultant regarding any questions not answered in the handbook. I clearly recognize and understand that the employer, at its sole discretion, may change the employee handbook at any time with or without prior notice. I have been informed that this handbook supersedes any and all prior handbooks issued.

Changes to this handbook will be communicated through official notices and revised information may supersede, modify, or eliminate existing policies.

I acknowledge that this handbook is neither a contract of employment for a specific term nor a binding legal document. I have received the handbook and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made thereon.

Employee Signature: _____

Print Name: _____

Date Signed: _____

BETTER HEALTH TOGETHER
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2019 AND 2018



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**BETTER HEALTH TOGETHER
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Better Health Together
Spokane, Washington

We have audited the accompanying financial statements of Better Health Together (a nonprofit corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Better Health Together as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 1 to the financial statements, in 2019 Better Health Together adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received*. Our opinion is not modified with respect to this matter.

As discussed in Note 7, 2018 balances were restated. Our opinion is not modified with respect to this matter.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Spokane, Washington
February 3, 2021

**BETTER HEALTH TOGETHER
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018**

	2019	Restated 2018
ASSETS		
Cash	\$ 6,196,355	\$ 4,097,140
Funds Held by Financial Executor	15,814,977	17,511,965
Accounts Receivable	10,308,837	12,573,545
Property and Equipment at Cost, Less Accumulated Depreciation	-	5,668
Prepaid Expenses and Other Assets	90,449	139,956
Total Assets	\$ 32,410,618	\$ 34,328,274
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 252,051	\$ 277,299
Accrued Salaries, Wages, and Employee Benefits	159,549	33,582
Waiver Payments Due to Partners	128,500	3,667,321
Deferred Revenue	-	3,448,788
Total Liabilities	540,100	7,426,990
NET ASSETS		
Without Donor Restrictions	31,870,518	26,901,284
Total Net Assets	31,870,518	26,901,284
Total Liabilities and Net Assets	\$ 32,410,618	\$ 34,328,274

See accompanying Notes to Financial Statements.

BETTER HEALTH TOGETHER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Medicaid Waiver Funding	\$ 14,239,138	\$ -	\$ 14,239,138
Contributions and Grants	643,617	-	643,617
Other Income	68,431	-	68,431
Total Revenue and Support	<u>14,951,186</u>	<u>-</u>	<u>14,951,186</u>
EXPENSES			
Payments to Partner Organizations	9,934,922	-	9,934,922
Salaries, Payroll Taxes, and Benefits	1,542,390	-	1,542,390
Professional Services	446,935	-	446,935
Grants and Direct Program Expenses	935,823	-	935,823
Rent and Office Expenses	350,387	-	350,387
Other General and Administrative Expenses	209,957	-	209,957
Depreciation of Property and Equipment	5,668	-	5,668
Income and Excise Taxes	4,658	-	4,658
Total Expenses	<u>13,430,740</u>	<u>-</u>	<u>13,430,740</u>
CHANGES IN NET ASSETS	1,520,446	-	1,520,446
Net Assets – Beginning of Year (as Restated)	26,901,284	-	26,901,284
Cumulative Effect of Adopting ASU 2018-08	<u>3,448,788</u>	<u>-</u>	<u>3,448,788</u>
NET ASSETS – END OF YEAR	<u>\$ 31,870,518</u>	<u>\$ -</u>	<u>\$ 31,870,518</u>

See accompanying Notes to Financial Statements.

BETTER HEALTH TOGETHER
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2018

	Restated		Total
	Without Donor Restrictions	With Donor Restrictions	
REVENUE AND SUPPORT			
Medicaid Waiver Funding	\$ 35,930,951	\$ -	\$ 35,930,951
Contributions and Grants	528,633	-	528,633
Other Income	1,600	-	1,600
Total Revenue and Support	<u>36,461,184</u>	<u>-</u>	<u>36,461,184</u>
EXPENSES			
Payments to Partner Organizations	6,643,001	-	6,643,001
Salaries, Payroll Taxes, and Benefits	1,258,796	-	1,258,796
Professional Services	1,221,967	-	1,221,967
Grants and Direct Program Expenses	105,256	-	105,256
Rent and Office Expenses	254,199	-	254,199
Other General and Administrative Expenses	202,312	-	202,312
Depreciation of Property and Equipment	8,423	-	8,423
Income and Excise Taxes	1,218	-	1,218
Total Expenses	<u>9,695,172</u>	<u>-</u>	<u>9,695,172</u>
CHANGES IN NET ASSETS	26,766,012	-	26,766,012
Net Assets – Beginning of Year	<u>135,272</u>	<u>-</u>	<u>135,272</u>
NET ASSETS – END OF YEAR	<u>\$ 26,901,284</u>	<u>\$ -</u>	<u>\$ 26,901,284</u>

See accompanying Notes to Financial Statements.

BETTER HEALTH TOGETHER
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019		
	Program Services	Management and General	Total
Payments to Partner Organizations	\$ 9,934,922	\$ -	\$ 9,934,922
Salaries, Payroll Taxes, and Benefits	833,138	709,252	1,542,390
Professional Services	30,028	416,907	446,935
Grants and Direct Program Expenses	935,823	-	935,823
Rent and Office Expenses	136,500	213,887	350,387
Other General and Administrative Expenses	85,038	124,919	209,957
Depreciation of Fixed Assets	-	5,668	5,668
Income and Excise Taxes	-	4,658	4,658
	<u>\$ 11,955,449</u>	<u>\$ 1,475,291</u>	<u>\$ 13,430,740</u>
Total			
	2018 (Restated)		
	Program Services	Management and General	Total
Payments to Partner Organizations	\$ 6,643,001	\$ -	\$ 6,643,001
Salaries, Payroll Taxes, and Benefits	826,153	432,643	1,258,796
Professional Services	1,067,358	154,609	1,221,967
Grants and Direct Program Expenses	105,256	-	105,256
Rent and Office Expenses	199,889	54,310	254,199
Other General and Administrative Expenses	121,434	80,878	202,312
Depreciation of Fixed Assets	-	8,423	8,423
Income and Excise Taxes	-	1,218	1,218
	<u>\$ 8,963,091</u>	<u>\$ 732,081</u>	<u>\$ 9,695,172</u>
Total			

See accompanying Notes to Financial Statements.

**BETTER HEALTH TOGETHER
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2019 AND 2018**

	<u>2019</u>	<u>(Restated) 2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributions, Other Revenue and Support	\$ 17,215,894	\$ 22,270,641
Cash Paid to Employees and Suppliers	<u>(16,813,667)</u>	<u>(5,871,257)</u>
Net Cash Provided by Operating Activities	<u>402,227</u>	<u>16,399,384</u>
NET INCREASE IN CASH	402,227	16,399,384
Cash – Beginning of Year	<u>21,609,105</u>	<u>5,209,721</u>
CASH – END OF YEAR	<u><u>\$ 22,011,332</u></u>	<u><u>\$ 21,609,105</u></u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,520,446	\$ 26,766,012
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	5,668	8,423
(Increase) Decrease in Assets:		
Accounts Receivable	2,264,708	(12,486,079)
Prepaid Insurance	49,507	13,078
Increase (Decrease) in Liabilities:		
Accounts Payable	(25,248)	144,306
Accrued Salaries, Wages, and Employee Benefits	125,967	(9,213)
Waiver Payments Due to Partners	(3,538,821)	3,667,321
Deferred Revenue	-	(1,704,464)
Total Adjustments	<u>(1,118,219)</u>	<u>(10,366,628)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 402,227</u></u>	<u><u>\$ 16,399,384</u></u>

See accompanying Notes to Financial Statements.

**BETTER HEALTH TOGETHER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Better Health Together (BHT) was formed as a Washington State nonprofit corporation on June 14, 2013, for the purpose of promoting the health of its region's residents through collaborative action around the Triple Aim (better health, better care, reduced cost); BHT is a public charity exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC).

Empire Health Foundation (EHF) is the sole member of BHT. Effective July 29, 2015, EHF's board approved changes to BHT's bylaws reducing the number of appointments made by EHF to BHT's board from 100% to 33%. Through an Employee Lease Agreement and an Administrative Services Agreement, BHT pays EHF for the provision of executive administration, communications, financial administration, human resources administration, and programs administration. BHT's work across all program areas is supported and enhanced through grants from EHF. During the years ended December 31, 2019 and 2018, EHF contributed approximately \$2,500 and \$-0-, respectively, of funding in support of BHT's overall efforts.

BHT seeks to radically improve the seven-county region's health through collaborative and innovative action. BHT is positioned to develop coordinated, multi-stakeholder solutions to improve population health through targeted investment.

Through December 31, 2019, BHT's efforts were focused on the following two key areas:

- 1) *Accountable Communities of Health*: Leading the region's efforts by engaging with over 150 organizations to develop an actionable plan to improve health by:
 - Improving access to integrated, whole-person care. The people of our region have access to integrated physical, behavioral, and oral health in a whole-person system of care.
 - Optimizing the use of community resources. Strong linkages exist between the health care delivery system and community resources to address social determinants of health.
 - Promoting health equity for all, by all. Health equity is integrated and elevated in the health care delivery system and the health of every community is improved.
 - Achieving organizational excellence and accountability. BHT staff, board, and operations maximize community investment for high performance.

ACHs are a key component of Washington State's coordinated effort to help ensure better health, better care, and lower costs for Washington residents. BHT serves as lead for the Spokane region ACH. BHT received approximately 95% and 99% of total revenue from the Washington State Health Care Authority (HCA) in support of this work during the years ended December 31, 2019 and 2018, respectively.

**BETTER HEALTH TOGETHER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Nature of Operations (Continued)

1) *Accountable Communities of Health (Continued):*

In January of 2017 the state of Washington secured a Medicaid 1115 Global Waiver to transform the Medicaid delivery system. This Transformation Project waiver will allow up to \$1.2 billion to be earned state-wide for achieving pay for reporting and pay for performance contractually agreed upon outcomes over a five-year period. Better Health Together will serve as a coordinating entity for the waiver within its region. Under the Medicaid Transformation Program 1115 waiver, BHT has successfully earned 100% of Pay for Reporting funds in 2018 and 2019. These funds were invested in the Medicaid delivery system through performance based contracts with 50 plus organizations. Funds are recommended by BHT's Waiver Finance Workgroup and subsequently approved by the BHT board. The BHT board approves payments of all allocated funds that are paid through the State of Washington Delivery System Reform Incentive Payment Medicaid Transformation Financial Executor Payment Portal. BHT's Waiver Finance Workgroup recommended the allocation of 5% of the pay for reporting and pay for performance funds earned to be used for waiver administration by BHT. This allocation was subsequently approved by BHT's board.

The BHT region received \$6 million of certification deferred revenue during 2017 (which is partly recognized in the amount above) as an exchange transaction to be recognized over the period 2017-2021. All of these have been fully earned.

- 2) *Navigator Network:* Coordinating efforts to ensure access to health insurance. Since 2013, BHT has led the Navigator Network that decreased the uninsured rate in its region from 15% to 5%. 2019 represented the seventh year of efforts in this program area. A contract with the Washington Health Benefit Exchange (HBE) provided approximately \$340,000 and \$304,000 of funding for the Navigator Network during the years ended December 31, 2019 and 2018, respectively.

After the change in administration from the 2016 national election, BHT began to contemplate the possible effects of a repeal and replacement of the Patient Protection and Affordable Care Act (ACA). Should Congress repeal the individual mandate, tax credit incentives, and/or Medicaid expansion BHT's funding for the Navigator program would be put at risk. It is unlikely that a locally administered, state-funded alternative would emerge. At this point, the future of the legislation is uncertain and BHT continues to track it carefully.

Basis of Presentation

Financial statement presentation follows the requirements of Statements of Financial Accounting Standards, *Financial Statements of Not-for-Profit Organizations*. Under *Financial Statements of Not-for-Profit Organizations*, the organization is required to report information regarding its financial position and activities according to two classes of net assets: 1) net assets without donor restrictions and 2) net assets with donor restrictions. Net assets without donor restrictions include resources available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets with donor restrictions are those that are subject to donor (or certain grantor) imposed restrictions.

**BETTER HEALTH TOGETHER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (Continued)

Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. BHT has no net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Funds Held by Financial Executor

The HCA contracts with a financial executor to provide a system for recording, processing, distributing, and reporting on the payment of funds between HCA, BHT and partnering organizations. The financial executor provides financial accounting and banking management support. Payments earned by BHT are held by the financial executor until distributed to partnering organizations and BHT.

Accounts Receivable

Accounts receivables are recorded at the original invoice amount. BHT considers accounts receivable at December 31, 2019 and 2018 to be fully collectible; accordingly, no allowance for doubtful accounts is considered necessary.

Property and Equipment

Property and equipment are carried at cost, net of accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, ranging from three to seven years.

Concentration of Credit Risk

BHT maintains cash in bank deposit accounts that, at times, may exceed federally insured limits. BHT has experienced no losses in such accounts and believe they are not exposed to any significant credit risk on cash and cash equivalents.

BHT receives a significant portion of its revenues through grants from various federal, state, and local agencies. Were such agencies to reduce future funding it could impact BHT's results of operations, cash flows, and financial position.

Employee Benefit Plans

Effective January 1, 2015, BHT established a 401(k) retirement plan covering substantially all employees (see Note 4).

**BETTER HEALTH TOGETHER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets with Donor Restriction

Net assets with donor restriction are those whose use has been restricted by donors to a specific purpose. BHT had no net assets with donor restrictions at December 31, 2019 and 2018.

Waiver Payments Due to Partners

Payments to partnering organizations related to BHT's HCA program that have been approved by the board but not yet paid.

Deferred Revenue

Deferred revenue represents Medicaid Waiver Certification Design funds that were received in the design phase of the ACH program. Revenue was recognized as allowable costs were incurred; until the implementation of ASU 2018-08.

Revenue Recognition

BHT recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reported at fair value, estimated using the present value of their net realizable value, using interest rates applicable to the year in which the promises are to be received. There were no unconditional promises to give at December 31, 2019 and 2018.

A portion of BHT's revenue is derived from performance based and cost-reimbursable federal and state contracts and grants, which are conditioned upon certain milestones, performance requirements, and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when BHT has been awarded the funds after scoring and reviewing by an independent assessor (in the case of Medicaid Waiver funding) or when BHT has incurred expenditures in compliance with specific contract or grant provisions (in the case of cost-reimbursable contracts and grants). BHT has the opportunity to earn up to \$21.7 million over the next four years under the Medicaid Waiver contract. In addition, BHT has the potential to receive \$1.4 million from cost-reimbursable grants. Neither the Medicaid Waiver funding nor the cost-reimbursable grants have been recognized as revenue at December 31, 2019 as the conditions on which they depend have not yet been met.

Functional Allocation of Expenses

Costs of providing the various programs and other activities have been summarized on a functional basis. Costs including payroll and other costs are allocated between program services and management and general based on evaluations of the related activities. Management and general expenses include expenses that are not directly identifiable with any other specific function, but provide for the overall support and direction of the organization.

**BETTER HEALTH TOGETHER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Tax Status

The Internal Revenue Service has determined that BHT is exempt from federal income tax under Section 501(c)(3) of the IRC.

Income Tax Positions

Management evaluated BHT's tax positions and concluded that BHT had taken no uncertain tax positions that require adjustment to the financial statements.

Change in Accounting Principle

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08 related to the accounting for contributions received and contributions made. This update applies to both resource recipients and resource providers and assists in evaluating whether a transfer of assets is an exchange transaction or a contribution and also assists with distinguishing between conditional and unconditional contributions. Distinguishing between contributions and exchange transactions determines which guidance should be applied. For contributions, the guidance in Subtopic 958-605 should be followed and for exchange transactions, Topic 606 should be followed. The financial statements reflect the application for ASU 2018-08.

BHT adopted the requirements of the new guidance as of January 1, 2019, utilizing the modified prospective method of transition. As a result, BHT recorded a cumulative adjustment to net assets without donor restrictions of \$3,448,788 as of January 1, 2019, to reflect the effect of the new guidance. The comparative financial information presented has not been restated for the effect of the new guidance and continues to be reported under the accounting standards in effect for those periods.

The impact of adopting the new guidance was to recognize the contract with the HCA as a conditional contribution of which all conditions had been met. Formerly this revenue was recognized as costs were incurred.

New Accounting Pronouncement Effective in Future Accounting Periods

Leases

In February 2016, FASB issued ASU No. 2016-02, *Leases*, which is a comprehensive lease accounting standard that requires entities that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the balance sheet for leases with terms exceeding 12 months. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. The standard will be effective for the entity for annual periods beginning after December 15, 2020; however, early application is permitted. Management is currently evaluating the impact this guidance will have on its financial statements.

**BETTER HEALTH TOGETHER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

Subsequent to year-end, the World Health Organization declared the outbreak of COVID-19 as a pandemic. Management believes BHT is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

NOTE 2 LIQUIDITY

BHT funds are deposited into one of BHT's three bank accounts or held by Financial Executor. At December 31, 2019 and 2018, BHT had \$-0- and \$3,448,788, respectively, of deferred and unearned revenue that is included in BHT's cash as shown on the statement of financial position.

Amounts have been designated by the board to establish a Community Resiliency Fund and Operating Board Reserve and are held in a separate cash account from BHT's operating funds. As of December 31, 2019 and 2018, the following tables show the total financial assets held by BHT and the amounts of those financial assets that could be made available within one year of the statement of financial position date to meet general expenditures:

	2019	2018
Financial Assets at Year-End:		
Cash	\$ 6,196,355	\$ 4,097,140
Funds Held by Financial Executor	15,814,977	17,511,965
Accounts Receivable	10,308,837	12,573,545
Total Financial Assets at Year-End	32,320,169	34,182,650
Less: Amounts Designated by Board		
Community Resiliency Fund	(4,570,425)	(2,659,289)
Operating Board Reserve	(66,863)	-
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	\$ 27,682,881	\$ 31,523,361

NOTE 3 EQUIPMENT

Equipment consisted of the following as of December 31:

	2019	2018
Furniture and Fixtures	\$ 46,630	\$ 46,630
Less: Accumulated Depreciation	(46,630)	(40,962)
Balance – End of Year	\$ -	\$ 5,668

**BETTER HEALTH TOGETHER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 4 RETIREMENT PLAN

Effective January 1, 2015, BHT established a 401(k) retirement plan covering substantially all employees. Participating employees receive an annual matching contribution of 100% of employee elective deferrals up to 6% of the employee's eligible compensation. Expenses relating to the BHT plan, including matching employer contributions, were \$55,081 and \$40,014 for the years ended December 31, 2019 and 2018, respectively.

NOTE 5 LEASES

Effective October 1, 2016, BHT entered into a new lease with the Philanthropy Center (PC) to lease approximately 1,750 square feet of space located near the downtown Spokane, Washington core. This lease originally extended through December 31, 2017, was further extended through December 31, 2018, and is renewable annually for one-year terms at the mutual option of the parties after that. BHT incurred rent expense of \$11,156 and \$29,750 for the years ended December 31, 2019 and 2018, respectively.

Effective July 1, 2017, BHT entered into a new lease with AIRE, LLC, to lease approximately 1,400 square feet of space located near downtown Spokane, Washington.

The lease extends through June 30, 2019, with payments as follows: July 1, 2017 to June 30, 2018, the payment is \$1,865 per month, and July 1, 2018 to June 30, 2019, the payment is \$1,921 per month.

In 2019, BHT entered into a new lease to lease approximately 8,500 square feet of space located near downtown Spokane, Washington. The initial lease term is June 1, 2019 through May 2022, with two three-year renewal options. Payments are as follows: June 1, 2019 to May 31, 2020, the payment is \$11,200 per month; June 1, 2020 to May 31, 2021, the payment is \$11,536 per month; and June 1, 2021 to May 31, 2022, the payment is \$11,882 per month.

Total rent expense for the years ended December 31, 2019 and 2018 was \$99,161 and \$52,466.

Future minimum lease payments are:

<u>Year Ending December 31,</u>	<u>Amount</u>
2020	\$ 136,752
2021	140,854
2022	59,410
Total	<u>\$ 337,016</u>

**BETTER HEALTH TOGETHER
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018**

NOTE 6 RELATED PARTY TRANSACTIONS

EHF is the sole member of BHT, with continuing rights to appoint a minority of BHT's members after July 29, 2015. As such, BHT and EHF are related parties and BHT discloses the following transactions with EHF for the years ended December 31, 2019 and 2018:

BHT received grants from EHF of \$2,500 and \$-0- for the years ended December 31, 2019 and 2018, respectively.

BHT paid EHF \$201,625 and \$182,627 during the years ended December 31, 2019 and 2018, respectively, for executive director staffing pursuant to an Employee Lease Agreement. BHT paid EHF \$109,445 and \$178,641 during the years ended December 31, 2019 and 2018, respectively, for financial administration, human resources, and programs administration staffing pursuant to an Administrative Services Agreement. Costs incurred under each of these agreements are included with Salaries, Payroll Taxes, and Benefits within the statements of activities and changes in net assets. At December 31, 2019 and 2018, amounts due to EHF included in accounts payable totaled \$31,513 and \$44,841, respectively.

BHT paid Philanthropy Center (a subsidiary of EHF) rent of \$11,156 and \$29,750 for the years ended December 31, 2019 and 2018, respectively.

NOTE 7 RESTATEMENT

In connection with BHT's contract with HCA, BHT did not previously recognize revenue earned and paid to the portal and expenses paid from the portal to partner organizations. These revenues and expenses were later determined to be earned and incurred by BHT. Consequently, BHT restated its original 2018 presentation for revenue earned and expenses incurred pursuant to the contract.

BHT's restatement had the following effects for the year ended December 31, 2018:

	<u>As Originally Reported</u>	<u>As Restated</u>	<u>Total Effect of Change</u>
Funds Held by Financial Executor	\$ -	\$ 17,511,965	\$ 17,511,965
Accounts Receivable	511,346	12,573,545	12,062,199
Waiver Payments Due to Partners	-	3,667,321	3,667,321
Deferred Revenue	3,682,093	3,448,788	(233,305)
Medicaid Waiver Funding	-	35,930,951	35,930,951
Contributions and Grants	3,336,456	528,633	(2,807,823)
Program Revenue	339,981	-	(339,981)
Payments to Partner Organizations	-	6,643,001	6,643,001
Net Assets Without Donor Restrictions	761,136	26,901,284	26,140,148

Proposed Motion: To approve the proposed Fiscal Policies and the proposed Accounting and Finance Procedures. Further, to approve giving the Finance Committee the authority to review and approve any changes to the Accounting and Finance Procedures as proposed by Better Health Together staff as long as the proposed changes do not invalidate any policies approved by the Better Health Together Board.

Proposed Fiscal Policies

And

Proposed Accounting and Finance Procedures

Per BHT's Bylaws, the Board of Directors of the Corporation (Board) shall supervise, manage, and control all the affairs, business activities, and policies of the Corporation.

The policies and procedural guidelines contained in this manual are designed to:

1. Protect the assets of Better Health Together (BHT);
2. Ensure the maintenance of accurate records of BHT's financial activities;
3. Provide a framework for BHT's financial decision making;
4. Establish operating standards and behavioral expectations for BHT;
5. Serve as a training resource for BHT staff and Board; and
6. Ensure compliance by BHT with federal, state, and local legal and reporting requirements.

Key People

1. BHT Board Members can be found in Exhibit A and will be updated as Board Members are voted in, as their terms expire or as they resign, as noted in the Board Minutes.
2. BHT Finance Committee Members can be found in Exhibit B and will be updated as Finance Committee Members are voted in, as their terms expire, or as they resign, as noted in the Board Minutes.
3. BHT Audit Committee Members can be found in Exhibit C and will be updated as Audit Committee Members are voted in, as their terms expire, or as they resign, as noted in the Board Minutes.
4. The Board shall designate a Board Member to sign checks (DBMS) as noted in the policies below. The Board Member acting as the DBMS can be found in Exhibit D and will be updated as changes are made, as noted in the Board Minutes.
5. BHT employee positions can be found on Exhibit E and will be updated as employees resign and as employees are hired.

Key Policies

1. The Board oversees the general financial administration of BHT and delegates responsibility to the Executive Director (ED) for the day-to-day operations and financial decisions.
2. BHT's accounting records shall be maintained on the GAAP accrual-basis of accounting. All financial reports to management, the Finance Committee, and the Board shall be on the accrual basis of accounting, although some GAAP adjustments (for example, depreciation and prepaids) are performed or updated only on an annual basis. BHT's fiscal year is calendar year 12/31.
3. Under the direction of the ED, the Chief Financial Officer (CFO) implements general and daily financial management and reporting. The CFO acts as the primary fiscal agent, implementing all financial policies and procedures.
4. BHT's annual budget is prepared and approved annually. The budget is prepared by the CFO under the direction of the ED. The annual budget is reviewed by the Finance Committee. The budget is approved by the Board prior to the start of each fiscal year. The budget may be revised during the year, only if approved by the Board.
5. Regular financial reports shall be prepared on a monthly basis no later than 20 days after the close of the prior month. An exception shall be made for the month of December and for any unforeseen business interruptions.
6. The services of an independent public accounting firm that uses Certified Public Accountants (CPAs) shall be engaged to prepare a formal financial audit of BHT's fiscal year-end. The CFO will be responsible for working with the independent public accounting firm's assigned CPAs to complete the annual audited financial statements.
7. The services of an independent public accounting firm that uses Certified Public Accountants (CPAs) will be engaged to prepare Federal Form 990, *Return of Organization Exempt from Income Tax*. The CFO will be responsible for working with the independent public accounting firm's assigned CPAs to complete the annual tax return and will be responsible for reviewing the return.
8. Reasonable and adequate insurance coverage shall be maintained to protect BHT's interest as well as the interest of the Board. All insurance coverages shall be reviewed each year and updated as needed as determined by the CFO and ED.
9. The ED has a spending authority for all approved budget items. For non-budgeted items over \$25,000, the ED shall seek spending authority from the Finance Committee.
10. The ED retains hiring authority for all staff, including payroll changes, as approved by the budget. For any new positions or changes outside of the budget, the ED will seek approval from the Finance Committee.
11. The Executive Committee has the authority to approve payroll changes for the ED.
12. All employees, exempt and non-exempt, are required to record time worked, holidays, leave taken for payroll, benefits tracking, and cost allocation purposes.
13. The ED shall act as a Trustee of the BHT 401(k) plan. The CFO shall act as the Administrator and as a Trustee of the BHT 401(k) plan.
14. All funds owned by BHT will be held in financial institutions, which are federally insured, and have been approved by the Board. BHT currently has the following accounts at Wells

Fargo Bank: a checking account for Operating Funds, which includes a Board Designated Reserve created from interest earned in the Portal; a checking account for ACH Phase Two Waiver Dollars, and a sweep account for Community Resiliency Funds. These accounts may be changed as economic conditions and BHT's financial conditions and requirements change upon approval of the Finance Committee with notification to the Board.

15. All cash and checks shall be deposited in BHT's appropriate bank account soon after they are received. All undeposited cash and checks shall be kept in the CFO's locked office in a locked file cabinet.
16. Check signors for all BHT accounts are the ED, the Director of Communications & Operations (DCO), and a designated Board Member (DBMS). Two signatures are required for all disbursements exceeding \$20,000.
17. The CFO shall be given access to all financial accounts and shall be granted the ability to make approved changes and to generate any requests so long as an account signor can approve such requests.
18. The ED shall be issued a corporate credit card for reasonable and necessary routine expenses. The limit of such card shall not exceed \$10,000.
19. BHT shall issue corporate credit cards to those employees that incur reasonable and necessary routine business expenses, as determined by the ED. The aggregate of all BHT corporate credit cards, including the ED's shall not exceed \$25,000. The ED, with input from the CFO, shall determine all credit card limits for those employees who are issued credit cards.
20. Signed and approved Credit Card Reconciliation Reports, along with receipts indicating the business purpose, shall be submitted by credit card holders monthly.
21. A Member of the Finance Committee shall approve the ED's Credit Card Reconciliation Report. Such approvals may be given after the credit card payment has been made.
22. Employees will be reimbursed for any authorized travel, authorized related travel expenses, and other authorized expenses that have not been paid on a corporate credit card. Employees will submit a signed and approved Expense Reimbursement Report for payment at least monthly. The Expense Reimbursement Report must be accompanied by receipts indicating the business purpose.
23. A Member of the Finance Committee shall approve the ED's Expense Reimbursement Reports. Such approvals may be given after the payment for the Expense Reimbursement Report has been made.
24. Fixed assets with a purchase price of less than \$2,000 shall be expensed.
25. All contributions, grants, contracts and projects shall be invoiced each month to capture all billable time and expenses to ensure a regular healthy cash flow for BHT. All invoices for the current month shall be completed by the 20th of the following month.
26. All revenue shall be recorded based on generally accepted accounting principles (GAAP) as established by the Financial Accounting Standards Board (FASB).
27. In the event of fraud and embezzlement, the ED shall notify the necessary agencies, the Board President, and all major funding sources not later than one working day after the date any alleged fraud activity comes to the ED's attention.
28. Fiscal records shall be retained for a minimum of seven years following the end of a fiscal year (December 31st).
29. All passwords to financial related access shall be changed every 90 days.

Roles and Responsibilities

1. The Board is responsible to:
 - a. Review and approves all financial reports.
 - b. Review and approves all portal payments.
 - c. Review and approves annual budget.
 - d. Review and approves all audited financial statements.
 - e. Review and approves all fiscal policies.
 - f. Approves all signers on all financial accounts.

2. The Finance Committee (FC) shall be chaired by the Board Treasurer and it is responsible to:
 - a. Review and approve all financial reports and to recommend to the Board for approval.
 - b. Review and approve all portal payments and to recommend to the Board for approval.
 - c. Review and approve annual budget and to recommend to the Board for approval.
 - d. Review and approve all audited financial statements and to recommend to the Board for approval.
 - e. Review and approve all fiscal policies and to recommend to the Board for approval.
 - f. Review and approve all accounting and finance procedures.
 - g. Review and approve the ED's Credit Card Reconciliation Reports and Expense Reimbursement Reports.

3. The ED:
 - a. Is responsible for the day-to-day operations and financial decisions.
 - b. Is responsible for reviewing and approving all financial reports.
 - c. Is responsible for managing the annual budget process in conjunction with the CFO.
 - d. Is responsible to review and approve all contracts for goods and services.
 - e. Is responsible to review and approve all revenue sources.
 - f. Has the authority to approve all interfund transfers.
 - g. Is responsible to review and approve the Payroll Summary Report in the event there is no Finance Coordinator and the CFO must run payroll.
 - h. Is responsible for reviewing and approving all bank reconciliation in the event there is no Finance Coordinator and the CFO must prepare the bank reconciliations within 10 days of the bank statement date.
 - i. Is responsible for reviewing and approving accounts receivable invoices for contributions, grants, and contracts.
 - j. Is responsible for reviewing and approving accounts receivable invoices not related to contributions, grants, and contracts in the event there is no Finance Coordinator and the CFO must prepare all accounts receivable invoices.
 - k. Is responsible for reviewing and approving journal entries in the event there is no Finance Coordinator and the CFO must prepare the journal entries.

4. The CFO:

- a. Is responsible to implement general and daily financial management and reporting under the direction of the ED.
- b. Is responsible to prepare the annual budget under the direction of the ED.
- c. Is responsible to prepare by the 20th of month end close and provide all financial reports to the Finance Committee and the Board and to answer questions related to such financial reports.
- d. Is responsible to analyze performance to the budget and to report such performance to the Finance Committee and the Board.
- e. Is responsible to prepare annual financial statements and manage the independent audit process to ensure timely issuance of annual audited financial statements.
- f. Is responsible to recommend fiscal policies and accounting & finance procedures.
- g. Submits requests to the ED for interfund transfers.
- h. Approves all vouchers, invoices and payments to be processed within 30 days of receipt.
- i. Is responsible for maintaining up-to-date employee payroll related information.
- j. Is responsible for reviewing and approving the Payroll Summary Report.
- k. In the event there is no Finance Coordinator, shall be responsible for running payroll.
- l. Is responsible for posting all receipts and deposits.
- m. Is responsible for preparing payroll tax returns.
- n. Is responsible for approving all accounts payable to be processed for payment.
- o. In the event there is no Finance Coordinator, shall be responsible for processing accounts payable invoices and payments.
- p. Is responsible for reviewing and approving all bank reconciliations within 10 days of the bank statement date.
- q. In the event there is no Finance Coordinator, shall be responsible for preparing all bank reconciliations within 10 days of the bank statement date.
- r. Is responsible for reviewing and approving journal entries.
- s. Is responsible for preparing journal entries in the event there is no Finance Coordinator.
- t. Is responsible for contract and grant management and related reporting.
- u. Is responsible for preparing accounts receivable invoices related to contributions, grants, and contracts.
- v. Is responsible for reviewing and approving accounts receivable invoices not related to contributions, grant and contracts.
- w. Is responsible for preparing accounts receivable invoices in the event there is no Finance Coordinator.
- x. Is responsible for submitting Board approved partner payments into the State of Washington's Financial Executor Payment Portal.
- y. Is responsible for tracking waiver funds.
- z. Ensures that BHT employees will employ safeguards to ensure that financial transactions are properly authorized, appropriated, executed and recorded.

- aa. Ensures that BHT employees will distribute financial duties among multiple people to help ensure protection from fraud and error. The distribution of duties should aim for maximum protection of the organization's assets while also considering efficiency of operations.
 - bb. Ensure that BHT employees will maintain physical security of BHT's assets to ensure that only people who are authorized have physical or indirect access to money, securities, real estate, and other valuable property.
5. The Director of Operations and Communications (DCO):
- a. Has check signing authority on all BHT's accounts up to \$20,000. Checks in excess of \$20,000 require two signatures. The DBMS will only be the second signature in the event either the ED or the DCO is unavailable.
 - b. Is responsible to approve credit card reconciliations reports for all but the ED and the DCO.
 - c. Is responsible to approve expense reports for all Directors, except for the ED and the DCO.
 - d. Shall open and review all bank statements and provide to the Finance Coordinator, or if no Finance Coordinator exists, then the CFO.
 - e. In the event there is no Finance Coordinator, shall approve all accounts payable invoices.
 - f. In the event there is no Finance Coordinator, shall prepare and make all deposits.
6. The Directors:
- a. Accountability to Board approved departmental budgets in purchasing decisions and accurate coding.
 - b. Develop first draft of departmental budgets with the assistance of the CFO and assist in the budget process as determined by the ED and CFO.
 - c. Shall review Profit & Loss Report Budget vs. Actual for their areas of supervision on at least a quarterly basis.
 - d. All account payable invoices related to programs must be approved by the Director of the program and the CFO and will be paid within 30 days of receipt.
7. Finance Coordinator:
- a. Is responsible for processing all accounts payable invoices.
 - b. Is responsible for processing payment for all accounts payable invoices approved for payment.
 - c. Is responsible for processing accounts receivable invoices not related to contributions, grants, or contracts.
 - d. Is responsible for processing payroll.
 - e. Is responsible for preparing bank reconciliations for all accounts within 10 days of the bank statement date.
 - f. Is responsible for preparing and making deposits.
 - g. Double checks all Expense Reimbursement Reports against receipts provided.
8. Office Coordinator/Receptionist:

- a. Receives and opens all incoming mail, except bank statements. Banks Statements are to be delivered to the DCO unopened.
- b. Shall log all incoming checks.
- c. In the event no Finance Coordinator exists shall print out all accounts payable invoices received electronically.
- d. In the event no Finance Coordinator exists, shall scan all checks and supporting documentation and file electronically.
- e. In the event no Finance Coordinator exists, shall prepare all payments for mailing.
- f. Shall mail all payments, unless no Finance Coordinator exists, then the CFO shall mail payments.
- g. In the event no Finance Coordinator exists, shall physically file all check stubs, invoices, and other supporting documentation.
- h. Prepares preliminary Credit Card Reconciliation Reports to be provided to card holders or assigned staff for processing.
- i. Prepares and Credit Card Reconciliation Report assigned.
- j. Double checks all Credit Card Reconciliation Reports against receipts provided.
- k. Is responsible for tracking, saving, and printing timesheets.

Accounting/Reporting System

1. QuickBooks (QB) is used as the accounting software and is also used to process payroll. QB is hosted by Right Networks.
2. The CFO shall be the administrator of QB and Right Networks.
3. The following shall have access to QB:
 - a. CFO shall have full access.
 - b. ED shall have full viewing access.
 - c. The Finance Coordinator shall have limited access as needed to perform duties.
 - d. Additional employees will be provided access on a case-by-case basis determined by the CFO with input from the ED.

Contributions, Grants, and Contract Procedures

1. When a new contribution, grant or contract is received or renewed, a copy of the executed contribution, grant or contract must be forwarded to the CFO.
2. The CFO shall set up a permanent file for each contribution, grant and contract and shall maintain all financial related correspondence.
3. The CFO shall read through each contribution, grant or contract and extract any financial items, including reporting and invoicing.
4. The CFO shall prepare all reporting and invoicing as indicated in each contribution, grant, or contract.

Account Receivable Procedures

1. The CFO shall prepare all invoices related to contributions, grants and contract as required by the contribution, grant or contract.
2. The Finance Coordinator shall prepare all invoices not related to contributions, grants, and revenue contracts by the 15th of the following month or earlier if agreed to by BHT.
3. AR Processing
 - a. Go into QB and Click on Customers.
 - b. For recurring invoices
 - i. Click on Customer Center.
 - ii. Click on Customer Name to be invoiced.
 - iii. Click on last invoice created to open.
 - iv. Click on Create a Copy.
 - v. Update the invoice with the current information and click on Save.
 - c. For non-recurring invoices
 - i. Click on Create Invoices.
 - ii. Fill out the invoice with all information.
 - iii. Click on Save.
4. As part of the monthly close process, the CFO shall run an Accounts Receivable Aging Report and follows up with any invoices that are 60 days overdue.

Cash Receipts Procedures

1. The Office Coordinator/Receptionist shall receive all incoming mail.
2. All checks received by the Office Coordinator/Receptionist should be recorded on a cash receipts log which states the date received, the check# or indicate "Cash", the payee, and the amount.
3. All checks should be stamped "for deposit only" on the back of the check by the Office Coordinator/Receptionist.
4. All checks should be copied by the Office Coordinator/Receptionist and the date of receipt should be noted on the check copy.
5. The Office Coordinator/Receptions shall provide all processed checks to the Finance Coordinator, or in the event no Finance Coordinator exists to the DCO, to be deposited at least weekly.
6. The Office Coordinator/Receptionist shall provide all check copies to the CFO.
7. At the end of each month, the Office Coordinator/Receptionist shall provide the CFO with the Monthly Cash Receipts Log Report.
8. The Finance Coordinator, or in the event no Finance Coordinator exists then the DCO shall prepare a deposit slip and deposit funds into the Operating Account on a least a weekly basis.
9. All undeposited funds shall be locked up in the CFO's locked office in a locked cabinet.
10. The Finance Coordinator, or in the event no Finance Coordinator exists then the DCO shall provide the CFO with the validated deposit slip.
11. The CFO will process all payments into the accounting system.

Funds Received by Wire Transfer

1. The CFO shall check all accounts on at least a weekly basis for funds received from others.
2. The CFO will process all payments received via wire transfers into the accounting system.

Inter-Fund Transfers

1. The CFO shall monitor the balances of all accounts and determine if any inter-fund transfers are required in order to manage balances and the purposes of accounts.
2. If the CFO determines an inter-fund transfer is required, then the CFO shall notify the ED and request approval to schedule an inter-fund transfer for the ED to approve within the online account access.

Accounts Payable Procedures

1. All invoices received by mail will be opened by the Office Coordinator/Receptionist and forwarded to the Finance Coordinator on a weekly basis for weekly accounts payable processing. In the event no Finance Coordinator exists, then all invoices will be forwarded to the CFO.
2. All invoices received electronically to the AccountsPayable@BetterHealthTogether.org shall be opened and printed by the Finance Coordinator on a weekly basis for weekly accounts payable payment processing. In the event no Finance Coordinator exists, then all invoices will be printed by the Office Coordinator/Receptionist and provided to the CFO.
3. The Finance Coordinator will route program related invoices to the appropriate Director for payment approval. Upon approval, the Director shall provide the Finance Coordinator with the approved invoice. In the event no Finance Coordinator exists, then the CFO shall preform this step.
4. All invoices received electronically by Directors or other Program Staff should be approved for payment by the appropriate Director, and then routed to the Finance Coordinator. In the event no Finance Coordinator exists, then the approved invoices should be provided to the CFO.
5. The Finance Coordinator codes all invoices and routes to the CFO for approval. Each invoice will be coded by G/L Account Code, Class, and Job (if needed). In the event no Finance Coordinator exists, then all coding shall be completed by the CFO.
6. The CFO approves all coded invoices and returns to the Finance Coordinator for entry into the accounting system. In the event no Finance Coordinator exists, then the DCO shall approve all coded invoices and return to the CFO for entry into the accounting system.
7. The Finance Coordinator prepares an Invoices Entered Report and provides the report along with the entered invoices to the CFO for review. In the event no Finance Coordinator exists, then the CFO shall prepare the Invoices Entered Report and review.
8. The CFO runs a Detailed Accounts Payable Aging Report and indicates on the report which invoices are to be paid and provides to the Finance Coordinator to prepare accounts payable checks. In the event no Finance Coordinator exists, then the CFO shall prepare accounts payable checks.
9. The Finance Coordinator (or the CFO) provides checks and supporting documentation, including the Detailed Accounts Payable Aging Report, to the DCO for signature of completed checks. In the event the DCO is not available, the ED shall sign checks.
10. If a check is made out to the DCO, the ED shall be required to sign the check. If the check is made out to the ED, then the DCO shall sign the check.
11. In the event a check is in excess of \$20,000, the ED will be notified via email that a payment requires a second signature.
12. The DCO (or ED) returns signed checks to the Finance Coordinator, or in the event no Finance Coordinator exists, the CFO.
13. The Finance Coordinator scans all checks and supporting documentation and files electronically. In the event no Finance Coordinator exists, the Office

Coordinator/Receptionist shall scan all checks and supporting documentation and file electronically.

14. The Finance Coordinator prepares all payments for mailing. In the event no Finance Coordinator exists, the Office Coordinator/Receptionist shall prepare all payments for mailing.
15. The Office Coordinator/Receptionist shall mail all payments; however, if the Office Coordinator/Receptionist prepared the checks for mailing, then the CFO shall mail the payments.
16. All check stubs, invoices, and other supporting documentation shall be physically filed by the Finance Coordinator in the CFO's office in a locked file cabinet. In the event no Finance Coordinator exists, then the Office Coordinator/Receptionist shall physically file all check stubs, invoices, and other supporting documentation.
17. In the event any payment is held for signature(s) it will be locked in the CFO's locked office in a locked file cabinet.

Credit Card Procedures

1. All credit cards shall be copied front and back and be filed in the CFO's locked office in a locked file cabinet.
2. Credit Card Purchases:
 - a. Authorized uses of the credit card include:
 - i. Authorized travel related expenses; and
 - ii. Other authorized business expenditures (such as monthly charges for any license subscription or meeting meal).
 - b. Receipts, indicating the specific business purpose of the expenditure, should be compiled and submitted on a monthly basis.
 - c. Unauthorized use of the credit card includes:
 - i. Personal or non-business expenditures of any kind.
 - ii. Expenditures which have not been properly authorized.
 - iii. Other expenditures which are prohibited by:
 1. BHT's budget, unless an exception approval is given,
 2. Federal, state, or local laws or regulations, or
 3. Grant conditions or policies of the entities from which BHT receives funds.
3. Proper Documentation for all Credit Card Purchases:
 - a. Every instance of credit card purchase must be detailed and documented with receipts in order to be approved for payment. Receipts should include the following details to be considered an authorized use of the credit card:
 - i. Lodging – Provide an itemized receipt from the hotel detailing every charge and the name of the person(s) for whom the lodging was provided and indicate the specific business purpose that was furthered by the expenditure.
 - ii. Meals – Provide an itemized receipt showing separately the cost of food, beverages, and gratuities; the names of every person for whom food or beverage was provided and the specific business purpose which was furthered by the expenditure. For example, a luncheon meeting with the Executive Director and a Partner to finalize discussion on improving behavioral health.
 - iii. Other Expenditures – A receipt from the vendor detailing every individual good or service purchased accompanied by an explanation of the specific business purpose that was furthered by each expenditure. For example, Operations Manager purchased key fobs for new employees to access the building.
 - iv. Lost Receipts – In the event a receipt is lost, a Lost Receipt Form must be submitted. The lost receipt must indicate all the same details as noted above. The Lost Receipt form is saved to Box\BHT Team Folder\Internal Forms and Internal Reports\Employee Forms.
4. Credit Card Reconciliation Process:

- a. The Office Coordinator/Receptionist will pull credit card statements and copy information into Credit Card Reconciliation Reports for each credit card. The credit card statements and pending Credit Card Reconciliation Reports for each credit card will be saved to Box\Finance for Accounting Staff\Credit Card Recon in Process.
 - i. Log into www.eliteonlinereporting.com.
 - ii. Click on Statements.
 - iii. The account card holder's names are listed.
 - iv. Click on the arrow to the far right of a name.
 - v. The statements will be listed. Click on the arrow to the far right for the statement needed.
 - vi. Click the "Print" button located at the bottom of the right-hand corner and print as an Adobe file.
 - vii. Open a blank Credit Card Reconciliation Report found at Box\BHT Team Folder\Internal Forms and Internal Reports\Employee Forms. Save the blank Credit Card Reconciliation Report to Box\Finance for Accounting Staff\Credit Card Recon in Process folder by card holder name.
 - viii. Insert a worksheet into the blank Credit Card Reconciliation Report
 - ix. Copy the transaction data into the newly inserted worksheet. Insert a column to hard key the billing amount and format as currency without a \$ sign.
 - x. Copy the Transaction Date, Merchant, and the hard-coded Billing Amount into the Credit Card Reconciliation Report.
 - xi. Save report.
- b. Office Coordinator/Receptionist will email Credit Card Reconciliation Reports to the person responsible for reconciling the report.
- c. Office Coordinator/Receptionist or other responsible employee will match up receipts and appropriately code the Credit Card Reconciliation Reports as assigned.
- d. Office Coordinator/Receptionist or other responsible employee will scan all copies of the receipts.
- e. Office Coordinator/Receptionist or other responsible employee will print a completed Credit Card Reconciliation Report as a PDF.
- f. Office Coordinator/Receptionist or other responsible employee will put completed Credit Card Reconciliation Report and receipts into DocuSign for card holders and approvers to sign. Credit Card Reconciliation Reports can be physically signed as needed. With a signed copy to be sent to AccountsPayable@BetterHealthTogether.org.
- g. Office Coordinator/Receptionist will print all signed Credit Card Reconciliation Reports and save a copy to Box\Finance for Accounting Staff\Credit Card Recon in Process.
- h. Office Coordinator/Receptionist or other responsible employee will email the completed Credit Card Reconciliation Report in Excel format and scanned receipts to AccountsPayable@BetterHealthTogether.org.

- i. The Office Coordinator/Receptionist will save completed Credit Card Reconciliation Reports in Excel format and the scanned receipts to Box\Finance for Accounting Staff\Credit Card Recon in Process and will delete the pending Credit Card Reconciliation Reports for each credit card as they come in.
- j. Office Coordinator/Receptionist or other responsible employee will provide the Office Coordinator/Receptionist with hard copies of all receipts.
- k. The Office Coordinator/Receptionist will check reports for accuracy and to ensure all receipts have been turned in. If receipts are missing the Office Coordinator/Receptionist will follow up.
- l. The Office Coordinator/Receptionist will provide the CFO with a signed copy of the credit card reconciliation and hard copies of all receipts.
- m. Credit Card Reconciliations will be processed in QB as follows:
 - i. Click on Company.
 - ii. Click on Batch Enter Transactions.
 - iii. Choose Credit Card Charges & Credit as Transaction Type.
 - iv. Choose the Credit Card you are entering transactions for from the drop-down list.
 - v. Copy from the excel version of the Credit Card Reconciliation Report all the data and paste in the first line under date.
 - vi. Check for accuracy and make any necessary changes.
 - vii. Click Save Transactions.
- n. Approvals shall be as follows:
 - i. The ED approves her own Credit Card Reconciliation Report and a member of the Finance Committee approves after payment has been made.
 - ii. The ED approves the DCO's Credit Card Reconciliation Report.
 - iii. The DCO approves all other Credit Card Reconciliation Reports.
- o. On the 25th of each month, the Office Coordinator/Receptionist will re-file the PDF copy of the statement, the signed version of the Credit Card Reconciliation Reports, the Excel version of the completed Credit Card Reconciliation Reports, and the scanned receipts for each card to Box\ BHT Team Folder\Internal Forms and Internal Reports\Completed Credit Card Reconciliations in the appropriate year, by card holder, by month.

Expense Report Procedures

1. Employee Purchases:
 - a. Authorized employee purchases include:
 - i. Authorized travel related expenses;
 - ii. Properly preauthorized expenditures; and
 - iii. Mileage
 - b. Unauthorized employee purchases include:
 - i. Personal or non-business expenditures of any kind.
 - ii. Expenditures which have not been properly authorized.
 - iii. Other expenditures which are prohibited by:
 1. BHT's budget, unless an exception approval is given,
 2. Federal, state, or local laws or regulations, or
 3. Grant conditions or policies of the entities from which BHT receives funds.
 - c. Receipts should be compiled and submitted on at least a monthly basis.
2. Proper Documentation for all Employee Purchases:
 - a. Every purchase must be detailed and documented with receipts in order to be approved for payment. Receipts should include the following details to be considered an authorized use of the credit card:
 - i. Lodging - Provide an itemized receipt from the hotel detailing every charge and the name of the person(s) for whom the lodging was provided and indicate the specific business purpose that was furthered by the expenditure.
 - ii. Meals - Provide an itemized receipt showing separately the cost of food, beverages, and gratuities; the names of every person for whom food or beverage was provided and the specific business purpose which was furthered by the expenditure. For example, a luncheon meeting with the Executive Director and a Partner to finalize discussion on improving behavioral health.
 - iii. Other Expenditures - A receipt from the vendor detailing every individual good or service purchased accompanied by an explanation of the specific business purpose that was furthered by each expenditure. For example, Operations Manager purchased key fobs for new employees to access the building.
 - i. Lost Receipts - In the event a receipt is lost, a Lost Receipt Form must be submitted. The lost receipt must indicate all the same details as noted above. The Lost Receipt form is saved to Box\BHT Team Folder\Internal Forms and Internal Reports\Employee Forms.
3. Expense Reporting Process:
 - a. Employees must fill out an Employee Reimbursement Report that can be found at Box\BHT Team Folder\Internal Forms and Internal Reports\Employee Forms.
 - b. Employee will fill out the Expense Reimbursement Report and include the following information for each receipt:

- i. Transaction Date
 - ii. Vendor
 - iii. Business Purpose
 - iv. Choose Account/Description from the drop-down list.
 - v. Amount
 - vi. Choose the Job from the drop-down list.
 - vii. Choose the Class from the drop-down list.
- c. Employee must enter mileage to be reimbursed on the bottom of the Employee Reimbursement Report. The amount will calculate based on the miles reported.
 - d. The Employee must scan all receipts.
 - e. The Employee must print the Employee Reimbursement Report to PDF.
 - f. The Employee will put completed Employee Reimbursement Report and scanned receipts into DocuSign for employee and approver to sign. With a signed copy to be sent to AccountsPayable@BetterHealthTogether.org.
 - g. The Employee will email the completed Employee Reimbursement Report in Excel format and scanned receipts to AccountsPayable@BetterHealthTogether.org.
 - h. Office Coordinator/Receptionist will print all signed Employee Reimbursement Report and provide to the Finance Coordinator. In the event no Finance Coordinator exists, then the printed report shall be provided to the CFO.
 - i. The Employee will provide the Finance Coordinator with hard copies of all receipts. In the event no Finance Coordinator exists, then the hard copies shall be provided to the CFO.
 - j. The Finance Coordinator will check reports for accuracy and to ensure all receipts have been turned in. If receipts are missing the Finance Coordinator will follow up. In the event no Finance Coordinator exists, then the CFO shall review and request the Office Coordinator/Receptionist to follow up on missing items.
 - k. Employee Reimbursement Report shall be processed with Accounts Payable.
 - l. Approvals shall be as follows:
 - i. The ED approves her own the DCO's Employee Reimbursement Reports and a member of the Finance Committee shall approve the ED's report after payment has been made.
 - ii. The DCO shall approves all other Directors Employee Reimbursement Reports.
 - iii. All Directors approve their staff's Employee Reimbursement Report.

Timesheet Procedures

1. All employees, exempt and non-exempt, are required to record time worked, holidays, leave taken for payroll, benefits tracking, and cost allocation purposes.
2. Approvals:
 - a. The ED shall approve her timesheet.
 - b. The ED shall approve all Director timesheets, including the CFO's.

- c. Directors, Senior Managers, and Managers shall approve all timesheets for the staff that directly reports to them.
 3. Timesheet reporting process:
 - a. The Timesheet Report template can be found at Box\BHT Team Folder\Internal Forms and Internal Reports\Employee Forms
 - b. Enter in the beginning date of the pay period in the following format XX/XX/XX (Example: March 21, 2020 would be 03/21/2020). BHT's pay periods begin on the 1st and the 16th of each month.
 - c. Enter in the ending date of the pay period in the following format XX/XX/XX. BHT's pay period end on the 15th and the last day of each month.
 - d. For each entry, enter in the following:
 - i. Name - Use the drop-down function to select the appropriate name. Once selected from the drop-down menu, you can copy the information for each entry instead of clicking the drop-down menu each time.
 - ii. Date - Enter the date in the following format XX/XX/XX.
 - iii. Hours - Enter the number of hours worked in the number format. (Example: 1 hour and 15 minutes would be entered as 1.25.)
 - iv. Class - Use the drop-down list to select the appropriate Class. Again, you can copy the information for each entry in the same Class after it has been chosen once.
 - v. Job - Use the drop-down list to select the appropriate Job, if appropriate (this is not a mandatory choice for each entry). Again, you can copy the information for each entry in the same Job after it has been chosen once.
 - vi. Comments - Enter in brief comments. Employees should check with their supervisor if they need use standard comments to track big areas of work. (Example: Finance, Human Resources, Learning Cohort, etc.)
 - vii. Timesheet Reports should be saved by last name_TS payroll period end date (Example Heath_TS 03.31.2020)
 - viii. Employees should Print their Timesheet Report to a PDF document so that it is only one page wide. DO NOT PRINT ALL PAGES, ONLY PRINT THE SHEET WITH THE TIMESHEET ENTRIES. Employees should send their Timesheet Report via DocuSign for employee to sign first, supervisor to sign second, and a signed copy to be delivered to AccountsPayable@BetterHealthTogether.org.
 - ix. Employees shall also submit the electronic Timesheet Report (excel timesheet) to AccountsPayable@BetterHealthTogether.org.
 - x. Supervisors are to review and approve Timesheet Reports sent to them. If there are questions about time, the supervisor shall follow up with the employee.
 4. Timesheet Report processing:
 - a. The Office Coordinator/Receptionist shall print all approved Timesheet Reports, compare to the electronic version provided to the approved Timesheet Report, and check for accuracy.

- b. The Office Coordinator/Receptionist shall indicate in the bottom right hand corner of the first page of the Timesheet Report the number of PTO, PMFL, and Sick (for part-time and temporary workers only).
- c. The Office Coordinator/Receptionist shall provide the printed signed copies of the Timesheet Reports to the Finance Coordinator for payroll processing. In the event no Finance Coordinator exists, then the printed copies shall be provided to the CFO.
- d. The Finance Coordinator shall file both the signed Timesheet Report and the electronic Timesheet Report for each employee into a timesheet folder labeled as the ending payroll date (Example Timesheets 03.15.2020) at Box\Finance For Accounting Staff\Timesheets. In the event no Finance Coordinator exists, this the Office Coordinator/Receptionist shall do this step.
- e. The Finance Coordinator shall copy and paste all entries from each electronic timesheet into the appropriate month's tab of the Timesheets Summary_20XX that can be found at Box\Finance for Accounting Staff\Timesheets. In the event no Finance Coordinator exists, this the Office Coordinator/Receptionist shall do this step.

Payroll Procedures

1. Prior to running payroll, the Finance Coordinator (or the CFO if no Finance Coordinator exists) shall follow these steps:
 - a. Run payroll update
 - i. Click on Employees in QB.
 - ii. Click on Payroll Center.
 - iii. Click on Payroll Updates on the Payroll Center Toolbar.
 - iv. Click on Update.
 - b. Check the following invoices to see if any adjustments are included: medical insurance; dental insurance; group life, short-term disability, and long-term disability.
 - c. If adjustments are included, make sure to change the employee effected by the adjustment. If a one-time change this can be done when reviewing paycheck detail. If this is an on-going charge, make sure to update the employee's QB file on the Payroll Info tab.
 - d. If any HR Action Forms have been received make sure to update the employee's QB file. If the action form is for a one-time change (for only one paycheck), then make the one-time change when reviewing paycheck detail.
2. To run payroll the Finance Coordinator (or the CFO if no Finance Coordinator exists) shall follow these steps:
 - a. In QB, click on Employees.
 - b. Click on Payroll Center.
 - c. Click on the Pay Employees tab.
 - d. Click on Start Scheduled Payroll.
 - e. Make sure the Check Date is correct.
 - f. Click on Open Paycheck Detail.
 - g. Update hours for Hours Worked, PTO, Sick (Part-Time employees only), and PFML.
 - h. Compare payroll items with last payroll stub for reasonableness, including Net Pay.
 - i. Click on Continue to create paychecks.
 - j. Click on Print Pay Stubs.
 - k. Click Close after you have printed all pay stubs.
 - l. Click Send Payroll Later.
 - m. Compare printed paystubs to the previous pay stubs, invoices related to benefits, benefit election forms (typically only at hire and at annual enrollment), timesheets, HR Action Forms, etc. to make sure everything is fine.
 - n. Submit current paystubs, previous paystubs, benefit invoices, HR Action forms, etc. to the CFO for approval of payroll.
3. The CFO shall Release Payroll by completing the following steps.
 - a. CFO shall approve, and if appropriate make changes, the pay stubs to be processed.
 - b. Go into QB and Click Employees.
 - c. Click on Send Payroll.
 - d. Click on Send All.

- e. Enter in the passcode.
 - f. Print the Report.
4. The CFO will receive a confirmation from QB. The CFO shall match the confirmation with the Report printed and current pay stubs.
5. The CFO will return the prior pay stubs and other supporting documentation to the Finance Coordinator for filing into the appropriate file cabinet and file.
6. The CFO will check the operating account to ensure that the appropriate funds have been removed.
7. The CFO will return the confirmation, Report, and pay stubs to the Finance Coordinator to be used for the next payroll run.
8. The CFO will Pay Federal Payroll Taxes by completing the following steps:
 - a. Go into QB and click on Employees.
 - b. Click on Payroll Tax Forms & W-2s.
 - c. Click on Tax Form Worksheets in Excel.
 - d. Enter in Custom Dates that reflect the current payroll period.
 - e. Click Create Report.
 - f. Print out the report.
 - g. Go to Employees.
 - h. Click on Payroll Center.
 - i. Click on the Pay Liabilities Tab.
 - j. Choose Federal Withholding, Social Security, and Medicare by clicking next to the names.
 - k. Compare the total from the Report to the total shown in the Pay Liabilities Tab.
 - l. Click on Pay.
 - m. Adjust the liability payable check to match the excel report, then click E-Pay.
 - n. Print out E-pay confirmation and match to the Tax Form Worksheet.
9. The CFO will pay FSA Contribution by completing the following steps:
 - a. In QB, print the memorized report named FSA Dependent and Medical saved in Kim's reports.
 - b. Change the date rate to reflect the current payroll period.
 - c. Print 2 copies of the report.
 - d. Click on Employees.
 - e. Click on Payroll Center.
 - f. Click on the Pay Liabilities Tab.
 - g. Click on the FSA liability accounts.
 - h. Click on Pay.
 - i. Print Check.
 - j. Mail check and one copy of the FSA Dependent and Medical report to the FSA provider.
 - k. Retain check stub one copy of the FSA Dependent and Medical report.
10. Left Blank in Case BHT has employees from other states that require withholding taxes.
11. The CFO will pay all 401(k) Contributions withheld from Employee paychecks by completing the following steps:
 - a. Run the 401(k) Payroll Report that can be found in QB under Kim's Report in the Memorized Report List.

- b. Make sure to change the report date to reflect the current payroll period.
 - c. Print the report.
 - d. Go to the T. Rowe Price employer website and log into the website.
 - e. Click on the Payroll tab.
 - f. Click on Actions for the last complete payroll for regular paychecks and choose Copy.
 - g. Update the Payroll Date and make sure ACH is turned on.
 - h. Update the amounts for each participant as shown on the 401(k) Payroll Report.
 - i. Click on Continue.
 - j. Enter in the amount and click Send.
 - k. A confirmation will be emailed. Match the confirmation and the 401(k) Payroll Report and file.
12. The CFO will run New Hire Report by completing the following steps:
- a. At the end of each month run a New Hire List in QB.
 - b. In QB Click Reports.
 - c. Click Employees & Payroll.
 - d. Click on New Hire List.
 - e. If there are employees listed, then a New Hire Report to the State of Washington must be submitted.
 - f. Click on Employees in QB.
 - g. Click on Payroll Center.
 - h. Click on the File Forms Tab.
 - i. Click on WA Report for NH-New Hire Report.
 - j. Update the Start Date and End Date and Click on Ok.
 - k. Print the report, make a copy, sign, and mail original to address on the report.
13. The CFO will prepare quarterly tax reports and pay quarterly taxes by completing the following steps:
- a. Quarterly Form 941/Schedule B - Employer's Quarterly Federal Tax Return (Coming in April)
 - b. UI QTD - Report to Complete Employer's Quarterly UI Return (Coming in April)
 - c. PFML - Paid Family and Medical Leave Reporting Worksheet (Coming in April)
 - d. Quarterly L&I Report (Coming in April)

Bank Reconciliation Procedures

1. Bank statements are to be received unopened by the DCO.
2. The receiving party should review the contents for inconsistent check numbers, signatures, cash balances, payee, and endorsements at a minimum. After this cursory review is conducted the bank statement should be initialed and dated at the bottom, right hand corner of the first page of each bank statement reviewed.
3. The reviewed bank statement shall then be forwarded to the Finance Coordinator. In the event no Finance Coordinator exists, then the bank statement shall be forwarded to the CFO.

4. The person charged with reconciling the bank statement should reconcile each account within 10 days following the date of the bank statement.
5. When reconciling the bank accounts, the following items should be included in the procedures:
 - a. A comparison of dates and amounts of daily deposits as shown on the bank statements with the cash receipts form.
 - b. A comparison of inter-bank transfers to be certain both sides of the transactions have been recorded on the books.
 - c. An investigation of items rejected by the bank, i.e., returned checks or deposits.
 - d. A comparison of wire transfers dates received as shown in the accounting system as compared to the bank statement.
 - e. A comparison of canceled checks with the disbursement journal as to check number, payee, and amount.
 - f. An accounting for the sequence of checks both from month to month and within a month.
 - g. An examination of canceled checks for authorized signatures, irregular endorsements, and alterations.
 - h. A review and proper mutilation of voided checks.
 - i. Investigate and write-off checks which have been outstanding for more than six months.
 - j. Prepare the actual reconciliation using QuickBooks checking off cleared debits and credits.
 - k. Preparer should print both the Summary and Detailed Reconciliation Reports in QuickBooks.
 - l. Copies of the completed bank reconciliation will be forwarded to the CFO for review and approval. In the event no Finance Coordinator exists, the completed bank reconciliation will be forwarded to the ED for review and approval.

Other General Ledger Account Reconciliation Procedures

1. Each month the CFO shall review the ending balances for balance sheet accounts such as cash accounts, accounts receivable, accounts payable and deferred revenue. The CFO shall review the bank reconciliations, aging of accounts receivable, deferred revenue, and aging of accounts payable to support the balances shown on the balance sheet.
2. The CFO shall prepare general ledger account reconciliations as part of preparing the monthly financial reports.
3. Asset accounts will include cash, accounts receivable, prepaids, fixed assets, and security deposits.
 - a. Cash balances should agree with the balances shown on the bank reconciliations each month.
 - b. Accounts Receivable should agree with the Schedule of Accounts Receivable.
 - c. Prepaids should equal advanced payments paid to vendors at the end of the accounting period.
 - d. Fixed Assets should equal the total generated from the audited depreciation schedules. When additional purchases in excess of \$2,000 are made during the year, they should be added to the depreciation schedule.
 - e. Security Deposits should equal amounts paid to landlords and other providers that require a deposit.
4. Liability accounts will include accounts payable, payroll tax liabilities, funds due to others, and deferred & unearned revenue.
 - a. Accounts Payable should equal amounts owed to vendors at the end of the account period and the aging report.
 - b. Payroll Tax Liabilities should equal amounts withheld from employee paychecks as well as employer's portion of the expense for the period, that has not been remitted to government authorities. These accounts should be checked monthly for reasonableness and reconciled quarterly.
 - c. Funds Due to Others are any amounts owed to others at the end of the period and should be recorded at the correct balance maintained in the general ledger accounts.
 - d. Deferred & Unearned Revenue should equal the amount of funds received but not yet recognized as revenue.
5. Income accounts are described as income from Contributions, Grants, and Contracts. Expenses are line items such as salaries, consulting fees, etc.
 - a. Income is the amount charged to various accounts and should be reconciled with funding requests, funder reports, draw down schedules, etc.
 - b. Gross Salary Accounts should be added together and reconciled with the amounts reported on quarterly payroll returns.
 - c. Consulting Fees should be reconciled to the contracts.

Financial Planning & Reporting Procedures

1. Budgeting

- a. The CFO shall create budget templates to be used in discussion with the ED and Directors.
- b. The templates to be created shall include Payroll, Consultants, and General Program.
- c. The CFO shall create a payroll template using current salaries, estimated benefits and estimated taxes to share with the ED. The ED shall use the template to estimate salaries for the next fiscal year. The CFO shall update the template as benefit information and tax information changes.
- d. The CFO shall create General Program templates to be used in meeting with Directors to determine all costs, except payroll, for each program focus area.
- e. The CFO shall create a Consultant template that will include all current consultants with current contract amounts, considering meetings with Directors about programs for the next fiscal year. This template shall be shared with the ED and the Directors to update based on the work to be completed in the next fiscal year.
- f. Once preliminary Payroll and General Program templates are completed, the CFO shall compile all data into one file. Once combined the CFO shall share with the ED.
- g. The ED and the CFO shall go through the budget and then meet with Directors to update and finalize as needed.
- h. Once the budget is completed it shall be submitted to the Finance Committee for review.
- i. Once the Finance Committee reviews and approves, it shall be submitted to the Board for review and approval.

2. Financial Reporting

- a. The CFO shall prepare regular financial reports on a monthly basis to be completed by the 20th of the month for the prior month. All account reconciliations shall be completed as part of the monthly reporting process.
- b. Report to be prepared and provided to the Finance Committee shall include the Balance Sheet and the Profit & Loss (Budget vs. Actual on a condensed basis). They will be prepared in QB and exported for formatting purposes.
- c. The CFO shall investigate any budget variances.
- d. The CFO shall provide the financial reports to the ED for review and approval.
- e. Once the ED has approved the financial reports, then they shall be provided to the Finance Committee prior to the Finance Committee Meeting, which the CFO shall attend.
- f. The CFO shall complete the following steps in closing the month in order to prepare financials:
 - i. Prepare a workpaper to allocate all payroll to appropriate Classes and Jobs and enter information into QB as a Journal Entry.
 - ii. Ensure that all bank accounts have been reconciled and all bank reconciliations are approved.
 - iii. Ensure that all accounts payable invoices have been entered into QB.
 - iv. Ensure that all accounts receivable invoices have been entered in QB.

- v. Ensure that all balance sheet accounts have been reconciled.
- vi. Run preliminary Profit & Loss to determine if any expenses or revenue have been miscoded. If anything has been miscoded, correct through either Journal Entry (for prior periods) or by changing the original entry (current month entry). If an original entry is changed, then a printout must be attached to the original entry's documentation.
- vii. Determine if any Deferred Revenue needs to be recognized, and if so, prepare appropriate Journal Entry.
- viii. Print out a General Ledger and review to make sure that all Balance Sheet balances tie to supporting documentation (reconciliations or workpapers)
- ix. Run financial reports and export to excel for formatting.

3. Annual Audit

- a. The services of an independent Certified Public Accounting Firm will be engaged to prepare a formal financial audit of BHT's fiscal year-end. The CFO will be responsible for working with the independent Certified Public Accounting Firm to complete the annual audited financial statements.
 - b. The CFO shall prepare all workpapers and supporting documents required by the independent Certified Public Accounting Firm.
 - c. The CFO shall have a Certified Public Accountant (CPA) from the Certified Public Accounting Firm present the draft audited financial statements to the Finance Committee and the Audit Committee.
 - d. Once the draft audited financial statements are approved by the Finance Committee and the Audit Committee they will present to the Board for review and approval.
- ### 4. Annual Tax Return
5. The services of an independent Certified Public Accountant will be engaged to prepare Federal *Form 990, Return of Organization Exempt from Income Tax*. The CFO will be responsible for working with the independent Certified Public Accountant to complete the annual tax return and will be responsible for reviewing the return.

Asset Management Procedures

1. All fixed assets purchased under \$2,000, including computers and computer equipment shall be expensed.
2. A permanent property log or database is to be maintained by the Operations Manager for all fixed assets purchased in excess of \$2,000 and for all computers and computer equipment.
3. The log should contain the following information:
 - a. Date of Purchase
 - b. Description of Item Purchased
 - c. Received by Donation or Purchased
 - d. Cost or Fair Market Value on the date of the Receipt
 - e. Donor or Funding Source, if applicable
 - f. Funding Source Restrictions on Use or Disposition
 - g. Identification/Serial Number (if appropriate)
 - h. Depreciation Period
 - i. Vendor Name and Address
 - j. Warranty Period
 - k. Inventory Tag Number (all fixed assets over \$2,000 and all computers and computer equipment should be tagged with a unique identifying number)
 - l. Check Number used to pay for the fixed asset.
 - m. For all computers and computer equipment, an additional tracking log should be kept and include the following information:
 - i. Inventory Tag Number
 - ii. Date Checked Out
 - iii. Name of Person Checked Out To
 - iv. Signature of Person Checking Out Equipment
 - v. Date Check In
 - vi. Signature of Person Checking In Equipment
4. At least annually, a physical inspection and inventory should be taken of all fixed assets over \$2,000 and all computers and computer equipment and reconciled to the General Ledger Balances. Adjustments for dispositions should be made.

Records Retention Procedures

1. Blank checks shall be stored in the CFO's locked office in a locked filing cabinet.
2. Bank statements and bank reconciliations
 - a. All statements and reconciliations shall be scanned and filed electronically by year and kept for a minimum of seven years.
 - b. All hard copies of statements and reconciliations shall be filed monthly with monthly closing documents.
 - c. At the end of the year, once the audited financial statements are approved by the board, all statements shall be boxed up and filed either on-site or off-site for a minimum of seven years.
3. Accounts payable invoices, credit card statements, and employee reimbursements, and accounts receivable invoices
 - a. All records shall be scanned and filed electronically by year and kept for a minimum of seven years.
 - b. All hard copies of records for the current year shall be filed as paid or sent in the CFO's locked office in a locked filing cabinet.
 - c. At the end of the year, once the audited financial statements are approved by the board, all records shall be boxed up and filed either on-site or off-site for a minimum of seven years.
4. Payroll records
 - a. All records shall be scanned and filed electronically by year and kept permanently.
 - b. All hard copies of records for the most current three (3) year shall be filed as paid or sent in the CFO's locked office in a locked filing cabinet.
 - c. At the end of the year, once the audited financial statements are approved by the board, all records for the least current year shall be boxed up and filed either on-site or off-site for a minimum of seven years.
5. Payroll tax records
 - a. All records shall be scanned and filed electronically by year and kept permanently.
 - b. All hard copies of records for the most current three (3) year shall be filed as paid or sent in the CFO's locked office in a locked filing cabinet.
 - c. At the end of the year, once the audited financial statements are approved by the board, all records for the least current year shall be boxed up and filed either on-site or off-site for a minimum of seven years
6. Insurance
 - a. All insurance policies shall be scanned and filed electronically by year and kept permanently.
 - b. All hard copies of records for the most current three (3) years shall be filed and kept in the CFO's locked office.
 - c. At the end of each year the least current year shall be boxed up and filed either on-site or off-site for a minimum of seven years.
7. Internal financial reports
 - a. All records shall be scanned and filed electronically by year and kept for a minimum of seven years.

- b. All hard copies of records for the most current three (3) year shall be filed as paid or sent in the CFO's locked office in a locked filing cabinet.
 - c. At the end of the year, once the audited financial statements are approved by the board, all records for the least current year shall be boxed up and filed either on-site or off-site for a minimum of seven years.
- 8. Audited financial statements shall be scanned and filed electronically and retained permanently. A hard copy of the audited financial statements shall be retained on site for the most current three (3) years and older hard copies shall be boxed up and filed either on-site or off-site.
- 9. Annual tax returns shall be scanned and filed electronically and retained permanently. A hard copy of the tax returns shall be retained on site for the most current three (3) years and older hard copies shall be boxed up and filed either on-site or off-site.