

ALBERTINA KERR CENTERS
Finance, Audit & Compliance Committee Minutes
November 11, 2020
5 to 7:00 p.m.
Via Teams

Members Present

David Connell, Paul Litwinczuk, Rod Malone, Melissa May, Jill Nickerson, Craig Payne, Karen Rasmussen, Laura Shipley

Staff Present

Jeff Carr, Owen Gibson, Janice Jacobs

Guests

- Miki Herman, Board Chair
- Gary McGee & Nathan Bresser of Gary McGee & Co.
- Jill Sherman of Edlen & Co.
- Rena Jimenez-Blount & Mark Kantor of Kantor Taylor PC

Convene (Karen Rasmussen)

Karen convened the meeting at 4:01 p.m.

Approve Minutes of October 7, 2020 Meeting (All)

ACTION: Jill Nickerson moved to approve the minutes of the October 7th FAC Committee meeting. Laura Shipley seconded. The motion passed via unanimous vote.

Review Audit (Gary McGee & Nathan Bresser of Gary McGee & Co.)

Gary and Nathan expressed many thanks to Janice Jacobs, Jeff Carr, and the entire Finance and Accounting Department staff for their assistance in providing materials during a challenging audit.

The format of the draft audit report is similar to previous years, including the Letter to the Board and the Financial Statements. This year's report also includes a Discussion Agenda and Management Letter, where the Management Letter, which is public, provides a list of items found last year and a comparison to this year's findings to show improvements and changes.

In the Letter to the Board, Gary points out the significant number of adjustments, noting the number and amounts suggest the need for better controls in recording financial transactions. Kerr's total net assets \$28 million. Net operating results are -\$622k, however, that deficit should reduce by almost half as more assets are released.

In the Discussion Agenda, Gary reviews the 57 adjustments made, both credits and debits. The overall change decreased assets by \$625k. Control accounts in the general ledger had inaccuracies, and reconciliations were not completed. Discrepancies were seen between the general ledger and reports from fundraising and billing. Adjustments were reviewed, but in many cases not recorded. Going forward, Janice Jacobs will review each adjustment. The auditors offered assistance and recommendations. Oversight of restricted accounts will be closely monitored and clear identification will be made regarding

who will add and release restricted donations, and who will determine how funds are spent. Some reclassifications are still to be made.

In the Management Letter, Gary includes some recommendations without giving details, however, the auditors will assist Kerr with addressing concerns. Gary reported the issues, while significant, are all fixable. Adjustment documentation will have individual sign-offs. Anne Adler and Janice Jacobs will both review and sign off on fundraising reports. Jeff Carr will review monthly fundraising and transfer records as well. Gary also noted staff turnover as a major factor in the missed accounting processes, and emphasized developing solid desk procedures.

Miki Herman thanked the auditors and expressed a need to be sure the final report to the full Board details remedies to all concerns and instills confidence that the Accounting will correct processes.

Presentation by Edlen & Co (Jill Sherman, Rena Jimenez-Blount, Mark Kantor)

Jill, Rena and Mark provided an updated presentation of the financing and tax credit pro-forma, along with the Board resolution, both being prepared for submission to the full Board for approval. Sources and uses, cash flow, and how low income housing tax credits (LIHTCs) work were reviewed. The deferred developer fee is explained and how it provides cash flow to Kerr in the short-term and over the next 15 years. Metro bonds awarded to Kerr by the City of Gresham, potential grants for energy efficiency and net zero, plus solar investment tax credits are sources of funding. The process of soliciting and selecting a lender and investor is included in the presentation. Enterprise and Chase provided the best terms and key points were reviewed. A timeline was reviewed and the next step is final approval by the Board, continuing documentation negotiation, and closing is targeted for December 22, 2020.

Updates to the Albertina Kerr Centers' Articles of Incorporation and a summary of the Board Resolution effecting Kerr's development of the Workforce & Inclusive Housing project were reviewed and explained. The Articles of Incorporation will include "fostering low income housing" as one of Albertina Kerr Centers' purposes in order to meet a provision in the tax code to qualify for low income housing tax credits. The Resolution states several actions to effect Kerr's adoption of the project, financial agreements, partnerships, execution of documents and authorization of signers. Mark Kantor and Rena Jimenez-Blount reviewed the details included in the meeting packet and presentation.

All agreed the presentation gives an excellent demonstration of the project details and action items.

Review September Financial Results (Janice Jacobs)

September financial performance shows a slowing from the strong July and August start to the fiscal year, but still good. The wildfire and evacuation situation, transitions in adult homes and closing PALS all had a negative impact. Contributions revenue deficit is a timing issue while 24 Hours of Kerr funds catch up. Salaries and wages were over budget, partly due to not having holidays built into the budget. Contract labor expenses reflect audit fees and a one-time bill for ASL services for a client at subacute. Supplies came in over budget mainly due to COVID. Month end was close to budget. Year-to-date shows \$1.4 million better than plan and very strong performance. Salaries and wages are over budget, while payroll taxes are under budget. Expenses are being managed very well. The balance sheet shows strong cash flow. Early indicators show October financials will be much like September performance.

Executive Session

The Committee entered executive session at 6:07 p.m.

Adjourn (Karen Rasmussen)

Karen adjourned the meeting at 6:18 p.m.

Recorded by Holly Edgar, Corporate Secretary

Albertina Kerr

Consolidated Statement of Activities November 2020

	This Month			
	Actual	Budget	Variance	% Change
	11/30/2020	11/30/2020		
Revenue				
Contract and Program Revenue	\$3,636,627.96	\$3,741,254.74	(\$104,626.78)	(2.80)%
Contribution and Event Revenue	\$286,311.84	\$184,766.05	\$101,545.79	54.96 %
Kerr Bikes/Sales to Public	\$2,955.75	\$1,224.50	\$1,731.25	141.38 %
Investment Spend	\$27,909.91	\$27,909.91	\$0.00	0.00 %
In-Kind Contributions	\$1,222.90	\$4,166.67	(\$2,943.77)	(70.65)%
Total Revenue	\$3,955,028.36	\$3,959,321.87	(\$4,293.51)	(0.11)%
Expenses				
Salaries & Wages	\$2,628,436.69	\$2,591,652.01	(\$36,784.68)	(1.40)%
Employee Benefits	\$323,244.17	\$324,217.03	\$972.86	0.30 %
Payroll Taxes	\$246,538.43	\$265,038.37	\$18,499.94	7.50 %
Contracted Direct Labor	\$7,149.95	\$7,586.46	\$436.51	6.11 %
Other Employee Related Costs	\$43,838.36	\$27,392.18	(\$16,446.18)	(37.52)%
Professional Fees & Insurance	\$41,937.52	\$53,488.27	\$11,550.75	27.54 %
Telecommunications	\$4,996.98	\$8,760.33	\$3,763.35	75.31 %
Facilities & Occupancy	\$193,580.54	\$212,496.96	\$18,916.42	9.77 %
Utilities	\$52,266.50	\$57,016.01	\$4,749.51	9.09 %
Equipment	\$24,687.64	\$22,947.29	(\$1,740.35)	(7.05)%
Program & Office Supplies	\$115,551.19	\$110,013.96	(\$5,537.23)	(4.79)%
MIS	\$137,046.62	\$115,521.10	(\$21,525.52)	(15.71)%
Vehicles	\$34,102.99	\$39,537.50	\$5,434.51	15.94 %
PR & Fundraising	\$5,646.15	\$14,389.07	\$8,742.92	154.85 %
Cost of In-Kind Goods/Services	\$1,222.90	\$4,166.67	\$2,943.77	240.72 %
Training & Other	\$9,704.21	\$60,921.45	\$51,217.24	527.78 %
Interest Expense	\$14,570.00	\$17,899.92	\$3,329.92	22.85 %
Total Manageable Expenses	\$3,884,520.84	\$3,933,044.58	\$48,523.74	1.25 %
OPERATIONAL NET SURPLUS/(DEFICIT)	\$70,507.52	\$26,277.29	\$44,230.23	168.32 %
Investment/SWAP Changes	\$695,731.16	\$0.00	\$695,731.16	0.00 %
Workforce Housing Grants	\$125,000.00	\$125,000.00	\$0.00	0.00 %
NET SURPLUS/(DEFICIT)	\$891,238.68	\$151,277.29	\$739,961.39	489.14 %

Albertina Kerr

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Albertina Kerr Centers Program Operating Recap

November 2020

	MTD Grant & Contribution Revenue	MTD Other Revenue	MTD Total Revenue	MTD Direct Expenses	MTD Margin Generated	MTD Indirect Allocations	MTD Total Expenses	MTD Operating Results	MTD Budget	Actual vs. Budget Variance
Programs										
Adult Group Homes										
Clackamas County Adult DD	412,053.05	0.00	412,053.05	471,745.46	(59,692.41)	26,162.72	497,908.18	(85,855.13)	(25,284.50)	(60,570.63)
Multnomah County Adult DD	337,355.61	0.00	337,355.61	354,446.60	(17,090.99)	20,192.57	374,639.17	(37,283.56)	(23,105.85)	(14,177.71)
Washington County Adult DD	178,369.60	0.00	178,369.60	153,990.63	24,378.97	8,135.78	162,126.41	16,243.19	(13,215.24)	29,458.43
Marion County Adult DD	350,819.17	0.00	350,819.17	381,135.37	(30,316.20)	23,849.17	404,984.54	(54,165.37)	(22,609.80)	(31,555.57)
	1,278,597.43	0.00	1,278,597.43	1,361,318.06	(82,720.63)	78,340.24	1,439,658.30	(161,060.87)	(84,215.39)	(76,845.48)
Employment Services	62,484.75	10.60	62,495.35	118,153.38	(55,658.03)	6,923.83	125,077.21	(62,581.86)	(9,568.10)	(53,013.76)
Studios	(872.55)	0.00	(872.55)	23,432.49	(24,305.04)	38.55	23,471.04	(24,343.59)	(25,044.40)	700.81
Kids DD Group Homes	1,535,546.31	200,000.00	1,735,546.31	1,176,567.85	558,978.46	70,929.20	1,247,497.05	488,049.26	148,895.86	339,153.40
Transition-Aged Group Homes	231,959.42	0.00	231,959.42	274,184.72	(42,225.30)	17,461.75	291,646.47	(59,687.05)	(18,644.70)	(41,042.35)
Kerr Bikes	3,205.75	0.00	3,205.75	4,471.87	(1,266.12)	551.78	5,023.65	(1,817.90)	(1,814.74)	(3.16)
Outpatient Mental Health	69,598.65	30,424.93	100,023.58	92,294.14	7,729.44	4,567.49	96,861.63	3,161.95	(24,207.86)	27,369.81
Subacute	450,298.53	4,020.58	454,319.11	509,399.69	(55,080.58)	26,167.60	535,567.29	(81,248.18)	(14,700.52)	(66,547.66)
Program Oversight and Other	0.00	3,121.77	3,121.77	17,313.11	(14,191.34)	0.00	17,313.11	(14,191.34)	(9,985.07)	(4,206.27)
Behavioral Specialists	8,765.42	0.00	8,765.42	53,035.59	(44,270.17)	3,243.75	56,279.34	(47,513.92)	(33,697.31)	(13,816.61)
Total Programs	3,639,583.71	237,577.88	3,877,161.59	3,630,170.90	246,990.69	208,224.19	3,838,395.09	38,766.50	(72,982.23)	111,748.73
Admin & Other										
Campus Buildings	0.00	0.00	0.00	5,115.87	(5,115.87)	0.00	5,115.87	(5,115.87)	(56,356.62)	51,240.75
Indirect Admin	0.00	52,897.70	52,897.70	252,943.82	(200,046.12)	(215,134.94)	37,808.88	15,088.82	131,108.91	(116,020.09)
Inv. Spend Rate	0.00	24,969.07	24,969.07	0.00	24,969.07	0.00	0.00	24,969.07	24,790.12	178.95
Other Pooled Direct Costs	0.00	0.00	0.00	3,201.00	(3,201.00)	0.00	3,201.00	(3,201.00)	(282.89)	(2,918.11)
Total Admin & Other	0.00	77,866.77	77,866.77	261,260.69	(183,393.92)	(215,134.94)	46,125.75	31,741.02	99,259.52	(67,518.50)
Total Operating (Before Contingency)	3,639,583.71	315,444.65	3,955,028.36	3,891,431.59	63,596.77	(6,910.75)	3,884,520.84	70,507.52	26,277.29	44,230.23
Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(41,666.66)	(41,666.66)
Investment Income	0.00	0.00	695,731.16	695,731.16	0.00	695,731.16	0.00	695,731.16	0.00	695,731.16
Workforce Housing	0.00	125,000.00	125,000.00	0.00	125,000.00	0.00	0.00	125,000.00	125,000.00	0.00

Albertina Kerr Centers Program Operating Recap

For November YTD 2020

	YTD YTD_Contr & Prg_Rev	YTD Grant & Contribution Revenue	YTD Other Revenue	YTD Total Revenue	YTD Direct Expenses	YTD Margin Generated	YTD Indirect Allocations	YTD Total Expenses	YTD Operating Results	YTD Budget	Actual vs. Budget Variance
Programs											
Adult Group Homes											
Clackamas County Adult DD	2,061,223.23	0.00	13,874.68	2,075,097.91	2,268,126.18	(193,028.27)	132,343.63	2,400,469.81	(325,371.90)	(126,422.50)	(198,949.40)
Multnomah County Adult DD	1,685,380.79	0.00	12,413.82	1,697,794.61	1,705,515.56	(7,720.95)	98,426.67	1,803,942.23	(106,147.62)	(115,529.27)	9,381.65
Washington County Adult DD	940,036.78	0.00	18,613.80	958,650.58	768,005.16	190,645.42	48,784.56	816,789.72	141,860.86	(66,076.20)	207,937.06
Marion County Adult DD	1,783,023.18	0.00	20,207.96	1,803,231.14	1,887,729.42	(84,498.28)	117,660.33	2,005,389.75	(202,158.61)	(113,049.00)	(89,109.61)
	6,469,663.98	0.00	65,110.26	6,534,774.24	6,629,376.32	(94,602.08)	397,215.19	7,026,591.51	(491,817.27)	(421,076.97)	(70,740.30)
Employment Services	358,609.88	53.00	155,745.13	514,408.01	593,659.12	(79,251.11)	35,939.69	629,598.81	(115,190.80)	(47,840.50)	(67,350.30)
Studios	36,685.46	200.00	143,022.13	179,907.59	221,519.58	(41,611.99)	8,481.47	230,001.05	(50,093.46)	(185,222.00)	135,128.54
Kids DD Group Homes	7,911,799.57	202,500.00	5,756.79	8,120,056.36	5,878,859.82	2,241,196.54	355,403.92	6,234,263.74	1,885,792.62	768,659.94	1,117,132.68
Transition-Aged Group Homes	1,181,113.74	0.00	0.00	1,181,113.74	1,396,534.85	(215,421.11)	84,674.74	1,481,209.59	(300,095.85)	(193,223.50)	(106,872.35)
Kerr Bikes	44,960.00	0.00	15,000.00	59,960.00	73,060.81	(13,100.81)	3,859.04	76,919.85	(16,959.85)	(9,073.70)	(7,886.15)
Outpatient Mental Health	423,525.70	262,640.60	11,378.95	697,545.25	517,340.46	180,204.79	22,523.65	539,864.11	157,681.14	(241,039.30)	398,720.44
Subacute	2,514,059.08	15,050.30	106,232.96	2,635,342.34	2,593,890.86	41,451.48	130,366.05	2,724,256.91	(88,914.57)	(170,464.06)	81,549.49
Program Oversight and Other	0.00	15,010.13	0.00	15,010.13	106,349.10	(91,338.97)	0.00	106,349.10	(91,338.97)	(79,925.35)	(11,413.62)
Behavioral Specialists	36,297.66	8,678.06	0.00	44,975.72	270,301.23	(225,325.51)	16,212.42	286,513.65	(241,537.93)	(208,486.55)	(33,051.38)
Total Programs	18,976,715.07	504,132.09	502,246.22	19,983,093.38	18,280,892.16	1,702,201.23	1,054,676.17	19,335,568.33	647,525.06	(787,691.99)	1,435,217.05
Admin & Other											
Campus Buildings	0.00	0.00	0.00	0.00	72,386.33	(72,386.33)	0.00	72,386.33	(72,386.33)	(231,485.66)	159,099.33
Indirect Admin	0.00	1,112,141.95	76,618.98	1,188,760.93	985,278.22	203,482.71	(1,054,732.17)	(69,453.95)	1,258,214.88	413,663.98	844,550.90
Investment Spend Rate	0.00	27,909.91	0.00	27,909.91	0.00	27,909.91	0.00	0.00	27,909.91	124,308.50	(96,398.59)
Other Pooled Direct Costs	0.00	0.00	0.00	0.00	12,675.78	(12,675.78)	0.00	12,675.78	(12,675.78)	(1,772.35)	(10,903.43)
Total Admin & Other	0.00	1,140,051.86	76,618.98	1,216,670.84	1,070,340.33	146,330.51	(1,054,732.17)	15,608.16	1,201,062.68	304,714.47	896,348.21
Total Operating (Before Contingency)	18,976,715.07	1,644,183.95	578,865.20	21,199,764.22	19,351,232.48	1,848,531.74	(56.00)	19,351,176.48	1,848,587.74	(482,977.52)	2,331,565.26
Contingency	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(166,666.64)	166,666.64
Investment Income	0.00	0.00	695,731.16	695,731.16	0.00	695,731.16	0.00	0.00	695,731.16	0.00	695,731.16
Workforce Housing	0.00	425,000.00	0.00	425,000.00	0.00	425,000.00	0.00	0.00	425,000.00	425,000.00	0.00

Albertina Kerr Consolidated Balance Sheet

	11/30/2020	10/31/2020
Cash and Cash Equivalents	\$2,740,890.17	\$2,828,486.03
Cash held for others	\$218,194.91	\$296,016.74
Contract/Program Receivables	\$2,478,733.12	\$2,287,869.88
Less: Allowance for Doubtful Accounts	(\$51,704.63)	(\$51,704.63)
Investments	\$10,081,965.18	\$9,361,507.11
Charitable remainder trust receivables	\$281,688.73	\$281,688.73
Contributions Receivable	\$97,255.46	\$108,222.96
Other Receivables	\$48,361.99	\$56,013.06
Prepaid Expenses, Deposits & Other Current Assets	\$270,093.06	\$250,977.75
Other Long-Term Assets	(\$69,859.71)	(\$72,059.18)
Fixed Assets, Net	\$22,493,668.83	\$22,577,382.14
Due From / (To) Other Funds	(\$424.60)	(\$424.60)
Total Assets	\$38,588,862.51	\$37,923,975.99
Accounts Payable and Accrued Expenses	\$504,859.45	\$806,724.36
Accrued Payroll Liabilities	\$1,294,826.68	\$1,127,552.38
PAL Liability	\$801,091.90	\$704,018.57
Contract Overpayments/Advances	\$130,890.29	\$115,320.86
Unemployment Reserve	\$82,833.27	\$249,619.96
Long-term debt	\$4,143,365.99	\$4,180,927.61
Total Liabilities	\$6,957,867.58	\$7,184,163.74
Available for Operations	\$8,985,303.79	\$8,149,513.27
Investment in Fixed Assets	\$18,280,443.13	\$18,324,395.35
Temporarily restricted	\$2,115,550.90	\$2,017,718.94
Permanently restricted	\$2,249,697.11	\$2,248,184.69
Total Net Assets	\$31,630,994.93	\$30,739,812.25
Total Liabilities and Net Assets	\$38,588,862.51	\$37,923,975.99

Albertina Kerr Compliance Dashboard

Updated January 5, 2021

Chief Compliance Officer's Report

For the Finance, Audit, and Compliance Meeting scheduled for January 13th, I am presenting Albertina Kerr's Board of Directors Quality and Compliance Chapter for review and approval for submission to the full Board for approval. This is the entire compliance chapter that addresses compliance issues at the Board level. Several sections are abbreviated versions from the operational manual that addresses both Quality Improvement and Compliance as well as Privacy and Medical Records standards. This policy is for review by this committee to be submitted to the full Board for adoption. I have also included the Albertina Kerr Document Retention Schedule for review and submission to the full Board.

I have also included the 2020 Conflict of Interest Annual report for review. This report indicates any reported potential conflicts of interest as reported by Albertina Kerr Board Members.

Overall, the compliance program continues to focus on licensing preparedness for all group homes and readiness for the Commission on Accreditation of Rehabilitation Facilities (CARF) accreditation audit that will come in late March or April to review Kerr's Mental Health programs. We are also working closely with Kaiser Permanente on a required internal Security and Privacy audit that is a part of our contract. We anticipate that process to conclude in the next few weeks.

For Reference:

2020/21 Risk Management Assessment		
Composite Score (I*P)	Category of Risks	Details of risk
30	Licensing- Instances of Abuse	These are instances of substantiated abuse towards clients in services.
30	HIPAA- Loss of client information	This is improper access to client information by an outside party.
18	Fraud, Waste, and Abuse- Lacking Documentation	These are claims that are submitted for payment with lacking or missing documentation to support billing.
16	Licensing- Violating Rules	These are licensing findings for not following state and federal guidelines.
10	Fraud, Waste, and Abuse- Billing Process Errors	These are errors where incorrect charges are submitted to a carrier after they are submitted by staff.
10	Employment- Staff Injuries	These are injuries to staff that increase workman's compensation costs.
9	Employment- Significant Fleet Accidents	These are accidents with client or staff injury or significant damage.
6	Accounting- Client Accounts Discrepancies	This is the improper use of client funds that are meant for client use or benefit.
6	Employment- BOLI Complaints	There are complaints submitted by employees due to not following Oregon employment laws.
6	Disaster Recovery	This is the inability to provide services during or after a disaster.
4	Employment- Supervisory Issues	These are issues where supervisors do not follow agency policy in the supervision of staff.
3	Stark/Anti-Kickback Issues	These are improper payments or incentives to staff from outside entities.
2	Fraud, Waste, and Abuse- Denial Code Management	These are improper handling of denials from carriers, usually by changing codes where the service or documentation does not match.
1	Accounting- Incorrect Charges to Accounts/Insurance Carrier	These are charges that are not correctly charged to carriers or credited to client accounts.

Please see Albertina Kerr's Risk Management Assessment for details regarding Composite Scores and ranking of risks.

Recent Auditing of Risks

Licensing- Instances of Abuse

Abuse allegations are incidents where a person being served reported abuse by another person in the program or by a staff member. Note that investigations often span more than one quarter. Total Opened includes any abuse allegations that were opened for a formal investigation by a county or state entity during this quarter. The Total Founded consists of any investigations that were concluded in this quarter that may consist of investigations opened in this or previous quarters.

Abuse Allegations Group Homes	Q1 19/20	Q2 19/20	Q3 19/20	Q4 19/20	Q1 20/21
Total Allegations Against Staff	26	32	24	9	17
Total Opened for Investigation this quarter	5	15	11	5	5
Total Founded during this quarter	6	5	1	0	5

Founded allegations for July through September 2020 included:

Neglect, Lack of Supervision, Inadequate Client Screening. On 4/22/2020, two youth at Kerr's 76th program left the home at 9:42pm without the overnight staff member noticing until the youth returned to the home at 1:54am. One youth had gained access to the staff office and was able to acquire the keys to the van and then left the home with another younger youth. Upon returning to the home, there were concerns that there was sexual contact between the 2 youth that was also not stopped by the staff member. Note: This specific incident was disclosed in a prior report to this committee.

Neglect, lack of supervision. The client left the program unobserved without supervision soon after he had been left in the backyard unsupervised. Client was found at nearby fast food restaurant.

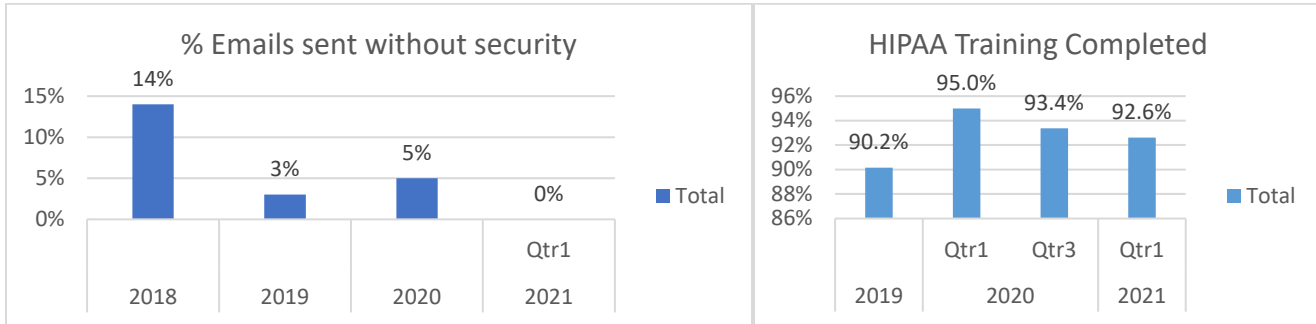
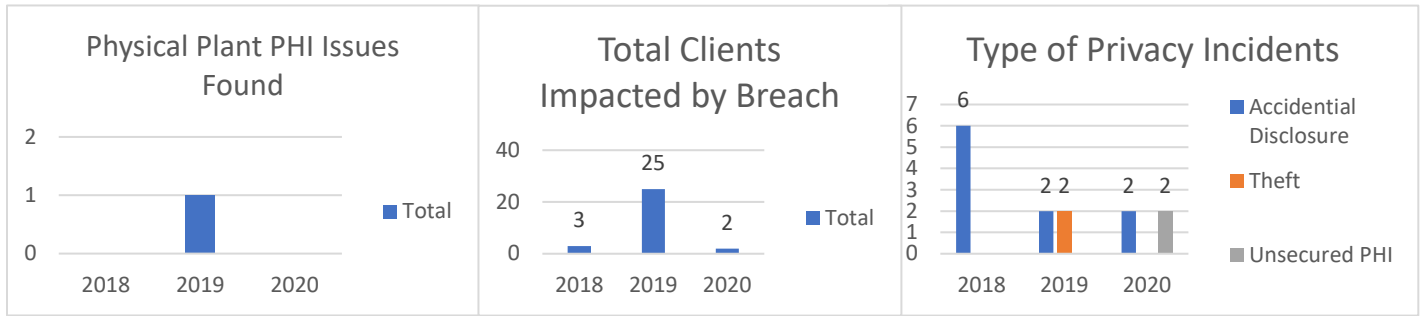
Neglect, lack of supervision. Two clients were able to engage in sexual activities multiple times, undetected, despite the line-of-sight supervision that is required.

Physical abuse, wrongful restraint, and verbal abuse. Client became aggressive, and the staff was found to have used an improper restraint to subdue the client.

Physical abuse during behavioral incident. During a physical, behavioral incident, staff used his open hands in a hitting motion towards the client's face, causing injury to the client's lip. Staff also admitted to hitting the client on his jaw with a closed fist.

While the total number of allegations has not substantially increased in comparison to a 12-month average, the overall severity of the founded allegations has somewhat worsened. To help address this, Kerr has created a focused team made up of program, human resources, and compliance leadership to review trends in abuse allegations and make determinations to individual staff named in each allegation. Kerr has also launched its own technology product (Abuse Allegation Case Management System) for tracking and trend analysis.

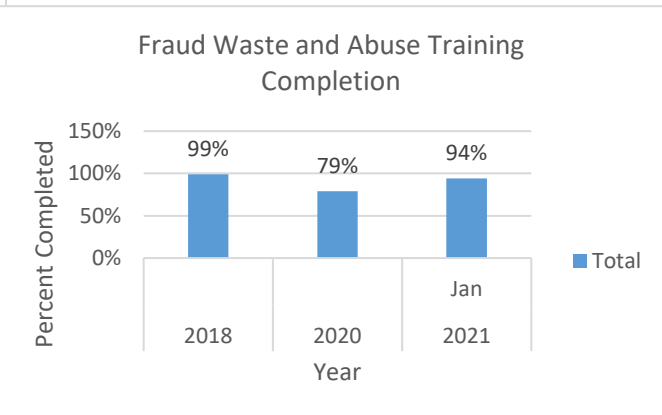
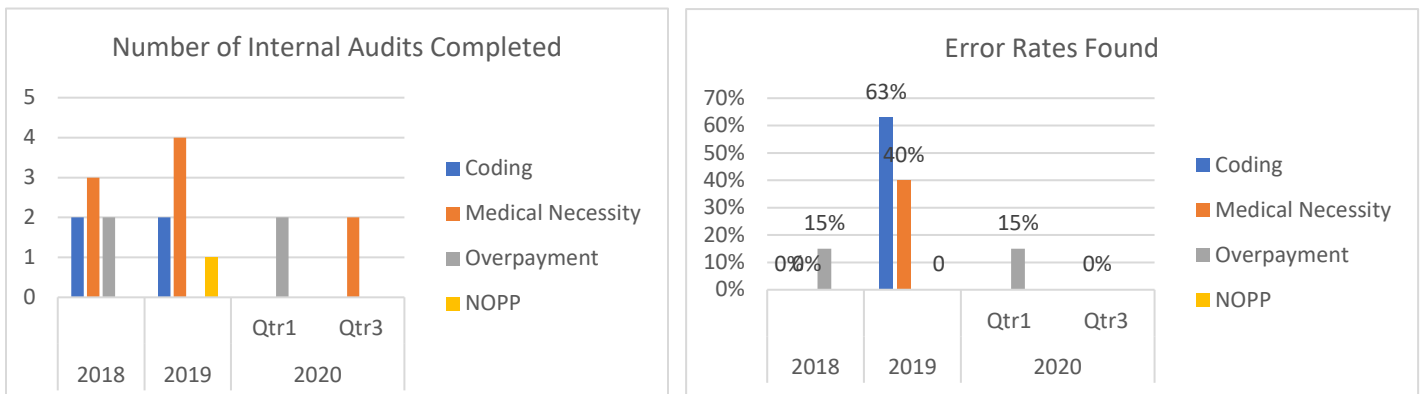
HIPAA- Loss of Client Information



At the time of this report, there have been limited breaches of protected health information for CY 2020. There continues to be a minimal level of accidental disclosure of information. This usually occurs through the careless use of email by staff (unintended recipients or lack of encryption). However, we continue to see a significant decrease in unencrypted emails containing PHI overall compared to prior years.

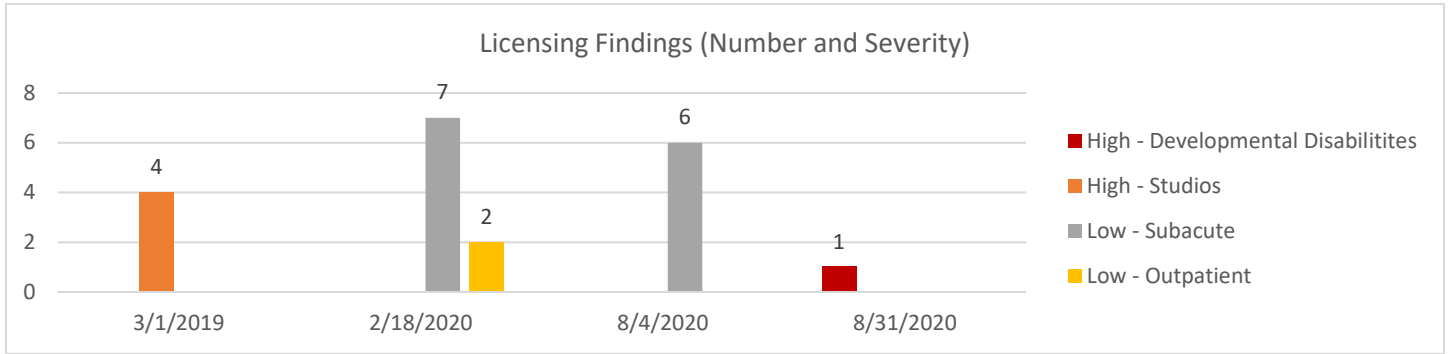
Fraud, Waste, and Abuse- Lacking Documentation

The below graphs indicates the internal audits completed and the associated error rates found.



Licensing- Violating Rules

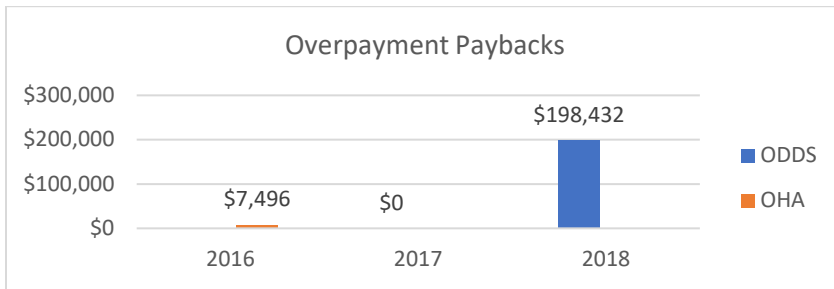
This graph indicates licensing or accreditation findings.



All group home licensing visits have resulted in a passing score this quarter.

Fraud, Waste, and Abuse- Billing Process Errors

The below graph indicates overpayment paybacks to state agencies.

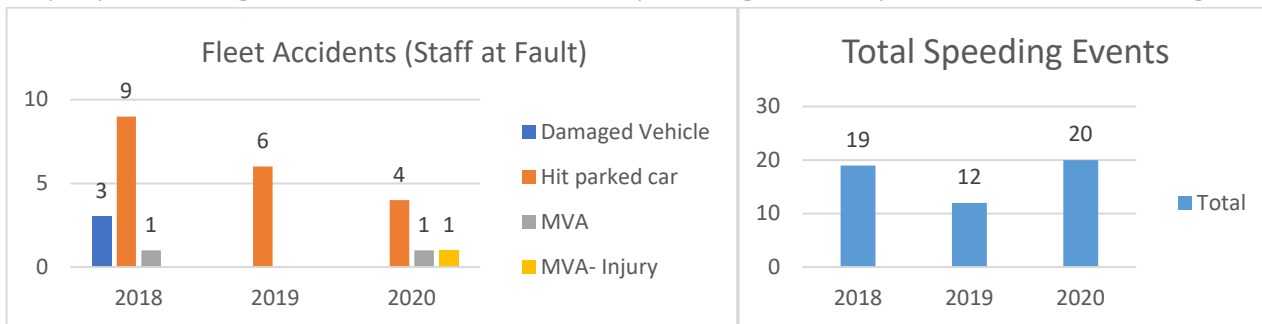


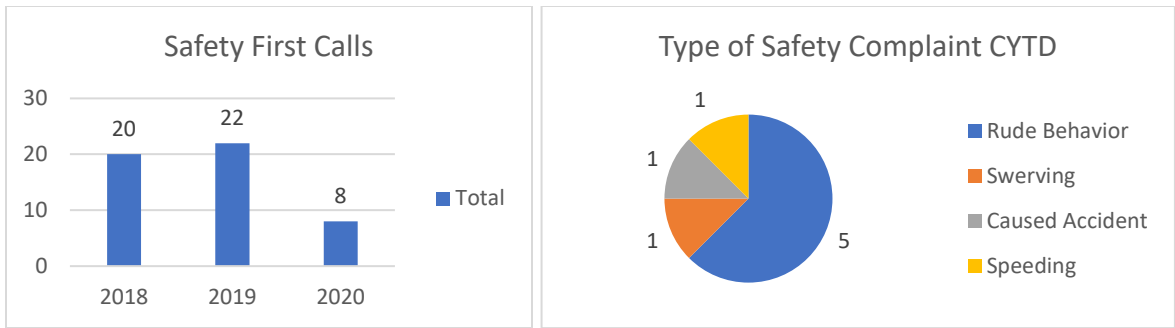
No paybacks have occurred since 2018. The Revenue Cycle department has continued to scrub daily billing claims for group homes, and the updated attendance tracking has been fully implemented and is being closely monitored.

Employment- Staff Injuries

This data is currently being reported to the Program and Accreditation Committee by the Chief Human Resources Officer.

Employment- Significant Fleet Accidents, Speeding, and Report of Unsafe Driving

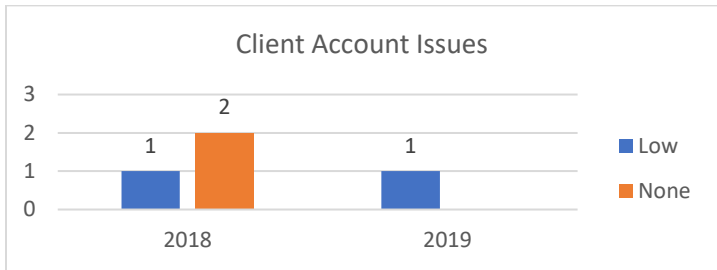




Overall, speeding incidents were similar to prior years. Accident rates continue to improve. However, this improvement may also be related to reductions in overall miles driven due to COVID-19. Most accidents that are the fault of staff are hitting parked cars when leaving the group home or site. Safety First calls appear to be much lower than last year same time.

Accounting- Client Accounts Discrepancies

This graph indicates when client personal monies were missing or not accounted for correctly during an audit process.



We are developing a strategy of auditing client accounts during Q3 2020/21.

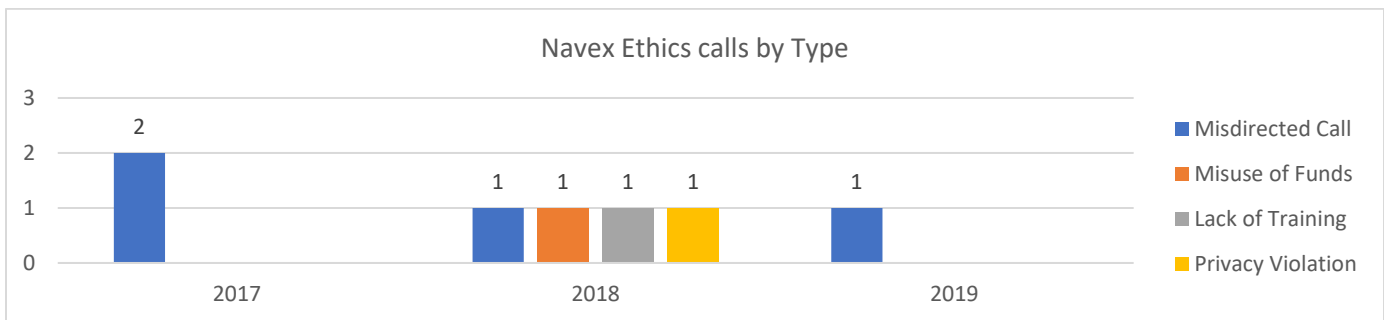
Employment- BOLI Complaints

None noted in this period.

Disaster Recovery

Subacute conducted an emergency drill in October 2020 to test some of Kerr's agency-wide emergency processes. Overall, the drill was quite successful, and we are evaluating future drills that will involve group home staff.

Employment- Supervisor, Legal or Ethical issues.



There have been no Navex ethics complaints in 2020.

Kerr still is engaged in a tort claim against the agency for negligence (failure to warn) by a contracted staff member at Multnomah Education School District. That case has slowed due to COVID-19 and has not yet been dismissed.

Stark/Anti-Kickback Issues

No issues reported this fiscal year.

Fraud, Waste, and Abuse- Denial Code Management

No issues reported this fiscal year.

Accounting- Incorrect Charges to Accounts/Insurance Carrier

No issues reported this fiscal year.

2020 Conflict of Interest Annual Report

Albertina Kerr Board of Directors

Submitted January 13th, 2021 to Albertina Kerr's Finance, Audit and Compliance Committee for review and comment.

At the time of this report, all Albertina Kerr Board Members completed the 2020 Conflict on Interest form via DocuSign eSignature. A copy of the form is attached.

Unless noted below, all Kerr Board Members reported no Conflicts of Interests in their attestation.

Reported as Yes to at least one question:

1. **David Lake:** Question 3. "I am employed by Kaiser Permanente who contracts with Albertina Kerr for services for its members."
2. **Teri Barichello:** Question 3. "I am employed by Moda, Inc."
3. **Dennis Warneke:** Question 1. "My partner, Joel Biernat, and I are the brokers for group insurance services provided to Albertina Kerr's employees." Question 3. "See Number 1".
4. **David Connell:** Question 1. "See explanation for question 3, below." Question 3. "I am a shareholder of Buchalter Ater Wynne, a law firm. From time to time, Buchalter provides legal services to Kerr. During the 12 months those services involved a review of and revisions to Bylaws on a pro bono basis, and acting as registered agent and processing an annual report with the State of Oregon for Kerr Bikes."

Chief Compliance Officer Comments:

For David Lake and Teri Barichello, I do not have concerns given their respective roles in their organization; there is a lack of personal financial benefit from their dual relationship with Kerr and their employer.

For Dennis Warneke, this business relationship was vetted and approved by the Kerr Board of Directors in a full session. No concerns.

For David Connell, there is not a financial benefit to David as his services are being provided pro bono. No concerns.

Albertina Kerr Conflict of Interest Annual Disclosure Questionnaire

All Board Members, Senior Leaders, Directors, and Assistant Directors and other key staff (as determined by the Chief Compliance Officer) are required to complete a Conflict of Interest Annual Disclosure on an annual basis.

The reporting period for this disclosure includes the **prior 12 months** from the completion date of this questionnaire. If potential conflicts arise during the year, you will need to revise and resubmit this disclosure as soon as the situation changes.

If you report a conflict of interest, the Chief Compliance Officer may contact you requesting additional information. Also, please note that while the information from this disclosure is confidential, details may be shared with the Chair of the Albertina Kerr Centers Board, the Kerr Board Finance, Audit, and Compliance Committee, CEO, or CHRO.

Please contact Albertina Kerr's Chief Compliance Officer if you have any questions.

Name:

1. During the last 12 months, did you have a direct or indirect business relationship with Albertina Kerr (other than holding a position as an Albertina Kerr Board of Director)?

Yes

No

If YES, please briefly describe the details

2. During the last 12 months, did you have a family member who had a direct or indirect business relationship with Albertina Kerr? *Family member means husband or wife, registered or un-registered domestic partner, natural, foster or adoptive parent, child or sibling, stepparent, stepchild, stepsibling, mother-in-law or father-in-law, son-in-law or daughter-in-law, brother-in-law or sister-in-law, grandparent or grandchild, or any other person that lives in the same household as you.*

Yes

No

If YES to #2, please briefly describe the details

3. During the last 12 months, did you serve as an officer, director, trustee, key employee, partner, owner, or member of an entity (or a shareholder of a corporation) doing business with Albertina Kerr?

Yes

No

If YES, please briefly describe the details

4. Do you have a family relationship or a business relationship with any other officer, director, trustee, or employee of Albertina Kerr?

Yes

No

If YES, please briefly describe the details

5. Have you or your family received gifts, meals, gratuities, hospitality, or other compensation from any current or potential vendors of Albertina Kerr? *Single non-cash gifts of fair market value less than \$100 do not need to be reported unless the total amount of the gifts from any single vendor exceeds \$250 per year.*

Yes

No

If YES to #5, please briefly describe the details

6. Are you involved with any other matter that could be perceived as a Conflict of Interest with Albertina Kerr?

Yes

No

If YES, please briefly describe the details

By providing your signature, you certify that the information contained in this disclosure is accurate and complete to the best of your knowledge.

Signature

Date of Signature

Chapter 4: Quality and Compliance

SECTION: OUTCOMES AND RISK MANAGEMENT

Commented [G01]: To FAC Committee. I have placed comments for each section to help facilitate the review process. This section is the original edited board policy that also integrated quality and outcomes into the chapter.

Definitions

Evidence-based practice is a conscientious, problem-solving approach to clinical practice that incorporates the best evidence from well-designed studies, patient values and preferences, and a clinician's expertise in making decisions about a patient's care.

Risk is defined as any uncertainty about a future event that threatens the organization's ability to carry out its mission.

Risk management is the oversight process determining the areas of risk that the organization is exposed to and developing and implementing planned activities to address each risk area.

Quality and Outcomes

Albertina Kerr is committed to providing evidence-based services and practices and to use data to drive programs and improve outcomes for those we serve. This is done through multiple avenues, including gathering feedback from consumers and stakeholders, increasing employee knowledge, focusing on person-centered care, and utilizing evidence-based outcome tools and processes to inform program development and change.

Progress reporting shall be made by the CEO, Chief Program Officer, and Chief Human Resources Officer, and the Chief Compliance Officer to the Board of Directors Program and Accreditation Committee quarterly in the following areas:

- Quality metrics and outcomes
- Human Resource operations
- Fleet and Facilities management
- Information Management and Technology
- Physician Accreditation

Compliance

Kerr is committed to complying with applicable laws, regulations, accreditation, licensing standards, policies, procedures, and ethical guidelines to ensure the quality of care for those served by Kerr and to further the mission of the organization.

The Board of Directors and the CEO shall manage organizational risk ~~so as~~ to provide maximum protection from harm to Albertina Kerr, its ~~people~~employees, clients, property, income, and ~~goodwill~~reputation.

The Board of Directors and the CEO shall work together to ensure that the following policy objectives are accomplished:

- Risk areas are identified
- Methods to reduce or eliminate risk are selected, implemented, evaluated for effectiveness
- All claims are managed aggressively, and losses are minimized
- Regular monitoring of risk management activities is conducted

To address the objectives, Kerr maintains a Corporate Compliance Plan, which is reviewed and approved annually by the Board of Directors Finance, Audit, and Compliance Committee of the Board of Directors. ~~an annual plan of risk management activities shall be developed and recommended by the CEO, approved no later than September 30th by the Board, and implemented.~~

Progress reporting shall be made by the CEO, Chief Finance Officer, and the Chief Compliance Officer to the Finance, Audit & Compliance Committee quarterly and an annual summary report basis to the Board of Directors in the following areas:

- Licensing risks
- Health Information Protection and Loss
- Fraud, Waste, and Abuse
- Accounting errors
- Disaster Recovery
- Fleet incidents
- Stark/Anti-Kickback
- Financial Performance

Informing the Full Board

- ~~Auto fleet programs~~
- ~~Property risk or damage~~
- ~~Professional liability~~
- ~~Financial performance~~
- ~~Human resource operations~~
- ~~Regulatory compliance~~
- ~~Patient Safety/Quality Service Delivery Electronic data security and integrity~~

Kerr Board committee chairs will present a verbal summary of the committee activities to the full Board on at least a quarterly basis.

SECTION: FINANCIAL MISCONDUCT **REPORTING**

Definitions

The American Competitiveness and Corporate Accountability Act of 2002, known as the **Sarbanes-Oxley Act**, was signed into law on July 30, 2002. The Sarbanes-Oxley Act provides ~~new~~ protections for whistle-blowers and criminal penalties for actions taken in retaliation against whistle-blowers.

Policy

Albertina Kerr ~~Centers~~ and the Board of Directors are committed to complying with all applicable laws and regulations, accounting standards, and internal accounting controls. The ~~Agency~~ agency encourages employees to report any conduct which violates the law, corporate governance standards, or ethical business practices.

The ~~Agency~~ agency provides a toll-free hotline through EthicsPoint that can be used to report misconduct anonymously or by providing personal contact information. The toll-free hotline telephone number is 1-888-274-8314. A report is produced by EthicsPoint and forwarded directly to the Albertina Kerr Board of Directors Finance, Audit & Compliance Committee Chairperson, the Chief Compliance Officer, and the Chief Human Resources Officer. All reports will be reviewed and investigated under the direction of the CEO, Chief Compliance Officer, Chief Human Resources Officer, and the Finance, Audit & Compliance Committee Chairperson. Investigations will be conducted on a confidential basis to the extent possible. If an investigation reveals there has been unethical or illegal conduct, appropriate action will be taken.

Retaliation against a person who makes a good faith report of questionable financial practices or who otherwise assists in an investigation of questionable financial or other practices is strictly prohibited.

SECTION: FRAUD, WASTE AND ABUSE, AND WHISTLEBLOWER PROTECTION

Definitions

Fraud: An intentional deception or misrepresentation made by a person with the knowledge that the deception could result in some unauthorized benefit to himself/herself or some other person. It includes any act that constitutes fraud under applicable Federal or State law.

Waste and Abuse: Incidents or practices that are inconsistent with legal, ethical, accepted, and sound business, fiscal or medical practices that result in unnecessary cost to health programs, or in

Albertina Kerr Board Manual Chapter ~~4XX~~: Quality and Compliance

Commented [G02]: This is existing board policy that has been updated.

Commented [G03]: This is existing board policy that has been updated to also include some elements of the agency wide policy.

reimbursement for services that are not medically necessary or that fail to meet professionally recognized standards for health care.

Relator/Whistleblower: An individual who brings an action for violation of the False Claims Act in the name of the Government.

Policy

A private person can bring an action under the False Claims Act in the name of the United States. The relator/whistleblower must be the original source of the notice to the ~~government~~Government of the fraud, waste, or abuse with direct and independent knowledge of the information on which the allegations are based, and must have voluntarily provided the information to the ~~government~~Government before filing the action. The action cannot be based on information which is the subject of a civil suit or an administrative action to which the ~~government~~Government is already a part, and cannot be based on information which has been publicly disclosed.

The False Claims Act contains language protecting whistleblower employees or contractors from retaliation by their employer. Any employee or contractor who is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment by his or her employer because of lawful acts performed by the employee or contractor in furtherance of filing a False Claims Act action shall be entitled to all relief necessary to make the employee or contractor whole.

Albertina Kerr ~~Centers~~ expects employees, contractors, and others representing Kerr to report through appropriate channels, concerns regarding actual or potential non-compliance with applicable Federal and State laws and/or Kerr's internal policies and procedures.

Kerr will not discriminate, retaliate or take any disciplinary or other adverse action against any employee, contractor, or other representing Kerr, who in good faith discloses or intends to disclose actual or potential violations of Federal or Oregon State law to the attention of the proper authority.

SECTION: ANTI-DISCRIMINATION

~~Be it resolved that~~ Albertina Kerr ~~Centers~~ does not discriminate against any employee, volunteer, board member, recipient of service, or recipients of service family member or caregiver on the basis of race, color, cultural heritage, national origin, religion, age, sex, sexual orientation, marital status, physical or mental health challenges, political affiliation, source of income, veteran status, workers compensation claims, family relationship or any other status protected under local, state, or federal law. This policy extends to all personnel decisions, terms and conditions of employment, vendor contracts, and provision

Commented [G04]: This is existing policy with minor updates.

of services. Albertina Kerr Centers does not tolerate harassment for any reason. Respect for the dignity of others shall be the guiding principle for our relations with each other.

SECTION: ACCOUNTING PRACTICES, RECORD RETENTION, AND DESTRUCTION

~~Albertina Kerr is committed to completely, accurately, legibly, and truthfully maintain records. Accurate and reliable records are needed to provide quality care, to make sound business decisions, and to submit billing for reimbursement. Employees must be timely, complete, accurate, and honest when recording, reporting, and retaining company information. All financial records and accounts must correctly reflect transactions, services, and events and meet generally accepted accounting principles and to Kerr's policies and procedures.~~INSERT

~~Administration:~~

~~Albertina Kerr retains corporate records for at least the minimum period as required by Federal and State laws. Please see the **Kerr Document Retention Schedule** for additional information. Unless noted otherwise within the schedule, documents should be retained for at least 7 years. The schedule will be reviewed annually as a part of the Board Manual update process.~~

~~Attached as Appendix A is a Record Retention Schedule that is approved as the initial maintenance, retention and disposal schedule for physical records of the Organizations and the retention and disposal of electronic documents. The Administrator is the officer in charge of the administration of this Policy and the implementation of processes and procedures to ensure that the Record Retention Schedule is followed. The Administrator is also authorized to make modifications to the Record Retention Schedule from time to time to ensure that it is in compliance with local, state and federal laws and includes the appropriate document and record categories for the Organizations; monitor local, state and federal laws affecting record retention; annually review the record retention and disposal program; and monitor compliance with this policy.~~

~~Suspension of Record Disposal in the Event of Litigation or Claims~~

~~In the event Kerr either of the Organizations is served with any subpoena or request for documents or any employee becomes aware of a governmental investigation or audit concerning Kerr either of the Organizations or the commencement of any litigation against or concerning Kerr the Organizations, such employee shall inform the Administrator-CEO or Chief Compliance Officer and any further disposal of~~

Commented [G05]: This is heavily edited existing policy.

records and documents, including electronic documents, shall be suspended until such time as ~~the Administrator, the CEO or Chief Compliance Officer,~~ with the advice of counsel, determines otherwise. The ~~Administrator-Chief Compliance Officer~~ shall take such steps as is necessary to promptly inform all staff of any suspension in the further disposal of records and documents, including electronic documents.

~~Electronic Documents and Records~~

~~Electronic documents will be retained as if they were paper documents. Therefore, any electronic files that fall into one of the document types on the attached schedule will be maintained for the appropriate amount of time. If a user has sufficient reason to keep an email message, the message should be printed in hard copy and kept in the appropriate file or moved to an "archive" computer file folder or on disk as a separate file. Backup and recovery methods will be tested on a regular basis.~~

~~Emergency Planning Document Storage~~

Records for ~~both Organizations-Kerr~~ will be stored in a safe, secure, and accessible manner. Documents and financial files that are essential to keeping ~~the OrganizationsKerr~~ operating in an emergency will be duplicated or backed up at least ~~every week/weekly~~ and maintained ~~off off-site~~.

Document Destruction

Destruction of financial, personnel-related, donor records, and clinical-related documents will be accomplished by secure shredding/disposal.

Also see Albertina Kerr Operations Policy, Chapter 10 Privacy and Medical Records Standards, Section: Retention and Destruction of Protected Health Information.

SECTION: INSURANCE, DIRECTORS & OFFICERS

Albertina Kerr ~~Centers~~ shall keep in force executive liability and indemnification insurance, i.e., directors' and officers' liability coverage, with the following coverage minimums:

- \$1,000,000 Each Loss
- \$2,000,000 ~~Aggregate~~ Each Policy Year
- \$10,000 Retention

In addition, an umbrella policy shall be maintained that provides \$~~73~~ million in coverage (per occurrence and aggregate) in addition to the underlying directors' and officers' policy.

Commented [G06]: Existing policy updated with appropriate coverage amounts.

SECTION: CONFIDENTIALITY

Pursuant to their fiduciary duties of loyalty and care, members of the Board of Directors have an obligation to keep confidential all non-public information obtained by a director that relates to Albertina Kerr's business and that he or she receives in connection with serving on the Board. Board Directors may not use such information for personal benefit or the benefit of persons or entities outside Kerr, nor may they disclose this information for any purpose without the written authorization of the Board or as may be otherwise required by law or regulation. Confidential information includes, but is not limited to, information regarding the strategy, business, finances, operations, and fundraising efforts or plans of Kerr (or any of the organization's suppliers, customers, donors, volunteers, or other constituents), minutes, reports and materials of the Board and its committees, and other documents identified as confidential by Kerr. The proceedings and deliberations of the Board and its committees are also confidential non-public information and are subject to strict protection.

Commented [G07]: This is a new section missing from the prior board manual.

SECTION: CONFLICT OF INTERESTS, STARK LAW, AND ANTI-KICKBACK STATUTE

Definitions

A "family member" means husband or wife, registered or unregistered domestic partner, natural, foster or adoptive parent, child or sibling, stepparent, stepchild, stepsibling, mother-in-law or father-in-law, son-in-law or daughter-in-law, brother-in-law or sister-in-law, grandparent or grandchild or any other person that lives in the same household as you. A "financial relationship" means: (i) serving as an employee, consultant, contractor, or board member, (ii) being entitled to receive income, royalties, or payments, or (iii) having a significant investment or ownership interest.

Commented [G08]: This section was approved in the agency manual and updated verbiage directed at Board Members.

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Stark Law

The Stark Law was enacted to prevent referral sources such as physicians and physician extenders from inappropriately profiting from referrals. The Stark Law prohibits a physician from referring a patient for certain services to be reimbursed by federal health care programs to an entity with which the physician has an ownership interest or compensation arrangement if payments for the services furnished under the referral are to be made by the Medicare program.

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Since it is a civil strict liability statute, no intent is required to violate the Stark Law. As such, if the Stark Law applies to an arrangement between a hospital and a physician and if the arrangement does not meet an exception of the Stark Law, then both parties have violated the Stark Law regardless of the extent of their attempts to comply with it.

Anti-Kickback Statute (AKS)

The Anti-Kickback Statute is a criminal statute. It prohibits any knowing or willful solicitation or acceptance of any type of remuneration intended to induce referrals for services that are reimbursable by the Federal Government. It is essential to recognize that compensation can be in the form of below-market rent, free services, personal gifts of significant value, free vacations, etc.

Conflict of Interest

A Conflict of Interest occurs when an Kerr Board Member is in a position to make or influence a decision or take action on behalf of Kerr that results in personal gain for the employee (or family member) as a result of the employee's business dealings, other financial interests (including gifts) or personal interests. Such circumstances can consist of a financial or personal interest that compromises his or her fiduciary duty or job responsibilities at Kerr, his or her professional judgment in the delivery of client care, or the services and operations of Kerr.

All decisions and actions of Board Members you make must be based on the best interests of Kerr and those we serve, and not on personal interests or gain. Board Members You must avoid any situation that causes or appears to cause a conflict between their your personal or personal business interests and Kerr's interests.

Board Members You should promptly disclose any situations constituting or appearing to constitute a potential conflict of interest to the Board Chair.

The Kerr Board Chair shall promptly investigate and attempt to resolve situations constituting or appearing to constitute a conflict of interest.

All Kerr Board Members are required to complete a Conflict of Interest Attestation within 60 days of joining Kerr and annually, during the first quarter of the fiscal year, after that.

Here are some types of conflicts that could exist:

Business Relationships

As a Member of the Board of Directors, you must place the interests of Kerr ahead of your personal interests and to advance Kerr's legitimate interests whenever the opportunity arises. If a Board Member is you are presented with a business opportunity because of their your position at Kerr, the Board Member you should first inform the Board Chair before pursuing the opportunity in an your individual capacity. No Kerr member of the Board of Directors may use Kerr's property or information resulting from his/her position for personal gain or to compete with Kerr. Any business relationships between a Board Member yourself or family member and Kerr must be reported to the Board Chair of the Board for review.

Fair Dealing

Kerr is committed to conducting its business fairly and in accordance with the highest ethical standards. All Members of the Board of Directors are obligated to deal fairly with Kerr employees, those we serve, vendors, competitors, and other third parties. Any person associated with Kerr should not take unfair advantage of anyone through manipulation, concealment, or abuse of privileged information, misrepresentation, or any unfair dealing practice.

Additionally, no member of the Board of Directors, or others representing Kerr, shall offer or accept a bribe, kickback, or improper favor to secure a business advantage.

Gifts

If a Board Member receives cash, checks, gifts, or items, etc. for donation, they you must forward the item to the Development Department for proper handling.

Board Members and their family members should refuse accepting personal gifts from a person or organization performing services under a contract, seeking to perform services under a contract with Kerr, or are in a position to profit from the action or decision of an Kerr Board Member. However, if the gift is given with no obligation, is consistent with normal business courtesies, and is either hand-made or is of nominal value (less than \$100), they may be accepted.

Board members should consult the Board Chair before accepting gifts greater than \$100. Gifts of more than \$100 or total gifts of greater than \$250 total from any single vendor or individual for 12 months must be reported to the Chief Compliance Officer.

Board members you should never accept gifts or other gratuities (unless they are hand-made or of nominal value, less than 10 dollars per year) from clients and their family members. If a client or family member would like to donate to Kerr, please Board Members should work with the Development Department to help that client or family with their gift.

When giving gifts, make sure they are Gifts should be in keeping with the business relationship and should do not appear to attempt to obligate or influence the recipient to do business with Kerr. Do not offer any Gifts should not be offered if the gift if it is against the policy of the recipient's organization as many companies have policies that do not allow any gifts. Licensed Medical Providers providing Medicaid services may not give gifts of any value to clients or potential clients we serve.

Personal Relationships

Kerr protects those we serve and does not engage in conduct with those we serve that may be interpreted as exploiting the person we serve for our own gain.

Political Activity

Kerr may take public positions on matters of public policy and may engage in advocacy and lobbying activities on issues directly related to the fulfillment of the Board-approved mission, vision, and values. The agency is expressly prohibited by federal law from supporting or opposing candidates for public office.

Grassroots and direct political lobbying activities for tax-exempt organizations are permitted within specified dollar amounts as regulated by federal law. Agency expenses incurred in grassroots and direct lobbying activities shall be accurately recorded on its books and reported on annual tax returns or other required statements.

The use of agency funds for a political activity must be approved and authorized by the CEO or the Board of Directors.

VOLUNTEER PROTECTION ACT

The Volunteer Protection Act of 1997 is a federal statute that provides liability protection for volunteers of not-for-profit organizations for acts or omission on behalf of the organization if:

- The volunteer was acting within the scope of the volunteer's responsibilities at the time of the act or omission;
- If appropriate or required, the volunteer was properly licensed, certified, or authorized by the appropriate authorities for the activities or practice in the state in which the harm occurred;
- The harm was not caused by willful or criminal misconduct, gross negligence, reckless misconduct, or conscious, flagrant indifference to the rights or safety of the individual harmed; and
- The harm was not caused by the operating of a vehicle for which the state requires the operator or owner to possess a license or maintain insurance.

ENSURING ALBERTINA KERR'S NON-FOR-PROFIT STANDING

The Albertina Kerr Board of Directors and employees are required to follow all federal and state non-for-profit rules to ensure Kerr's ongoing 501(c)(3) status. Albertina Kerr is required to timely file all IRS returns annually, reviewed and approved by the Board of Directors, and will abide by all stipulations noted within the IRS code to ensure Kerr's ongoing tax-exempt non-for-profit standing. Some of these stipulations include:

- The assets of Albertina Kerr will be applied in furtherance of its tax-exempt objectives.
- Kerr Board of Directors will ensure that any joint venture arrangement will be reviewed to ensure that Albertina Kerr maintains control of the project so that its resources will be exclusively used

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in furtherance of Kerr's tax-exempt purposes and the arrangement does not jeopardize Kerr's 501(c)(3) status.

- Kerr will complete an annual audit of its financial state and make available a financial statement for each fiscal year.
- Kerr will not engage in political campaign or lobbying activities that violate IRS and state laws governing non-for-profits.
- The Board will maintain a written record of all Board actions.
- Kerr will maintain a Conflict of Interest Policy and complete and maintain a process to report possible conflicts of interest for review and resolution.
- Kerr will maintain a Document Retention and Whistleblower Policy.
- Kerr will disclose governing documents and financial statements are required by federal and state law.

Please see Albertina Kerr's Operational Policy, Quality and Compliance Chapter 12 and Privacy and Medical Record Standards Chapter 10 for additional information related to topics within this chapter.

Sources:

Rule/Source	Summary	Last rule revision date
Form 990, Return of Organization Exempt from Income Tax	Requirements to maintain 501c3 status	2018
Nonprofit Association of Oregon	COI on a Non-Profit Board of Directors- Foundation Group	2015
National Council of Nonprofits	Document Retention	2018
National Council of Nonprofits	Whistleblower Protections for Nonprofits	2020
HCCA Healthcare Compliance Professional's Manual	Standards and Procedures: Code of Conduct	2016
OAR 309-109-0100 to 0320	Oregon Administrative Rules- Mental Health Services	2019
OAR 411-325-0010 to 0490	Oregon Administrative Rules- IDD Services	2019
OAR 411-323-0060	Oregon Administrative Rules- IDD Services- Agency Certification	2019
OAR 411-318-0015	Oregon Administrative Rules- IDD Services- Complaints and Grievances	2019
31 USC 3729-3733	False Claims US Code	1986
ORS 280.755	Oregon False Claims Act	1983
OAR 413-215-0071	Licensing Rules: Records and Documentation	2019
Weil Guide of Nonprofit Governance	Not-For-Profit guide to policy requirements	2019

Revision and Approval History:

Policy	Revised by	Revision Date	Approved by/Date	Approval by/Date
All Sections	Owen Gibson	01/04/2021	FAC Committee/ TBA	TBA Board of Directors/ TBA

ALBERTINA KERR CENTERS
2020-2021 Finance, Audit & Compliance Committee Objectives

	Objective	Completed	In Process	To Be Completed	Charter Ref.
1	Review monthly & year to date financial statements	Ongoing		Agenda item for each meeting	1
2	Review Compliance Dashboard Report	Ongoing		Agenda item for each meeting	5, 8, 9
3	Executive Session for Committee members and Chief Compliance Officer	Ongoing		Agenda item for each meeting	8
4	Review Board policies related to the Committee	Ongoing		As needed	4
5	Review Conflict of Interest Results	Deferred to November		August 11, 2020	8
6	Review and recommend modification(s) of the Committee Charter	Review Revisions at October Meeting		August 11, 2020	13
7	Review insurance coverage	October 7, 2020		October 7, 2020	10
8	Meet with financial auditor and recommend Board acceptance of 2020-2021 financial audit results	November 11, 2020		November 11, 2020	6
9	Evaluate financial auditor performance and decide to continue with vendor or send RFPs			November 11, 2020	6
10	Review of 5 year capital and reserve plan			January 13, 2021	1
11	Monitor financial reserves			January 13, 2021	1
12	Review current investment policy and portfolio benchmark performance			January 13, 2021 June 9, 2021	3
13	Review Risk Management Assessment			March 10, 2021	11
14	Review federal 990 tax filings for AKC, Inc. and AKCF, Inc. prior to submission			March 10, 2021	7
15	Review Corporate Compliance Plan			June 9, 2021	8
16	Recommend Board approval of 2020-2021 Operating, Capital, Cashflow and Foundation Budgets			June 9, 2021	2
17	Evaluate Committee performance against 2021-2022 goals and establish goals for 2020-2021			June 9, 2021	12, 14
18	Review Audit Plan with Auditor			June 9, 2021	3

Meeting Schedule for 2020-2021

August 11, 2020
 October 7, 2020
 November 11, 2020
 January 13, 2021
 March 10, 2021
 May 12, 2021
 June 9, 2021

Rev 12/17/2020