

ALBERTINA KERR

ALBERTINA KERR CENTERS Finance, Audit & Compliance Committee

Meeting Agenda Tuesday, August 11, 2020 5 to 7 p.m. Via Teams

- 5 p.m. **Convene** (Karen Rasmussen, Chair)
- 5
pp. 2-5 **ACTION: Approve Minutes of June 9, 2020 Meeting** (All)
- 5:01
pp. 6-9
pp. 10-20 **Review FAC Committee Charter** (All)
 -Review Draft Charter
 Attached for Reference: Newly Updated Foundation Bylaws
ACTION: Approve Updated Charter
- 5:15
pp. 21-26 **Corporate Compliance Updates** (Owen Gibson)
 -Review Compliance Dashboard
- pp. 27-50 -Review Quality & Compliance Chapter;
**ACTION: Approve Recommendation for Full Board Approval at the
September Board Meeting**
- pp. 51-52 -Review Code of Conduct Policy and Conflict of Interest Policy;
**ACTION: Approve Recommendation for Full Board Approval at the
September Board Meeting**
- 6:15
pp. 53-58 **Financial Updates as of July FY2020-2021** (Janice Jacobs)
- 6:45 **Executive Session** (Karen Rasmussen)
- 7 **Adjourn** (Karen Rasmussen)
- p. 59 **Attachment: FAC Committee Objectives for FY 2020-2021
Next FAC Committee Meeting: October 6th, 2020**

ALBERTINA KERR CENTERS
Finance, Audit & Compliance Committee Minutes
June 9, 2020
5 to 7:00 p.m.
Via Teams

Members Present

David Connell, David Lake, Paul Litwinczuk, Melissa May, Jill Nickerson, Karen Rasmussen, Laura Shipley

Members Excused

Craig Payne

Staff Present

Jeff Carr, Owen Gibson, Janice Jacobs

Convene (Karen Rasmussen)

Karen convened the meeting at 5:00 p.m.

Approve Minutes of May 12, 2020 Meeting (All)

David Lake moved that the minutes of the May 12th FAC Committee meeting be approved with correction of the adjourn time. Paul Litwinczuk seconded. The motion passed via unanimous vote.

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

Gary reviewed the summary of the audit plan included in the meeting packet.

- Nathan Bresser and Tom Wiederrecht will lead the audit.
- The objectives of the audit are to: report on the FY2020 financial statements; issue a management letter if issues are found; produce a letter to the Board about the overall audit process and results; prepare Kerr's tax filings; and, deliver presentations to Kerr's senior management and Board.
- The timeline is as follows: interim field work begins around July 20th; principle work will begin after Labor Day; review of draft statements and letters with management will take place at the beginning of November; drafts will be presented to the Finance, Audit & Compliance Committee at the November Committee meeting; and, the final statements and letters will go to the full Board in November.
- If any concerns become apparent prior to the November reviews, Gary will contact Karen Rasmussen as Chair of the Committee to keep the Committee informed.
- Each year, a fresh review of all processes is conducted, making sure all checks are in place and performed.
- Some new standards scheduled to be implemented this year have been deferred due to the COVID-19 pandemic. Thus, no new standards are required.
- Fees were reviewed. Last year was slightly higher due to the extra work and assistance with the transition of key staff on the Finance team.
- Due to COVID-19, much of the work will be done remotely. Nathan will set up information exchanges, phone calls and video conferences. Minimal onsite visits may need to occur with safety practices in place.

- Staff and the Committee extended sincere appreciation and gratitude to both Gary and Nathan for their support and generosity with information and guidance over the past year.

Review Corporate Compliance Plan (Owen Gibson)

Owen reported that there are no significant updates this year as the Corporate Compliance Plan was significantly revised two years ago.

- New formatting and fonts have been applied in keeping with the ongoing agency policy update project.
- The Plan provides details and specific elements for how Kerr manages oversight.
- Under Standards of Conduct, in light of current events, CHRO Matthew Warner reviewed Kerr's documents to make sure conduct is clearly defined in regards to anti-discrimination issues. Policy and Procedure contents and regulations are defined.
- Privacy policies while administrative staff are working from home have been reviewed and particularly PHI regulations have been emphasized with staff.
- Owen's role as the Chief Compliance Officer and the Finance, Audit & Compliance Committee's role are defined.
- A continual focus on compliance is communicated through channels such as tips sent in email and Kerr's newsletter. Training is defined and tracked for all Kerr staff and the Board of Directors. An attestation of compliance will be distributed to Directors at the August Board Meeting.
- All allegations of abuse and neglect are tracked in a single system, not just those substantiated, in order to monitor multiple incidents by individuals and also trends in types of incidents that indicate a need for training or other corrective action. Staff are trained on how to report concerns about anything that doesn't seem right. The training emphasizes that it is not the employees' responsibility to determine whether or not something qualifies as abuse or neglect, investigators will, so that employees know they are not burdened by the weight of those decisions.
- Compliance risks are rated by impact and probability.
- Internal reviews will be conducted on business associate agreements, and billing processes as they relate to fraud, waste and abuse. A quarterly review will be done in programs for licensure, COVID-19 screening practices, client financials, and BOLI complaints.
- A question was asked about staff's ability to accomplish that plan in light of staff reductions. Owen explained it will be a tight process and workload, but doable for now. If programs expand, a staffing review may be necessary.

ACTION: Jill Nickerson moved that the Corporate Compliance Plan for FY2020-2021 be accepted. David Connell seconded. The motion passed via unanimous vote.

Financial Updates as of April FY2019-2020 (Janice Jacobs)

- April results were positive due to the release of some restricted funds, including \$305k of the Swindells' grant.
- The State is providing a special 10% increase in rates for DD programs due to COVID-19 related expenses. The rate applies to only April through June 2020.
- All COVID-19 expenses are being tracked. While overall spending is managed well, additional expenses were incurred due to purchasing personal protective equipment (PPE).
- Outpatient mental health, Employment Services and subacute are over in salaries and wages due to the low staff vacancy rate.

- Kerr is covering sick time off for employees quarantining for COVID-19 related reasons.
- Adult group homes are performing well.
- Contingency funding came through for Employment Services and PALS.
- COVID-19 had a negative impact on subacute census.
- COVID-19 will likely cause an uptick in behavioral health needs in the future.
- On the balance sheet, cash is in a healthy position.
- Year-end budget performance is expected to be close to break even. A total write-off of approximately \$300k will take place. The write-offs are associated with closing PALS and Epic roll-out costs at CDHS that were previously missed.

ACTION: Review and Recommend FY2020-2021 Operating, Capital & Cashflow Budgets for Board Approval (Janice Jacobs, All)

- The COVID-19 situation creates some uncertainties in the FY2020-2021 budget. Cuts to contracts are expected, however, specific information has not been provided yet.
- The budget was built from a top line down instead of the historical method of building it from the bottom up. Trending data at the top line was used, and allocations were pushed down from there.
- The budget is balanced within \$1,000. This figure reflects non-operating funds as workforce housing was removed and restricted grant releases added. Sales to the public include only Kerr Bikes.
- Contract Labor is significantly reduced due to stabilization in the Finance Department and reduction of contract nursing.
- A 6% reduction in State I/DD reimbursements was factored in due to anticipation of cuts. The reduction in rates will be minimized by focusing on keeping beds full.
- The Development Department will continue to raise funds, although slightly below last fiscal year.
- 17 staff layoffs, a 10% reduction in work hours by administrative staff, plus suspension of 401(k) match all produce a significant savings.
- The Hillsboro office space will close at the end of June.
- Security is added for the Gresham Campus, as the property has experienced recent break-ins.
- The 6% reduction in rates from the State is all in DD programs. Jeff Carr received some encouraging news that our reduction may be more conservative than the actual amount. However, the bigger concern is around the next biennium, which starts in July 2021. Loss in revenues during this period could significantly impact the next budget cycle.
- The 165th IDD/MH subacute expansion is unlikely at this time. The building will be used as a kids' I/DD group home.
- A question was asked about hiring. There will be no new positions hired, only vacancies filled. If the economy starts to recover, the 10% cut to salaries via furlough days will be returned first. Later, 401(k) contributions may be returned. An employee personal accrued leave (PAL) bank has been established for employees to donate PAL to other staff who do not have enough to cover their furlough time and need the additional income.
- Kerr applied, and was approved, for a 20% workshare program where admin staff would reduce hours by 20% (instead of just the 10% furlough hours) and receive unemployment compensation. Matthew Warner has been working to get clarification on the program and the State is not responding. This in addition to known issues with payments from the Unemployment Department, and a 20% cut would be significant, made the 20% plan seem too risky and likely to not be implemented.

- The consolidated statement includes both operating and non-operating income. Allocations are not complete yet and will likely shift. Revenue loss from reduction in the TOKNA and Foundation revenue streams will have impact. Some losses will not be recovered.
- The capital budget for the year is very lean. No new homes are planned and a contingency for emergencies is in place. The budget is \$1.2 million, down from the usual \$2 million. Some projects will be deferred, although none that could negatively impact safety of clients.
- Cash flow remains healthy. Projections show the potential for using reserves but it is hoped that will not happen.
- A 20% reduction in funds from the 24 Hours of Kerr event is planned. The event will be held virtually.

ACTION: David Lake moved that, subject to minor adjustments discussed during the budget review, the proposed FY2020-2021 Operating, Capital and Cashflow Budgets be approved. Jill Nickerson seconded. The motion passed via unanimous vote.

Evaluate Committee performance against FY2019-2020 goals and establish goals for FY2020-2021 (All)

The Committee reviewed the goals set for FY2019-2020 and will establish goals for FY2020-2021 at the next meeting.

Executive Session

The Committee entered executive session at 6:47 p.m.

Adjourn (Karen Rasmussen)

Karen adjourned the meeting at 6:53 p.m.

Recorded by Holly Edgar, Corporate Secretary

ALBERTINA KERR CENTERS, INC.
Board of Directors
Finance, Audit & Compliance Committee Charter

Purpose

The primary functions of the Finance, Audit & Compliance Committee are to assist the Board of Directors in fulfilling its oversight responsibilities including: regular monitoring of financial results; the integrity of financial reporting processes, organizational budgeting processes, systems of internal accounting and financial controls; investment policy and procedures; adequate levels of insurance coverage; the integrity of an annual independent consolidated audit of Kerr's financial statements; and systems in place to effectively manage program-related business risks and a Corporate Compliance Program. As a standing committee of the Board, the Committee shall routinely report its major deliberations and recommendations to the Board of Directors in a timely manner.

Membership

The Committee shall be appointed by the Board and shall be comprised of at least three (3) directors. In aggregate, Committee members will have experience with reviewing and analyzing financial statements and knowledge of federal and state Medicaid laws, rules and regulations. The Board of Directors will designate a Chair~~man~~ for the Committee. The Committee may, with the approval of the Board of Directors, appoint expert advisors to serve on the Committee as non-voting members.

Authority and Responsibility

1. Review of interim financial statements. Management is responsible for preparing Kerr's financial statements on a monthly basis. The Committee shall review the interim financial statements with management at least quarterly.

2. Budgets. The Committee shall review the annual operating, capital and Kerr Foundation budgets prepared by management and recommend budgets to the Board of Directors.

3. Investment oversight. The Committee will consult annually with the Foundation Treasurer on the following three issues: a) review the Investment Policy and make recommendations for changes, if any, to the Foundation Board of Trustees and Board of Directors; b) review the performance of Kerr's investment advisors regarding compliance with Investment Policy and performance against agreed upon benchmark comparisons; and c) ensure that a review of the qualifications and performance of the investment advisors is conducted periodically. Delete this section as the attached Foundation bylaws

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state the Foundation Trustees will fulfill these functions and provide a report to the Board at the June meeting when the budget is set each year.

4. Policy review and formulation. Within the purview of its purpose, authority and responsibility, the Committee shall periodically review existing board policies regarding budgeting, financial conditions, risk management, and other current applicable policies and recommend amendment, if any, to the Board of Directors. The Committee, within its purpose and areas of authority and responsibility, may recommend elimination of policies or recommend additional policies that may be necessary in its judgment to provide appropriate governance of the organization.

5. Investigative authority. In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of Kerr as approved by the Board of Directors.

6. Independent auditors. The Committee shall have a clear understanding with management and the independent auditors that they are ultimately accountable to both the Committee and the Board of Directors. The committee shall have the authority and responsibility to evaluate the auditors' performance and, where appropriate, recommend to the Board of Directors replacement of the independent auditors. The Board of Directors will act on the Committee's recommendation.

In its capacity as a Committee of the Board of Directors, the Committee shall discuss with the independent auditors the overall scope and plans for their audits including their responsibilities and the adequacy of staffing.

Periodically, but at least every five years, the Committee will review the qualifications and performance of Kerr's independent auditors and make a recommendation to the Board of Directors about retaining the current auditors or going through an auditor selection process to retain current auditors or select new auditors.

The Committee shall establish policies and procedures for the engagement of the independent auditors to provide permissible non-audit services.

The Committee shall review and discuss with management and the independent auditors management's processes to ensure Kerr's maintenance of strong internal controls.

The Committee shall review with management and the independent auditors the annual audited financial statements of Albertina Kerr Centers, Inc. and the Albertina Kerr Centers Foundation, Inc., including (a) their judgment about the quality and acceptability of the accounting treatment of significant financial reporting issues and judgments made in connection with the

preparation of the financial statements; (b) the clarity of the disclosures in the financial statements; and (c) appropriateness of critical accounting policies. Two representatives of the Finance, Audit & Compliance Committee shall be included in this review process.

7. Review of annual 990 tax filings. Prior to their submission to the Internal Revenue Service, the Committee shall review the annual 990 tax statement filing of Albertina Kerr Centers, Inc. and Albertina Kerr Centers Foundation, Inc. which are prepared by the independent auditor.

8. Oversight of the ~~Chief Corporate~~ Compliance Program. The Committee shall recommend approval to the Board of Directors Standards of Conduct, a Corporate Compliance Plan and applicable policies and procedures which ensure compliance with regulations related to Federal, State and local statutes, and administrative rules relating to the receipt and use of Federal Medicaid funds. The Committee shall receive direct reports from the ~~Chief Corporate~~ Compliance Officer on at least a quarterly basis, and take action as appropriate, regarding risk identification, establishment or revision of policies and procedures, results of compliance audits and investigations, status of compliance with training and communication requirements, enforcement and disciplinary actions taken, and planned corrective actions and prevention activities.

9. Complaint process. The Committee shall establish and oversee a process whereby corporate officers, employees and contractors may anonymously report any potential violations of applicable Federal, State or local law and regulations. The Committee shall ensure that all reported potential violations are addressed in a timely manner and that no recrimination will result as a result of good faith reporting of potential violations

10. Insurance coverage. The Committee shall review periodically, but at least annually, the organization's insurance coverage, including general and professional liability, property, automobile, and directors and officers.

11. General Risk Assessment and Management. The Committee shall annually review and approve a general risk assessment and management plan and monitor risk areas outlined in the plan on a quarterly basis.

12. Meetings. The Committee shall meet as often as may be deemed necessary or appropriate in its judgment, at least quarterly each year, and at such times and places as the Committee shall determine. The majority of the members shall constitute a quorum. The Committee shall meet separately, at least annually, with the independent auditors to discuss any matters that they wish to bring to the Committee's attention.

13. Charter. The Committee shall review and assess the adequacy of the Charter periodically as conditions dictate, but at least annually, and recommend to the Board of Directors for its approval any modifications to this Charter.

14. Annual performance evaluation. The Committee shall annually review its own performance and report the results of such reviews to the Board of Directors.

Revised to Reflect Consolidation of the Operations Committee and Audit & Compliance Committee. Approved by the Finance, Audit & Compliance Committee on September 19, 2017

Reviewed by the Finance, Audit & Compliance Committee on October 8, 2019

Revised to reflect the restructuring of the Governing Board and the Foundation Board of Trustees, where the Foundation's focus is narrowed to oversee investment policies and related investment oversight functions. Approved by the Finance, Audit & Compliance Committee on August 11, 2020.

AMENDED AND RESTATED BYLAWS
OF
ALBERTINA KERR CENTERS FOUNDATION, INC.

An Oregon Nonprofit Corporation

As revised and adopted June 22, 2020

ARTICLE I
NAME

The name of the corporation is Albertina Kerr Centers Foundation, Inc. (hereinafter sometimes referred to as “**corporation**” or “**Foundation**”), which shall be a nonprofit, public benefit corporation organized under the Oregon Nonprofit Corporation Act (the “**Act**”) and Section 501(c)(3) of the Internal Revenue Code of 1986, as amended or the corresponding provision or provisions of any future federal income tax laws.

ARTICLE II
PURPOSES

The purposes for which this corporation is organized and operated shall be as set forth in Article III of the Articles of Incorporation of this corporation. Subject to those limitations and conditions set forth in Section 3.2 of these Bylaws, the corporation shall have all statutory powers.

ARTICLE III
MEMBER

3.1 Designation. The sole member of this corporation is Albertina Kerr Centers, Inc.

3.2 Reserved Powers. Notwithstanding anything to the contrary in these Bylaws, neither the Board of Trustees nor any committee, officer, employee or agent of this corporation may take any of the following actions without approval of the member:

3.2.1 Amendment or restatement of the Articles of Incorporation or the Bylaws of this corporation.

3.2.2 Purchase, sale, lease, disposition, hypothecation, exchange, gift, pledge or encumbrance of any interest in real or personal property, except in accordance with the established policies for such matters approved from time-to-time by the member.

3.2.3 Election and removal of a majority of the Trustees of this corporation.

3.2.4 Aggregate borrowing of this corporation for periods of one (1) year or less for any purpose in excess of a dollar amount to be established by the member from time-to-time; and aggregate borrowing for more than one (1) year for any purpose in excess of a dollar amount to be

established by the member from time-to-time. For purposes hereof, the term “borrowing” shall include any commitment for the payment of money pursuant to any contract.

3.2.5 Any change in the formal or informal expressions of philosophy or purpose of this corporation.

3.2.6 Merger, consolidation, reorganization or dissolution of this corporation.

3.2.7 Sale, lease, mortgage, pledge or other disposition of all or substantially all assets of this corporation.

3.2.8 Creation of any subsidiary of this corporation or its participation in any business entity, including, without limitation, any corporation, unincorporated association, partnership, joint venture, consortium or cooperative.

3.2.9 Approval or adoption of annual operating and capital budgets.

3.2.10 Any unbudgeted capital expenditure in excess of a dollar amount to be determined by the member from time-to-time.

3.2.11 Appointment of the independent auditor and corporate counsel.

3.2.12 Any transaction of this corporation in which a trustee or officer of this corporation has a material financial interest.

3.3 Policy. The member shall also have the discretion to review any proposed transaction of this corporation which the member deems to involve significant questions of policy or would have a substantial impact, financial or otherwise, upon this corporation or the member, and to approve or disapprove such transaction.

3.4 Disputes. In all cases of dispute of authority or uncertainty of the meaning of these Bylaws, the decision of the member shall be dispositive.

3.5 No Liability. The member shall not be liable to the creditors of the corporation, or otherwise be liable, and all creditors and claimants shall only look to the assets of the corporation for payment.

3.6 No Transfer. The member shall not transfer its membership interest without the prior written consent of the corporation.

ARTICLE IV BOARD OF TRUSTEES

4.1 General. Subject to the rights of the member, any limitation in the Articles of Incorporation and Oregon law, the Board of Trustees shall exercise, or delegate or otherwise authorize the exercise of, all corporate powers and shall direct the management of the corporation’s affairs. The Board of Trustees shall retain authority over an exercise of corporate powers that the

Board of Trustees delegates or authorizes under these Bylaws. The Board of Trustees shall consist of not fewer than 5 nor more than 10 persons, as shall be established from time to time by the Board of Trustees. All Trustees shall have equal and full voting responsibilities as members of the Board of Trustees.

4.2 Election of Trustees, Qualifications, and Basic Responsibilities.

4.2.1 The incumbent Board of Trustees shall nominate individuals as required to fill vacancies on the Board of Trustees. Trustees shall be elected and/or re-elected at any regularly scheduled meeting of the Board of Trustees.

4.2.2 Fifty-one percent (51%) of the Trustees, to the nearest whole number, shall be elected by Albertina Kerr Centers, Inc. from among the candidates nominated and forty-nine percent (49%) of the Trustees, to the nearest whole number, shall be elected by the Board of Trustees from among the candidates nominated by the incumbent Board of Trustees. The President/CEO of Albertina Kerr Centers, Inc. shall serve as a member of the Board of Trustees, ex officio, with the right to vote, and shall be one of the trustees elected by Albertina Kerr Centers, Inc. One member of the Board of Directors of Albertina Kerr Centers, Inc. shall serve as a member of the Board of Trustees, with the right to vote, and shall be one of the trustees elected by Albertina Kerr Centers, Inc.

4.3 Term: Staggered Terms. Each trustee shall be appointed and serve for a term of three (3) years or until his/her successor is elected; or he/she dies, is disqualified, resigns, or is removed. There shall be no mandatory term limits, but it is expected that trustees will normally serve not more than six (6) years. Such three year terms shall be staggered so that approximately one-third (1/3) of the total number of trustees then in office shall be elected during each calendar year. It is a goal, but not a requirement, that the number of trustees in each group will be approximately equal.

4.4 Quorum and Manner of Acting. One-half (1/2) of the trustees in office immediately before the meeting begins shall constitute a quorum for the transaction of business at any meeting of the Board of Trustees. The act of a majority of the trustees present at a meeting at which a quorum is present shall be the act of the Board of Trustees, unless the act of a greater number is required by law, the Articles of Incorporation, or these Bylaws. The Board Chair shall have the right to vote on all matters. Proxy voting by trustees is not permitted.

4.5 Removal. A trustee may be removed with or without cause by a vote of two-thirds (2/3) of the trustees then in office. A trustee may also be removed for one of the following reasons: conviction in a court of law of a criminal offense involving a felony or a misdemeanor involving moral turpitude, conduct which brings or threatens to discredit the reputation of the corporation, breach of trustee's duty of loyalty to the corporation, and acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of the law. A trustee may be removed for one of the listed reasons only if a majority of the trustees then in office vote for the removal.

4.6 Place of Meetings. Except as otherwise permitted by Sections 4.11 and 4.15 of these Bylaws, all meetings of the Board of Trustees shall be held at the principal office of the corporation

or at such other place as may be designated for that purpose from time to time by the Board of Trustees.

4.7 Annual Meeting. The annual meeting of the Board of Trustees and the member shall be held each year, typically in June, in the state of Oregon at a time and place to be determined by the Board of Trustees.

4.8 Regular Meetings. The Board of Trustees shall hold regular meetings at least quarterly at such times and places as may be designated by the Board of Trustees.

4.9 Special Meetings. Special meetings of the Board of Trustees may be called for any purpose at any time by the Board Chair or any three (3) trustees.

4.10 Notice of Meetings; Attendance.

4.10.1 Regular scheduled meetings of the Board of Trustees, fixed by an express provision of the Bylaws or by a standing resolution of the Board of Trustees, may be held without additional notice of the date, time, place or purpose of the meeting. Notice of the date, time and place of each meeting of the Board of Trustees not fixed by an express provision of the Bylaws or by a standing resolution of the Board of Trustees shall be given to each trustee not less than two (2) days before the date of the meeting by any means permitted by the Act, including communication in person, by telephone, by mail, by electronic mail, by facsimile, or other means of electronic transmission.

4.10.2 Notice of any special meeting of the Board of Trustees shall be given at least two (2) days before the meeting by any means permitted by the Act, including communication in person, by telephone, by mail, by electronic mail, by facsimile, or other means of electronic transmission. Neither the business to be transacted at, nor the purpose of, any special meeting of the Board of Trustees need be specified in the notice or waiver of notice of such meeting, except that no motion to remove a trustee shall be presented unless it was specified in the notice or waiver of notice of such meeting

4.10.3 Notice of a meeting of the Board of Trustees delivered orally is effective when communicated if communicated in a comprehensible manner. Notice of a meeting of the Board of Trustees delivered by electronic mail or other means of electronic transmission is effective when transmitted to an electronic mail address, facsimile number or other manner authorized in writing by the trustee. Any written authorization by a trustee to the corporation specifying means of delivering notice by electronic mail or other means of electronic transmission shall be effective until revoked or modified by a trustee in writing. Notice of a meeting of the Board of Trustees delivered by mail is effective at the earliest of (i) when received, or (ii) five (5) days after its postmark, if mailed by United States mail correctly addressed and with first class postage affixed

4.10.4 Any trustee may at any time waive notice at any meeting. Except as provided in the next sentence, the waiver must be in writing, signed by the trustee entitled to notice, and filed with the minutes or corporate records. The attendance of a trustee at a meeting shall constitute a waiver of notice of such meeting, except where a trustee attends a meeting for the

express purpose of objecting to the transaction of any business and at the beginning of the meeting (or promptly upon the trustee's arrival) objects to holding the meeting or transacting business at the meeting, and does not thereafter vote for or assent to the action taken at the meeting.

4.11 Participation in Meetings by Conference Telephone. Any or all Trustees may participate in a meeting of the Board of Trustees, or any committee of the Board of Trustees, through the use of conference telephone or any other means of communication, as long as all trustees participating in such a meeting can simultaneously communicate during the meeting. A trustee's participation in such a meeting shall constitute that trustee's presence in person at such a meeting for all purposes, including determining whether a quorum exists.

4.12 Presumption of Assent. A trustee who is present at a meeting of the Board of Trustees or a committee of the Board of Trustees when corporate action is taken is deemed to have assented to the action unless:

4.12.1 The trustee objects at the beginning of the meeting (or promptly upon the trustee's arrival) to holding it or transacting business at the meeting;

4.12.2 The trustee's dissent or abstention from the action taken is entered in the minutes of the meeting; or

4.12.3 The trustee delivers written notice of the trustee's dissent or abstention to the presiding officer of the meeting before its adjournment or to the corporation immediately after adjournment of the meeting.

The right of dissent or abstention is not available to a trustee who votes in favor of an action taken.

4.13 Adjournment. A majority of the trustees present, whether or not a quorum is present, may adjourn any Board of Trustees' meeting to another time and place. Notice of the time and place of holding as adjourned meeting need not be given to absent trustees if the time and place is fixed at the meeting adjourned, except as provided in the next sentence. If the meeting is adjourned for more than twenty-four (24) hours, notice of any adjournment to another time and place shall be given prior to the time of the adjourned meeting to the trustees who were not present at the time of the adjournment.

4.14 Trustees' Action without a Meeting. Any action required or permitted to be taken by the Board of Trustees at a meeting may be taken without a meeting if all the trustees take the action, each one signs a written consent (which may include one transmitted by electronic mail or facsimile with signature) describing the action taken, and the consents are filed with the records of the corporation. Action taken by consent is effective when the last trustee signs the consent, unless the consent specifies a different effective date. A signed consent has the effect of a meeting vote and may be so described in any document.

4.15 Use of Electronic Means to Take Action. Unless the Articles of Incorporation provide otherwise, the Board of Trustees may use electronic mail or other electronic means to take action without a meeting, by an affirmative vote of a majority of trustees who hold office at the time of the

action, unless the Articles of Incorporation or these Bylaws require an affirmative vote of a greater number of trustees, provided that before taking such action: (i) the corporation shall send an announcement to the electronic mail address provided by each trustee that includes a description of the matter on which the Board of Trustees will take action, and specifies a deadline of not less than forty-eight (48) hours for each director to vote on such matter, and (ii) the corporation includes the electronic mail announcement and a record of the trustees' votes in the minutes for the trustees' meeting or other documents that reflect the action taken by the Board of Trustees. A trustee may change the trustee's vote at any time before the deadline set forth in the electronic mail announcement described in clause (i) of the preceding sentence. Action by the Board of Trustees under this Section 4.15 has the effect of a meeting vote and the Corporation may describe the action as a meeting vote in any document. The Board of Trustees' action under this Section 4.15 is effective on the deadline specified in the electronic mail announcement provided to the trustees for voting on the matter, unless the announcement specifies a different effective date or time.

4.16 Trustees' Compensation. Trustees shall receive no compensation.

ARTICLE V OFFICERS

5.1 Officers of the Board. The officers of the Board of Trustees shall be the Chairperson and the Chairperson-elect, and other officers of the Board as the Board of Trustees shall from time to time deem advisable. Each officer of the Board shall be a member of the Board of Trustees at the time of his or her election and during his or her term of office.

5.2 Officers of the Corporation. The officers of the corporation shall be a President, who shall be the Chief Executive Officer; a Secretary; a Treasurer, who shall also be the Chief Financial Officer unless otherwise determined by the Board of Trustees; and such other officers of the corporation as the Board of Trustees shall from time to time deem advisable. Officers of the corporation are not required to be members of the Board of Trustees. An individual may hold more than one office, provided that the same person may not serve simultaneously as the President, Secretary and Treasurer.

5.3 Election, Term, Resignation, Removal, and Vacancy of Officers.

5.3.1 The Board Chairperson and other Board and corporate officers shall be elected for one (1) year terms by the Board of Trustees at its annual meeting. The official year of service shall commence on the first day of the fiscal year and end on the last day of the fiscal year. There shall be no term limits and no automatic progression through the officer positions; however, it is expected that the Board Chairperson will normally serve for two (2) consecutive terms.

5.3.2 Each officer of the Board and officer of the corporation shall hold office at the pleasure of the Board (but removal shall not affect the rights, if any, of any officer under contract of employment) and until his or her successor shall be elected and shall have qualified.

5.3.3 The resignation or removal of any officer shall automatically terminate his or her position as an officer. A vacancy in any office because of death, resignation, removal,

disqualification or otherwise, may be filled for the unexpired term at any meeting of the Board of Trustees.

5.4 Board Chairperson. The Board Chairperson, or in his/her absence, the Board Chairperson-elect shall preside at all meetings of the Board of Trustees and exercise and perform such other powers and duties as may from time to time be assigned by the Board of Trustees.

5.5 President and Chief Executive Officer. Subject to control of the Board of Trustees, the President and Chief Executive Officer shall have general supervision, direction and control of the business and affairs of the corporation. He/she shall be an advisory member of all the committees of the Board of Trustees, and shall have the general powers and duties of management usually vested in the office of the President of a corporation, as well as such other powers and duties as may be prescribed by the Board of Trustees and these Bylaws. The President and Chief Executive Officer shall provide regular written reports to the Board of Trustees on the activities of the corporation, and shall provide monthly financial reports and annual audited financial reports to the Board of Trustees. The Chief Executive Officer or the Chief Executive Officer's designee shall serve as the official spokesperson for the corporation.

5.6 Secretary. The Secretary shall keep, or cause to be kept, at the principal office of the corporation, the original or a copy of the Articles of Incorporation and Bylaws as amended. The Secretary also shall keep, or cause to be kept at the principal office, or at such other place as the Board of Trustees may order, a book of minutes of all meetings of the trustees. The Secretary shall give or cause to be given notice of all meetings of the Board of Trustees required by these Bylaws or law, and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees or these Bylaws.

5.7 Treasurer and Chief Financial Officer. The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receivables, payables, profits and losses. The books of account shall at all times be open to inspection by any trustee. The Treasurer shall use such depositories as may be designated by the Board of Trustees and shall have such other powers and perform such other duties as may be prescribed by the Board of Trustees and these Bylaws.

5.8 Resignation. Any officer may resign at any time by giving written notice to the Board of Trustees, the Chief Executive Officer, or the Board Chairperson. Any such resignation shall take effect on the date of receipt of such notice or any later time specified therein and the acceptance of such resignation shall not be necessary to make it effective.

5.9 Removal. Any officer elected or appointed may be removed, with or without cause, by the Board of Trustees whenever in their judgment the best interests of the corporation will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.

5.10 Vacancies. Any vacancy in an office shall be filled as they occur and not on an annual basis. Should a vacancy occur in any office, the Board of Trustees may delegate the powers

and duties of such office to any officer or trustee until such time as a successor officer has been elected or appointed.

ARTICLE VI COMMITTEES

The Board of Trustees may appoint such committees as it seems appropriate or necessary and shall define the duties of such committees. The committee shall consist of one (1) or more trustees, who will serve at the pleasure of the Board. No committee may: (a) authorize distributions; (b) approve or recommend to the member dissolution, merger or the sale, pledge or transfer of all or substantially all of the corporation's assets; (c) elect, appoint or remove trustees or fill vacancies on the Board of Trustees or on any of its committees; or (d) adopt, amend or repeal the Articles of Incorporation of the corporation or these Bylaws.

ARTICLE VII GENERAL PROVISIONS

7.1 Authorization. The Board of Trustees may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Trustees.

7.2 Funds. All funds of the corporation not otherwise employed shall be deposited to the credit of the corporation in such banks, trust companies or other depositories as the Board of Trustees may select.

7.3 Acceptance of Gifts. The Board of Trustees may accept for the benefit of the member any contribution, gift, bequest or devise for any purpose of the corporation. From time to time, as it deems appropriate, the Board of Trustees will review the corporation's gift policies and make any changes it deems necessary.

7.4 Investment Oversight. The Board of Trustees will (a) review the Foundation's Investment Policy annually and may revise it from time to time; (b) review the performance of the Foundation's investment advisors quarterly regarding compliance with the Investment Policy and performance against agreed upon benchmark comparisons; (c) periodically, but at least every 4 years, review the qualification and performance of the investment advisors and determine whether to retain the current investment advisor or select a new advisor; and (d) annually review requirements under the Uniform Prudent Management of Institutional Funds Act (UPMIFA) or other applicable law and current standards.

7.5 Spending Rate. The Board of Trustees annually will determine a spending rate up to a maximum of 7% of the endowment investment portfolio based on a 13 quarter trailing average.

Consideration will be given to the needs of Albertina Kerr Centers, Inc., investment goals, and to the fiduciary responsibility under UPMIFA or other applicable law and current standards.

7.6 Distribution of Income. Endowments and property to be managed will be retained and managed by the Foundation. The net income from the endowments and property being managed will be distributed in accordance with the approved annual budget of the member.

7.7 Planned Giving. The Board of Trustees will monitor and evaluate the corporation's planned giving plan and recommend changes to such plan as it deems necessary.

7.8 Audits. Annually, the accounts of the Foundation will be audited by a reputable Certified Public Accountant, whose report shall be submitted to each member of the Board.

7.9 Bond. At the direction of the Board of Trustees, any officer or employee of the corporation shall be bonded. The expense of furnishing any such bond shall be paid by the corporation.

7.10 Fiscal Year. The fiscal year of the corporation shall be determined by the Board of Trustees.

7.11 Loans. No loans shall be contracted on behalf of the corporation and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Trustees. Such authority shall be general or confined to specific instances.

7.12 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, invalid, illegal, or otherwise ineffective shall not affect or invalidate any other provision of these Bylaws.

ARTICLE VIII INDEMNIFICATION

The Foundation shall indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative other than an action by or in the right of the Foundation, by reason of the fact that he or she is or was an Officer, Trustee, employee or agent of the Foundation or is or was serving at the request of the Foundation as an Officer, Trustee, employee, or agent or another corporation, against expenses including attorney fees, judgment, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Foundation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful. The Foundation shall similarly indemnify any person described in the foregoing sentence against any threatened, pending or completed action or suit by or in the right of the Foundation if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Foundation. The foregoing indemnification provisions are adopted pursuant to ORS 65.414 as additional provisions to those provided for in ORS 65.387 to 65.411.

**ARTICLE IX
CONFLICTS OF INTEREST**

9.1 Trustee and Officer Conflicts of Interest.

9.1.1 A contract or other transaction between the corporation and (a) one or more of its trustees or officers, (b) any other entity in which one or more of the corporation's trustees or officers are directors, trustees, officers or members, or (c) a person who is related to one or more of the corporation's trustees or a business associate of one or more trustees is a party, is or are financially interested is valid, notwithstanding such relationship or interest or because any such trustee or officer is present at the meeting of the Board of Trustees or a committee of the Board which authorizes, approves or ratifies such contract or transaction or because his/her votes are counted for such purpose, if the contract or transaction is fair to the corporation at the time the contract or transaction is entered into by the corporation.

9.1.2 A contract or transaction is presumed to be fair if the material facts of the transaction and the trustee's or officer's relationship or interest are disclosed or known in advance to the Board of Trustees or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of those interested trustees.

9.2 Conflict of Interest and Acknowledgement of Standards of Conduct Statements. Upon appointment and re-appointment to the Board of Trustees each such trustee shall be required to execute a statement affirming the trustee's commitment to abide by the corporation's conflict of interest policies. Each trustee shall immediately report to the corporation in writing any statement or facts which are, or might be construed to be, in conflict with the interests of the corporation.

**ARTICLE X
DISSOLUTION**

Upon the dissolution or liquidation of the corporation, the assets of the corporation shall be distributed according to the Articles of Incorporation.

**ARTICLE XI
AMENDMENTS**

Subject to the limitations set forth in Section 3.2 of these Bylaws, these Bylaws, or any part thereof, may be amended or repealed and new Bylaws may be adopted only by affirmative vote of two-thirds (2/3) of the Board of Trustees then in office, at a meeting at which a quorum of three-fourths (3/4) of the trustees are present.

**ARTICLE XII
SEAL**

A corporate seal is not required on any instrument executed for the corporation. If a corporate seal is used, it shall have inscribed thereon the words "Albertina Kerr Centers Foundation."

CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify:

1. That I am the duly appointed and acting Secretary of Albertina Kerr Centers Foundation, Inc., an Oregon nonprofit, public benefit corporation; and
2. That the foregoing Bylaws constitute the Amended and Restated Bylaws of the corporation as duly adopted by the Board of Trustees.

IN WITNESS WHEREOF, I have executed this Certificate as of this 22nd day of June, 2020.

Holly Edgar, Corporate Secretary

Revised and approved by the Trustees of
Albertina Kerr Centers Foundation, Inc.

Albertina Kerr Compliance Dashboard

Updated August 4th, 2020

Chief Compliance Officer’s Report

For the Finance, Audit, and Compliance Meeting scheduled for August 11th, I am presenting the Code of Conduct for Albertina Kerr Board members. This document is required for review and attestation by current board members per the updated bylaws. This version of the Code of Conduct is a hybrid based on the Kerr Employee Code of Conduct. This document will require review and approval by the FAC to be submitted to the full board for adoption. Once approved, I will attach this Code of Conduct to the Conflict of Interest Attestation for Board Members and will gather signatures in the same process. This bundling will somewhat delay our COI attestation process in comparison to the scheduled plan. However, this will reduce the number of requests from Board Members for signatures.

I am also presenting the Quality and Compliance Policy Chapter, which is a part of Kerr’s significant updating of its policy structure and process. This chapter is the integration of multiple compliance policies from 3 historic tracks of policy retention (Kerr Administration, Kerr Developmental Disabilities, and Kerr Mental Health). This policy is for review and approval by this committee. Further approval beyond this committee is not required.

Overall, the focus of compliance has been the shift of auditing strategies from an essentially paper only system to a fully electronic one with the implementation of Epic. This change will significantly shift our focus from “finding the problem” to “fixing the problem” through much better reporting and trending. We are working closely with Kerr’s Information Technology team to develop reporting and processes that will improve the overall ability of our team to audit and provide support to programs to increase compliance.

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

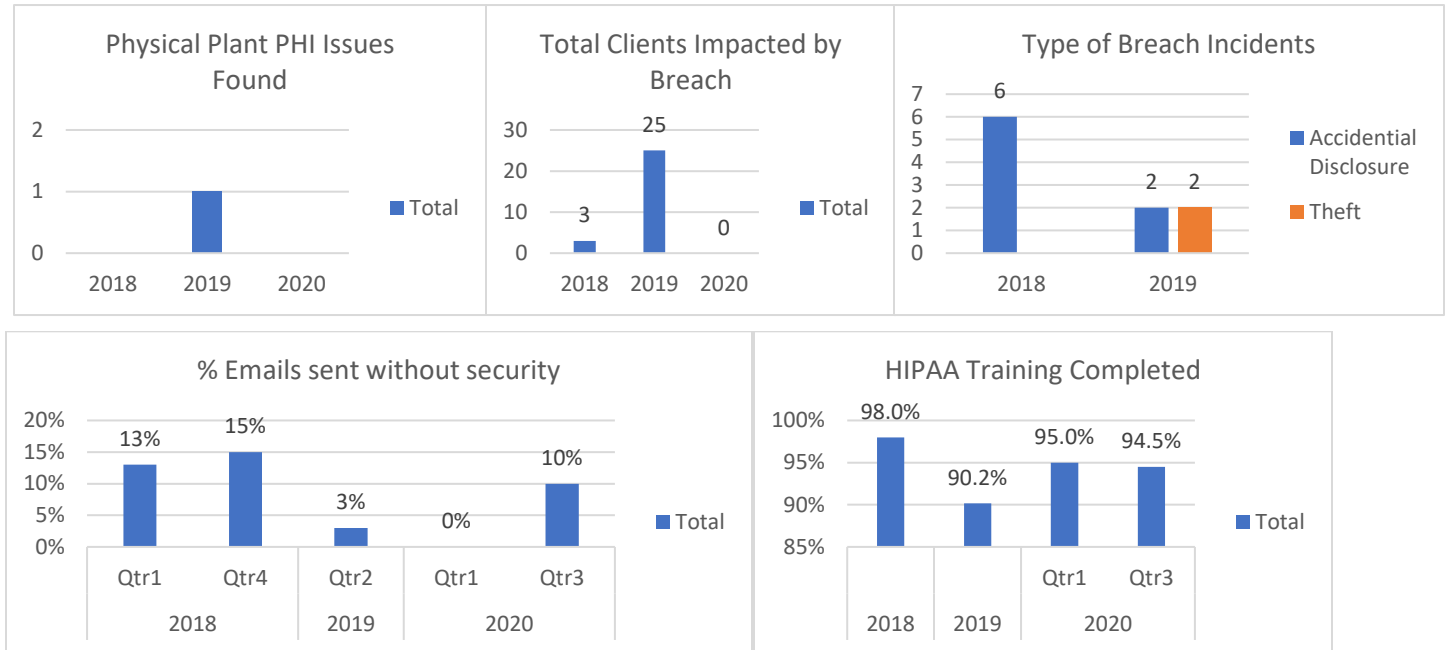
Abuse allegations are incidents where a person being served reported abuse by another person in the program or by a staff member. Note that investigations often span more than one quarter. Total Opened includes any abuse allegations that were opened for a formal investigation by a county or state entity 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	Q3 18/19	Q4 18/19	Q1 19/20	Q2 19/20	Q3 19/20
Total Allegations Against Staff	53	37	26	32	24
Total Opened for Investigation this quarter	18	13	5	15	11
Total Founded during this quarter	5	1	6	5	1

Founded allegations for January through March 2020 included:

A Group Home staff removed a blister pack of Ritalin from the program for personal use/distribution that was intended for a client. That staff member is no longer with Kerr.

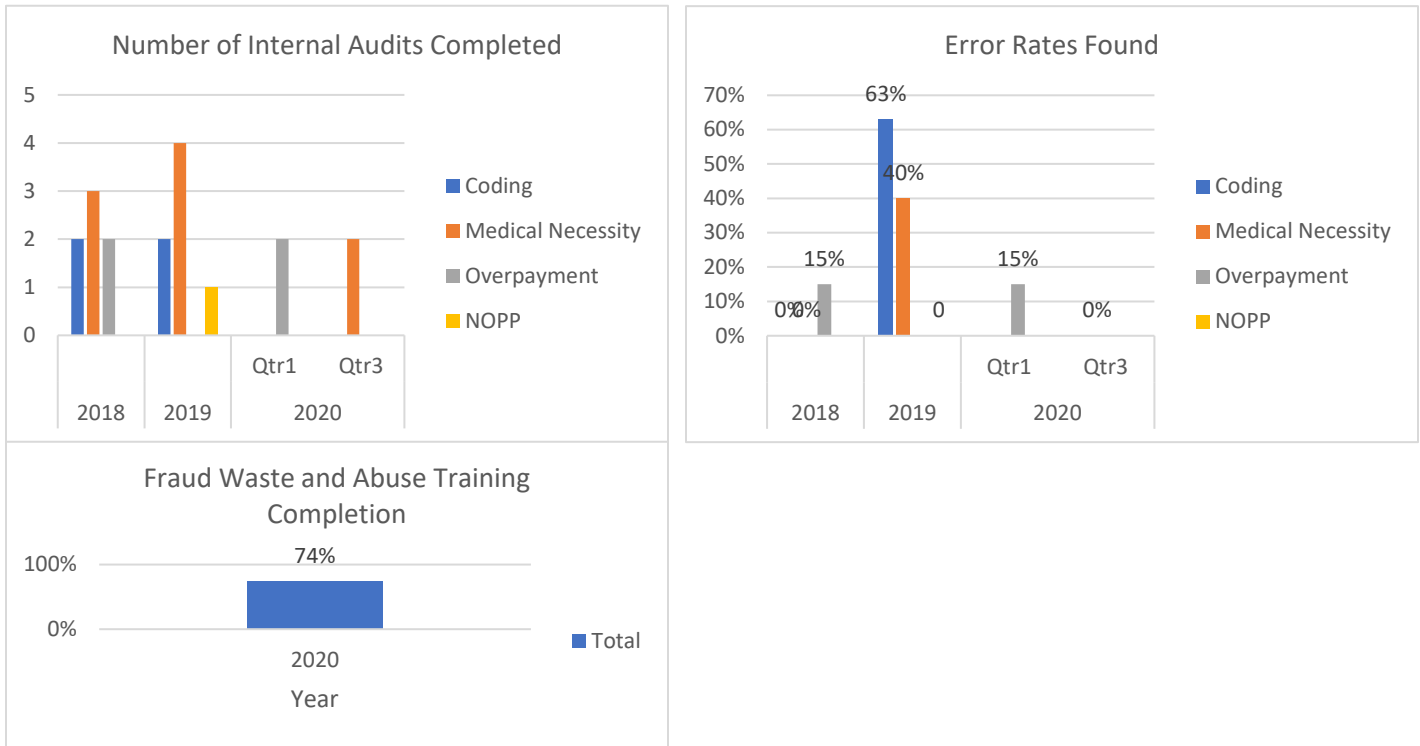
HIPAA- Loss of Client Information



At the time of this report, there have been no breaches of protected health information for CY 2020. In a sample audit of outbound emails, one staff sent protected health information that was not secured with some type of encryption. Kerr was recently notified that Blackbaud, our financial and donor database, was compromised at their level. An encrypted backup of several organization's data was taken by hackers and subsequently retrieved by Blackbaud. It does not appear that protected health information was compromised. However, limited donor information may have been compromised, such as name and email. We are still reviewing this breach to determine notification requirements.

Fraud, Waste, and Abuse- Lacking Documentation

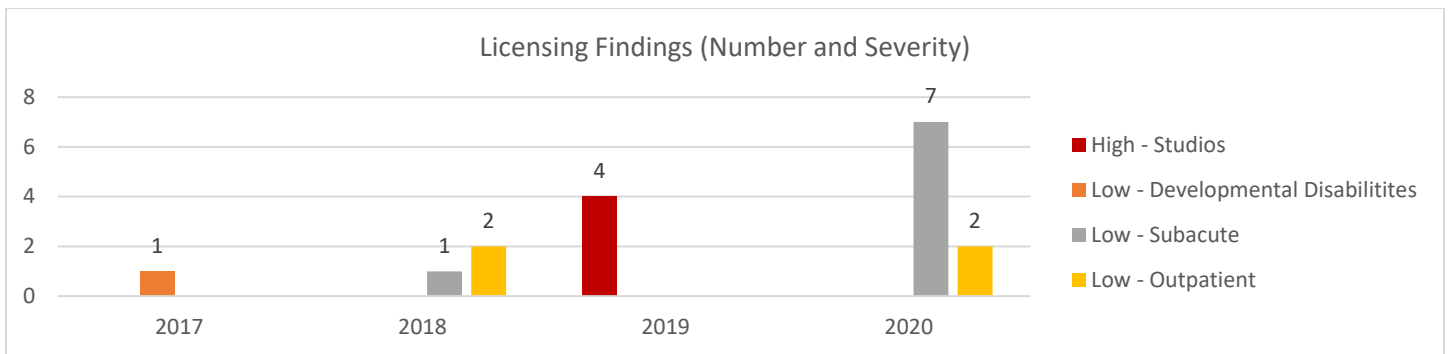
The below graphs indicates the internal audits completed and the associated error rates found.



I completed a medical necessity review for mental health charts in this period. Overall consistency across staff is improving, and no significant issues were found in this audit. The Fraud, Waste, and Abuse Training was completely updated, so that is more approachable for all Kerr staff (the initial training was geared more for mental health staff). I am working with the Chief Program Officer to increase training completion compliance.

Licensing- Violating Rules

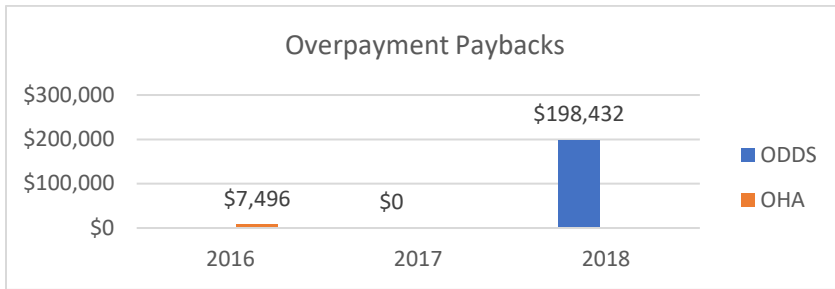
This graph indicates licensing or accreditation findings.



All group home licensing visits have resulted in a passing score this quarter (although it should be noted that only a few visits have occurred due to COVID-19).

Fraud, Waste, and Abuse- Billing Process Errors

The below graph indicates overpayment paybacks to state agencies.

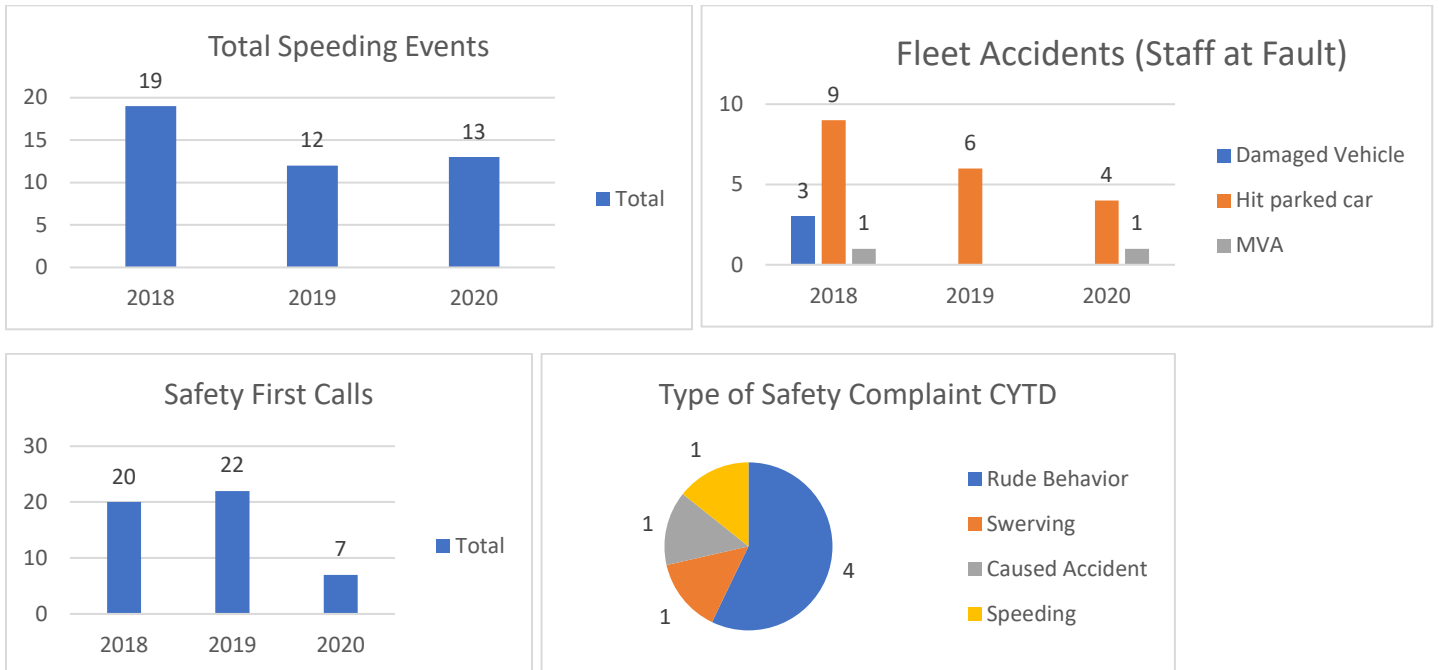


No paybacks have occurred since 2018. The Revenue Cycle department has continued to scrub daily billing claims for group homes, and the updated attendance tracking has been fully implemented and is being closely monitored.

Employment- Staff Injuries

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

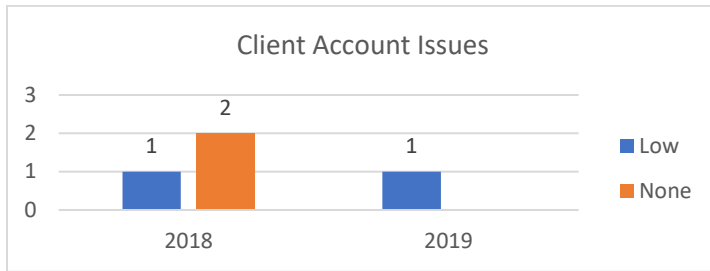
Employment- Significant Fleet Accidents, Speeding, and Report of Unsafe Driving



Overall, speeding incidents are on track to be higher than in 2019. Accidents are on track to be similar to 2019 levels. Safety First calls appear to be lower than last year same time. Most accidents that are the fault of staff are hitting parked cars when leaving the group home or site.

Accounting- Client Accounts Discrepancies

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



We will be developing a strategy of auditing client accounts during Q1 2020/21.

Employment- BOLI Complaints

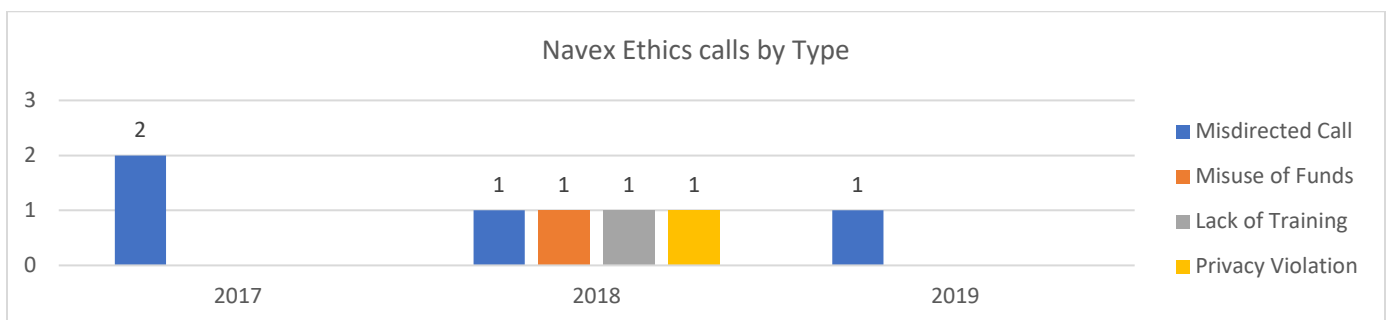
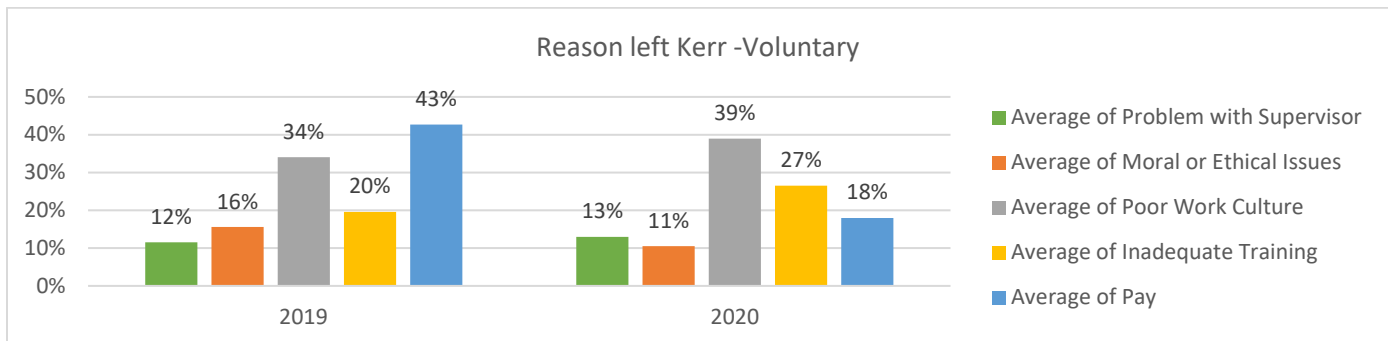
None noted in this period.

Disaster Recovery

The Subacute management are continuing to review their emergency management plan in preparation for an anticipated CMS audit in 2020. We will then use this template to generate a plan that is better suited for group homes in preparing for a disaster.

Employment- Supervisory Issues

This graph below is a summary of exit surveys for staff who voluntarily left Albertina Kerr. The second graph indicates calls made to Albertina Kerr's Employee confidential reporting line managed by Navex Global.



Overall, we see a significant decrease in staff leaving Kerr due to pay issues. We also see a slight decrease in leaving due to moral or ethical issues. However, poor work culture has increased along with inadequate training.

There have been no Navex ethics complaints in 2020.

A former employee from the Portland Art and Learning Studios filed a lawsuit in January alleging retaliation and harassment that were quite similar to the unsuccessful complaints she raised to regulatory agencies on the same matters previously. This matter was settled out of court, which was covered by our employment insurance carrier.

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.

CHAPTER 12: QUALITY AND COMPLIANCE

Section: Compliance Overview.....	1
Section: Outcomes management system.....	2
Section: Code of Conduct.....	3
Section: Conflict of Interests, Stark Law, and Anti-Kickback Statute.....	5
Section: Complaints and Grievances.....	9
Section: Denial, Reduction or Termination of Services.....	12
Section: Maintaining Accurate Records.....	13
Section: Ensure Accurate Billing.....	13
Section: Fraud, Waste, and Abuse.....	14
Section: Retaliation and Whistleblower Protections.....	18
Section: Monitoring Communications.....	19
Section: Corporate Records Retention.....	19
Section: Employee Background and Sanctions Check.....	19
Section: Internal Audit, Investigations and Quality Review Process.....	20
Section: Responding to Legal Actions, Government Subpoenas, Investigations.....	21
Section: Protective Service Investigations.....	23
Section: Training.....	24
Chapter Informational Sources:.....	24

SECTION: COMPLIANCE OVERVIEW

Albertina 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.

To meet this commitment, all employees must abide by all laws and regulations for services provided by Kerr. This includes areas such as preventing bribery and kickbacks (including those related to the False Claims Act), following Medicaid and Medicare regulations, the Health Insurance Portability and Accountability Act (HIPAA)), preventing employment discrimination or harassment, occupational health and safety issues, violations of individual rights, abuse or neglect, stating false or misleading financial information or misuse of corporate assets and contractual commitments.

To achieve this compliance, Kerr maintains a Corporate Compliance Plan, which is reviewed and approved annually by the Finance, Audit, and Compliance Committee of the Board of Directors.

Please see Kerr's *Corporate Compliance Plan* for the current plan and goals.

SECTION: OUTCOMES MANAGEMENT SYSTEM

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.

Each person is unique and what each person considers a "quality life" will differ; their needs, goals, aspirations, what they value, and the type and level of outcomes they achieve will also differ. To ensure that services are consistent in their approach and practices to support people's achievement of a quality life, Kerr is focusing on six health domains. These domains describe the 6 main aims people are seeking to achieve in their lives. These domains include:

- Health, wellbeing, and recovery
- Home, food and financial security
- Independence
- Learning and growth
- Rights, respect, choice, and control
- Community belonging and meaningful relationships

It is the goal of Kerr to positively impact all six domains for those with developmental disabilities and mental health challenges served in the community. While many of those served by Kerr may only receive services that impact some of these domains, for many of those served in our 24-hour services all six domains are touched by services provided.

The examples of evidence that individuals served by Kerr are achieving the above have been grouped into four areas:

- The feedback from individuals and/or their families about the quality of services provided by Kerr.
- Employee and management knowledge, practices and understanding of how to support individuals and their families to meet individual needs.
- The organization's approach to person-centered, outcomes-focused services.
- Collection and analysis of data to improve the services provided.

See Outcomes Management System Procedure

SECTION: CODE OF CONDUCT

What does it mean to be an Albertina Kerr employee?

As a Kerr employee, you are responsible for carrying out your job responsibilities in a professional, conscientious, and ethical manner, and by following all applicable laws, regulations, rules, and policies. Kerr is committed to the highest level of services, standards of ethics, honesty, and integrity in pursuit of our mission. Kerr is committed to providing high-quality care regardless of age, race, gender, sexual orientation, disability, religion, or source of payment for services, and we respect each person's fundamental right to considerate care, treatment, and services.

This Code of Conduct offers a set of standards to guide decision making and conduct when ethical decisions arise. This Code is a minimum standard of behavior. To the extent this Code requires a higher standard than required by practice or applicable laws, rules, or regulations, Kerr adheres to these higher standards. Also, your position may require you to comply with other codes of ethics issued by other bodies. You are expected to follow those ethics insofar as that Code is consistent with Kerr's mission, vision, values, and Code of Conduct. You have an ethical responsibility to do the right thing for the right reason in serving our clients. No code can substitute for personal integrity, good judgment, and common sense in performing job duties.

The Code of Conduct applies to all members of the board of directors, committee members, executive officers, employees, volunteers, and others representing Kerr. You are expected to adhere to this Code while performing your duties for Kerr. This Code establishes guidelines for standards of conduct and ethics and defines measures to prevent and detect violations of Federal, State, and local laws and regulations. Failure to comply with this Code or other compliance requirements is a serious issue that can negatively impact Kerr's reputation and those in care. Also, this can lead to disciplinary action, termination, or legal action against you or the agency.

You are responsible for knowing all policies and legal requirements applicable to your job duties. Compliance with these policies and legal requirements is a condition of employment. As an employee, you will never be adversely affected because you refused to carry out a directive which constitutes fraud or is a violation of local, state, federal, or other applicable laws and regulations. It is expected that every employee will support this Code of Conduct by learning about and holding others accountable to these standards.

Kerr assets, including time, money, supplies, equipment, vehicles, phones, computers, materials, buildings, information, electronic communications, social media sites, and other property, are to be used for company purposes only. Limited, reasonable personal use of Kerr computers, networks, and phones,

etc. are allowed. All employees, members of the board of directors, and others representing Kerr should protect the assets of Kerr and ensure the efficient use of assets. Theft, carelessness, and waste have a direct impact on Kerr and those we serve. The use of Kerr's funds and assets for an unlawful or improper purpose is strictly prohibited. To ensure the protection and proper use of Kerr's funds and assets each employee should exercise reasonable care to prevent theft, damage or misuse of Kerr's property and promptly report the suspected theft, loss or misuse of Kerr's property to his/her supervisor

You are also responsible for reporting to your supervisor any actions or behaviors you believe, in good faith, violate ethical practices, law, or regulation. You may report such activities without fear of reprisal or retaliation. When reported, violations of this Code are addressed through appropriate administrative, departmental, and human resource policies related to inappropriate behavior and conduct. However, if you fail to report these violations, you may also be subject to disciplinary actions. You must cooperate in the review of any unethical action or illegal activity. You are responsible for seeking supervisory advice if you have doubts or are unclear about what the right action is to stay compliant. You may also request a consultation from the Quality Improvement and Compliance Department. If you feel you cannot report an issue to your supervisor or you believe that they are not acting in accordance with Kerr's Code of Conduct, you should contact that person's supervisor up to, and including the Chief Executive Officer (CEO). You may also report your concerns anonymously through Kerr's Employee Reporting Hotline (Please see the Kerr Insider for contact information).

Supervisors must promote a culture of quality and compliance and provide staff with appropriate information to meet those standards. Supervisors are responsible for the actions of their employees and must ensure that the staff on their teams have what they need to understand and apply this Code, as well as any laws, policies and procedures, and other obligations that apply to them. It is understood that employees in leadership positions, at all levels, are expected to conduct themselves with a high level of professionalism and integrity, which includes modeling appropriate behavior. Leaders will approach their work with dignity and respect as it relates to their conduct and behavior. Supervisors should seek input from staff regarding compliance or other issues, and supervisors who receive reports of possible illegal or unethical conduct must take immediate action. Supervisors may never retaliate against a staff when they are reporting compliance or ethical issues in good faith. If the matter involves employment issues or could affect an employee's employment status, the supervisor must inform the Human Resources Department. If the issue concerns regulatory compliance, the manager should contact the Quality Improvement and Compliance Department. If the supervisor is not sure what to do, he or she should consult with his or her supervisor or another member of the management team.

Kerr promotes professional excellence and encourages open and honest communication among all personnel. As such, you shall:

- Adhere to laws, regulations, accreditation, and licensing standards, policies, and procedures. Follow the requirements outlined in the Kerr Employee Handbook.
- Report when you see a violation.
- Be truthful and avoid misrepresentation.
- Document services accurately and on time.
- Ensure fairness and objectivity in all activities and actions.
- Respect and protect the right of privacy of all people, including co-workers and clients.
- Never engage in abusive or intentionally harmful actions against clients or staff at Kerr.
- Promote the public confidence in Kerr.
- Strive to meet the needs of our clients.
- Maintain professional and healthy boundaries with clients served.
- Refuse to engage in or tolerate any fraud, misuse, abuse, or waste of Kerr resources.
- Avoid and/or report any situations where outside interests or your personal interests negatively impact your work at Kerr.
- Do not accept personal gifts from clients or families if over \$10.00 in value/year (the person may make a donation to Kerr through the Development Department if desired).
- Never steal from a client, employee, or others at Kerr.
- Encourage growth and self-improvement in yourself and your co-workers.
- Show respect for co-workers, clients, and others.
- Ensure that all client's rights are always protected.

The Code of Conduct cannot include every type of compliance or ethical issue. You should refer to all applicable policies and procedures and speak with your supervisor or leadership if you have questions.

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.

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.

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

You should promptly disclose any situations constituting or appearing to constitute a potential conflict of interest to your supervisor. The supervisor will notify the Chief Compliance Officer, who will determine if the situation represents a conflict of interest. Board Members should report any Conflicts of Interest to the Board Chair and Kerr's Chief Compliance Officer.

Kerr leaders shall promptly investigate and attempt to resolve situations constituting or appearing to constitute a conflict of interest. Kerr's leadership shall review all contractual, referral, and other relationships between internal and external providers to ensure their appropriateness and avoid potential conflicts of interest.

All Kerr employees and Board Members with a significant program, financial oversight or clinical roles are required to complete a Conflict of Interest Attestation within 45 days of joining Kerr and annually after that. The Chief Compliance Officer will designate the Kerr employees that are required to complete this attestation.

Here are some types of conflicts that could exist:

Business Relationships

As an employee or 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 you are presented with a business opportunity because of your position at Kerr, you should first inform the Director of your program, or your SLT member before pursuing the opportunity in your individual capacity. A Board Member receiving such an opportunity should disclose the opportunity to the Chair of their Board for Board consideration. No Kerr employee or 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 yourself or family member and Kerr must be reported to the Chief Compliance Officer for review.

Fair Dealing

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

Additionally, no employee, member of the board of directors, or other representing Kerr shall offer or accept a bribe, kickback, or improper favor to secure a business advantage.

Gifts

If an employee or Board member receives cash, checks, gifts, or items, etc. for donation, you must forward the item to the Development Department for proper handling.

Employees, 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 employee. 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.

Gifts of greater than \$100 may be accepted with the permission of a Senior Leadership Member. 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.

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 work with the Development Department to help that client or family with their gift. Gifts to employees from clients or guardians may be permitted during special events approved by the Director of the program (for example, an employee holiday fund) that benefits a group of employees.

When giving gifts, make sure they are in keeping with the business relationship and do not appear to attempt to obligate or influence the recipient to do business with Kerr. Do not offer any 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.

Employees will not engage in or solicit sexual acts or engage in any conduct, verbal behavior, or other communication with or towards a person served or their family member that may reasonably be interpreted as sexual, seductive or sexually demeaning. This prohibition applies to current and former people served and their family members.

An Kerr employee is prohibited from directly or indirectly supervising a family member if that person is working in a program or department where they have administrative responsibility. Any exceptions to this policy must be approved by the Chief Human Resources Officer or CEO. A family member may volunteer in programs where an employee has a supervisory responsibility if approved by the Director of the program. All volunteers must be routed through the Kerr volunteer orientation process.

Outside Employment

Employees are subject to the following limitations regarding outside employment:

- The outside employment must not interfere with the performance of the employee's duties at Kerr.
- The employee will not accept payment from another employer for duties that are part of his or her employment with Kerr.
- The employee will not perform work for another employer during the employee's regular or assigned working hours except while the employee is on paid time off or unpaid leave.

- Employees must respect proprietary Agency information and not share such information with their other employers.
- The employee will not engage in outside work that directly competes with Kerr’s operations.

Please see the Employee Handbook for more information.

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.

SECTION: COMPLAINTS AND GRIEVANCES

Definitions:

Complaint: An expression of dissatisfaction with Albertina Kerr’s services or employees or an allegation that Kerr has violated a law, rule, or policy. Please note that claims of Neglect and Abuse by Kerr employees are to following Kerr’s Abuse and Neglect policies and procedures. Kerr’s standard for addressing complaints is higher than is required by regulatory bodies to ensure we are providing the highest level of quality care to clients served.

Grievance: Any complaint that impacts or jeopardizes the client or other’s safety. Kerr will determine if a complaint rises to the level of a grievance based on the risk to the client or their care.

Complaint and Grievance Process

All clients and guardians/personal representatives are informed about the complaint, grievance, and appeal resolution procedure, verbally and in writing when entering an Kerr program. Client and guardians/personal representatives are given a copy of the Complaint/Grievance form that they can use to submit a concern. Complaint forms are also available at all services locations and as requested. For participants in intellectual/ disability programs, this review is also done annually. The complaint process is presented using language, format, and methods of communication appropriate to the client and

family/guardian's needs and abilities. The client and guardian/personal representative will also receive information about other agencies or entities outside of Kerr where they can express concerns about the care they receive at Kerr.

It is Kerr's expressed policy that clients or other interested parties submitting complaints or grievances will never receive retaliation or other negative consequences for airing their concerns. All complaints and grievances will be taken, reviewed, and addressed in a fair, reasonable, and timely manner. All complaints are documented and retained for at least seven years. The documentation shall contain the name of the client, the person submitting the complaint, the nature of the complaint, the date the complaint was received, the date the complaint was acknowledged, the written outcome of the complaint, and the date the outcome was mailed or given to the client.

All Kerr employees may take a complaint or grievance from a client served, guardian/personal representative, or another interested party. The client may write the complaint themselves, or the employee may complete the written complaint on behalf of the client if they are unable or unwilling to write or submit the complaint themselves.

Ideally, the employee receiving the complaint should attempt to collaboratively resolve the issue at the moment the complaint is stated. Some complaints may need to be submitted to a manager or other leadership for resolution. **Regardless, whether resolved at the moment or not, all complaints should be submitted to your manager for review.** All complaints will be forwarded and logged with Kerr's Quality Improvement and Compliance Department.

For complaints that are not resolved when stated by the person, those complaints must be reviewed within three days by the manager of the program. The manager must acknowledge the complaint in writing within five days of the complaint, to the client or person that submitted the complaint and develop a resolution to the concerns if not resolved when the complaint was stated. The manager will respond, in writing, to the resolution of the complaint within ten days of the conversation with the client. All complaints, if unresolved, must be reviewed by an Assistant Director or Director before a written response is submitted to the client.

For grievances that are not resolved at the moment, those grievances must be reviewed within 48 hours by the manager of the program. The manager must acknowledge both verbally and in writing within three days of receiving the grievance to the client or person that submitted the complaint. The resolution must be submitted in writing to the client and guardian/personal representative within ten days of receiving the grievance. All grievances, if unresolved, must be reviewed by the Assistant Director or Director before it is submitted to the client.

Assistant Directors and Directors will review all complaints on an ongoing basis for trends and develop quality improvement processes.

All written responses, whether a complaint or grievance, will indicate that the client can appeal the decision made by Kerr to address the client's concerns.

For all complaints and grievances, for all steps, Kerr employees will communicate with both the client and the guardian and/or personal representative.

Timeline from the initiation of a [Complaint](#):

- Day 1: Work with the person to resolve the complaint. Submit the complaint to your manager for review, even if the complaint was addressed.
- By Day 3: The Program Manager to review the complaint.
- By Day 5: The manager will respond to the client, in writing, an acknowledgment of the receipt of the complaint.
- By Day 5: If the complaint was not resolved on Day 1, the Program Manager will have a collaborative conversation with the client to attempt to resolve the complaint.
- By Day 15: The Program Manager will respond to the client, in writing, Kerr's response to a complaint. The Assistant Director will review all unresolved complaints before responding to the client.

Timeline from the initiation of a [Grievance](#):

- Day 1: Work with the person to resolve the grievance. Submit the grievance to your manager for review, even if the complaint was addressed.
- By Day 2: The Program Manager to review the grievance.
- By Day 3: The manager will respond to the client, in writing, an acknowledgment of the receipt of the grievance.
- By Day 3: If the grievance was not resolved on Day 1, the Program Manager to have a collaborative conversation with the client to attempt to resolve the grievance.
- By Day 10: The Program Manager will respond to the client, in writing, Kerr's response to a Grievance. The Assistant Director will review all unresolved grievances before responding to the client.

Appeals

A client or guardian/personal representative may request an appeal if they are not satisfied with the resolution presented in Kerr's written response regarding the complaint or grievance. A discussion will occur with the client and the Director of the program within 10 days of the notice of the appeal by the client or guardian/personal representative. This request for an appeal may be received either in writing or verbally. If a resolution to the complaint or grievance is achieved, the Director of the program will issue a written copy, after review by the Chief Program Officer, of the outcome of the discussion and the final agreed solution to the client within 10 days of the discussion. If a resolution is not achieved at the

time of the discussion, the Director will have 45 days, from the initiation of the appeal, to respond with the final decision in writing, after review by the Chief Program Officer. The appeal response will also specify licensing or other bodies where the client may contest Kerr's final response to a complaint or grievance.

Timeline from the initiation of an [Appeal](#):

- By Day 10: The Program Director will have a discussion with the client and guardian/personal representative.
- By Day 20: If the complaint or grievance was resolved, the Program Director will issue a written copy, after review by the Chief Program Officer, of the outcome of the discussion and the final agreed solution to the client and guardian/personal representative.
- By Day 45: If a resolution is not achieved, after a review of the written response by the Chief Program Officer, the Program Director to respond in writing to the client and guardian/personal representative the final decision of the appeal.

SECTION: DENIAL, REDUCTION OR TERMINATION OF SERVICES

This policy will be reviewed with each client, guardian/personal representative upon entry and as requested. For those clients enrolled in Albertina Kerr's intellectual disability services, this policy will also be reviewed with the client annually.

Kerr strives to serve each client to the best of its abilities. However, there may be cases where the client exceeds the agency's ability to care for or provide effective services safely, or the client may no longer meet the minimum criteria to qualify for their current level of care or services. Kerr employees will work closely with the client and the family to attempt to resolve the issue that is negatively impacting care. However, if the issue is unresolved, Kerr may determine that the client should discharge in the best interest of the client's health and/or wellbeing. Or, in some cases, services may continue, but at a reduced level of care. This notice is called a **Notice of Action**. We will work with the client, guardian/personal representative, and the ISP Team (if applicable) to attempt to obtain agreement on this decision and to find alternative services whenever possible.

Any Notice of Action must be approved by the Chief Program Officer before being issued to the client and guardian/personal representative.

For the client's enrolled in mental health programs, the Notice of Action is final. However, the client may request an appeal of Kerr's Notice of Action by following the Complaint and Grievance Process. The Notice of Action process for No-Show or Cancellations for those clients referred or admitted to Outpatient Mental Health Services will follow Kerr's Suspension and Termination of Services policy for Mental Health Services.

Notice of Action process specific to clients served in Kerr Intellectual/Disability Programs.

This notice will be mailed or hand-delivered to the client and the client's guardian or personal representative. If services are being denied or changed, the effective date of the notice is the date of the mailing/delivery. A change or termination of services will be no earlier than 30 days from the date the Notice of Action is delivered to the client and guardian/personal representative.

The client or Guardian/Personal Representative may appeal this decision by requesting a hearing to the Oregon licensing agency overseeing Kerr Intellectual/Disability services. This request must occur within 90 days of receipt of the Notice of Action

In the event of a reduction, suspension, or termination of an intellectual/developmental disability service, the client may request that his/her services continue during the state hearing process. To facilitate this, the client must either request a hearing and continuation of services before the effective date of a Notice of Action or within 10 business days after the effective date of the Notice of Action.

SECTION: MAINTAINING ACCURATE RECORDS

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

Employees must not inappropriately alter records, including records, charts, revenues, costs, contracts, timesheets, business expenses, mileage, and other business-related documents. Employees must not make false or misleading entries or omit information in any of Kerr's systems or records for any reason.

Every employee is responsible for accurately documenting and reviewing information including, but not limited to, services provided, chart documentation, claims, and payments. Supervisors should always use care when reviewing documents before approving them.

SECTION: ENSURE ACCURATE BILLING

Albertina Kerr follows applicable financial, coding, and billing rules and regulations. Both the law and our policy strictly forbid healthcare fraud and abuse, which includes submitting claims for reimbursement that are false, fraudulent, inaccurate, incomplete, duplicative, for non-covered services, for services not provided, and for services not medically necessary. The billing process is designed to accurately bill for all medically necessary services that are properly ordered, appropriately delivered, and adequately

documented. Employees must exercise care to ensure we do not submit false claims or cause others to do so.

All claims for reimbursement to third-party payers, including but not limited to Medicaid, must contain accurate and true information and must only reflect services provided as supported by the medical record. No services are billed unless they are reasonable and medically necessary, as evidenced by a fully and accurately documented medical record.

All cost report data, schedules, and worksheets must be truthful, accurate, and complete. Kerr will only report accurately allowable costs that have reasonably occurred.

If there has been an overpayment by a government program, third party payer, or person served, Kerr will promptly refund the payment to the proper party within the required timeframe.

Any employee who identifies any potential billing or reimbursement discrepancies concerning claims already submitted to government or private payers is required to report those discrepancies either to their Director, Senior Leadership member, or to the Chief Compliance Officer.

SECTION: FRAUD, WASTE, AND ABUSE

It is Albertina Kerr's goal to comply with the Federal False Claims Act and associated State of Oregon laws, contracts, and promotion of policies and procedures to prevent, detect and report incidents of Fraud, Waste and Abuse and correctly bill for services rendered to Kerr clients by:

- Providing employees and contractors with policies and procedures to address all requirements and appropriately submit and process claims for services.
- Providing employees and contractors with policies and procedures to detect and prevent Fraud, Waste, and Abuse.
- Providing employees with appropriate avenues for reporting Fraud, Waste and Abuse and whistle blower protections available.

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

Qui Tam Action: An action for violation of the False Claims Act that an individual files on behalf of the Government. Qui tam is a unique mechanism in the law that allows citizens with evidence of fraud

against government contracts and programs to sue on behalf of the Government. As compensation for the risk and efforts, the citizen whistleblower or “relator” may be awarded up to 25% of the funds recovered.

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

“Knowingly”: has actual knowledge of the information in the claim; acts in deliberate ignorance of the truth or falsity of the information in a claim; or acts in reckless disregard of the truth or falsity of the information in a claim.

Federal False Claims Act: (also known as “The Whistleblower Law”) (31 U.S.C. 3729-3733): The False Claims Act (“FCA”) is a Federal statute that imposes civil penalties (between \$5,500 and \$10,000 plus three times the total damages per claim) on any person or entity who:

- Knowingly presents, or causes to be presented, a false claim for reimbursement by a Federal health care program, including Medicare or Medicaid;
- Makes, uses or causes to be made or used a false record or statement material to a false or fraudulent claim;
- Repays less than what is owed to the Government;
- Makes, uses or causes to be made or used, a false record or statement material to reducing or avoiding repayment to the Government; and/or
- Conspires to defraud the Federal Government through one of the actions listed above.

The FCA is not limited to false health care claims but also includes any false statements or records that are material to the claim. The law applies to programs funded in whole or in part with Federal funds, including Medicare and Medicaid. No specific intent is required to prove “knowledge” under the FCA. An individual or entity may be liable if the party submitting the claim had knowledge of the information and acted in deliberate ignorance or reckless disregard of the truth and falsity of the information.

Some examples of a federal false claim:

- billing for services not rendered or goods not provided;
- denying or limiting access to services/benefits;
- under or over utilization;
- falsifying certificates of medical necessity;
- billing for services not medically necessary;
- misrepresentation of medical condition;
- failure to report third party liability (insurance or other coverage);
- eligibility determination issues;
- billing for multiple services that should be a single service;
- misrepresentation of services/supplies;
- falsifying treatment plans or medical records to maximize payments;
- failing to report overpayment or credit balances;

- duplicate billing;
- violation of another law such as the Anti-Kickback law.

Oregon State Law and Provisions

Oregon's False Claims Act (the "OFCA") is similar to the federal False Claims Act and prohibits any person or entity from submitting a false or fraudulent claim to any public agency, including Oregon's Medicaid program. The OFCA makes it unlawful for any person or entity to commit any of the following acts: (1) knowingly present or cause to be presented a fraudulent claim for payment or approval; (2) knowingly use a false record or make a false statement in connection with presenting a claim; and (3) fail to disclose a false claim that benefits the claimant within a reasonable time after discovering the false claim. Violations of the OFCA shall result in liability to the State for the costs of a civil action brought to recover any penalties or damages under the OFCA and a civil penalty of not less than \$10,000 or twice the amount of damages incurred for each violation. This liability may be reduced if the person committing the violation substantially cooperates with the Attorney General's investigation and produces all information known about the violation within thirty (30) days after discovering the falsity of the violator's claim.

Unlike the federal False Claims Act, the OFCA does not permit qui tam or whistleblower suits. Only the Attorney General or a district attorney may bring a civil action under the OFCA. The Attorney General may file a civil action up three (3) years after discovering the violation, but in no event more than ten (10) years after the date on which the violation is committed. An individual or entity is subject to civil damages if a previous warning has been issued about an unlawful billing practice yet continues the practice.

Oregon's Medicaid Antifraud Statutes

Oregon's Medicaid program statutes prohibit any person submitting a fraudulent claim for payment with respect to the Medicaid program. A person found to have violated this prohibition is liable to the State for three times the amount of damages incurred by the State. The Department of Human Services and the Oregon Health Authority each may prosecute civil actions to recover these damages.

Additionally, in Oregon, it is a crime to knowingly make a false claim with respect to a health care payment or to knowingly conceal or fail to disclose a material fact with the intent to obtain a health care payment. The Attorney General or appropriate district attorney may commence criminal prosecution against a person that violates this statute.

Medicaid Whistleblower Protection

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 FCA action shall be entitled to all relief necessary to make the employee or contractor whole.

Kerr will not discriminate, retaliate or take any disciplinary or other adverse action against any employee or contractor who, in good faith, discloses or intends to disclose actual or potential violations of Federal law to the attention of the proper authority. An employee or contractor who believes that he or she is a victim of retaliation may file a complaint with Human Resources.

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

Oregon Retaliation Prohibition

Oregon prohibits an employer from retaliating against an employee or agent of the employer that lawfully discloses information regarding a violation of any state or federal law. Retaliation includes discharging, demoting, suspending, or in any way discriminating against an employee because the employee has reported information regarding potential violations. An employee that has been retaliated against may file a civil action for equitable relief, including reinstatement, back pay, compensatory damages, punitive damages, litigation costs, and reasonable attorney's fees.

Also see section *Retaliation and Whistleblower Protections* within this chapter.

Reporting an issue with Fraud, Waste, and Abuse

Any employee, who in good faith believes that he/she has knowledge of a potential violation of this policy or Federal or Oregon State law, must report this information to Kerr leadership through normal supervisory channels (see below). Kerr takes issues regarding false claims and fraud and abuse seriously. All employees should be aware of the laws regarding fraud and abuse and false claims, and to identify and resolve any issues immediately. Issues are resolved fastest and most effectively when given prompt attention at your supervisor's level. Therefore, Kerr encourages its employees to report concerns to their immediate supervisor, when appropriate. If the supervisor is not deemed to be the appropriate contact or if the supervisor fails to respond quickly and appropriately to the concern, employees should elevate the issue to the next supervision level.

Kerr employees can report fraud by:

1. Contacting your supervisor, Director of the program, Senior Leadership Team member, Human Resources Service Center or the Quality Improvement and Compliance Department; or
2. Filing a report at: **1-888-274-8314** or on-line at: www.ethicspoint.com. Calls can be placed anonymously or the caller can provide contact information. The report will be forwarded directly

to the Kerr Board of Directors Audit and Compliance Committee Chairperson, Chief Compliance Officer, and Chief Human Resources Officer.

Bringing an Action under the False Claims Act

If you have reported the issue to Kerr leadership and the issue is unresolved, a Federal false claims action may be brought by the U.S. Department of Justice Civil Division, the United States Attorney or an individual(s) pursuant to a qui tam action; Kerr encourages employees to report false claims allegations to Kerr Leadership before filing a qui tam action. The relator/whistleblower must be the original source of the notice to the Government of the fraud with direct and independent knowledge of the information on which the allegations are based and must have voluntarily provided the information to the 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 is already a part, and cannot be based on information which has been publicly disclosed.

Fraud, Waste and Abuse Training

Employees are required to be familiar with Medicaid regulations and participate in mandatory trainings. Kerr's responsibilities include, but are not limited to, ensuring that all employees, including management, are provided with a Fraud, Waste, and Abuse Awareness training within 30 days of employment and annually after that.

Prevention

Employees should understand and comply with the policies and procedures on Prevention, Detection and Reporting Fraud, Waste, and Abuse. Kerr's Conflict of Interests policy prohibits conflicts of interests and instructs employees to "avoid any situation that causes or appears to cause a conflict between your personal or personal business interests and Kerr's interests."

SECTION: RETALIATION AND WHISTLEBLOWER PROTECTIONS

Any worker may report actions they believe violate local, state, or federal laws. Workers making these reports are commonly known as "whistleblowers."

It is Albertina Kerr's policy that any employee voicing valid concerns about another Kerr employee will never experience retaliation when expressing their concerns. All questions and reports of known or suspected violations of applicable laws are treated with sensitivity and discretion. Kerr will protect your confidentiality to the extent possible, consistent with applicable laws, and the need to investigate and resolve the situation.

These reports are protected, which means that it is illegal for employers to discharge, demote, suspend or in any manner discriminate or retaliate against a worker for making a good faith report of information

the worker believes violates the law. It is also illegal to discriminate or retaliate against a worker for these reports in promotion, compensation, or other terms, conditions, or privileges of employment. All employees are also protected from opposing unlawful employment practices.

A report does not have to be substantiated for the whistleblower to be protected from retaliation. The worker must simply have a good faith belief when reporting a violation of law or unsafe working conditions.

Employees who retaliate against another employee who, in good faith, seeks help or reports a suspected violation of the Code of Conduct, agency policies, the law, or contractual obligations, will be subject to disciplinary action. If you believe you have experienced retaliation in such a manner, please immediately report this behavior to the Human Resources Service Center. See the Employee Handbook for more information about our retaliation policy.

Making malicious or purposely false reports also violates both this Code of Conduct and our agency values regarding honesty and integrity, and such action may be subject to discipline up to and including termination and could result in legal action.

SECTION: MONITORING COMMUNICATIONS

To the extent permitted by law, Kerr reserves the right to monitor electronic and telephone communications, including e-mail. Employees and other users of these systems and property do not expect privacy concerning these communications and data. These communications may also be subject to disclosure to law enforcement or government officials.

SECTION: CORPORATE RECORDS RETENTION

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

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

SECTION: EMPLOYEE BACKGROUND AND SANCTIONS CHECK

All employees are monitored weekly against the Federal Exclusion List. All employee names that match the Federal Exclusion list are immediately investigated by the Human Resources Department. Also, employees complete a criminal background check when hired and are not allowed unsupervised contact with a client until they are cleared by the Oregon Criminal Background Check Unit. Staff working in I/DD program also receive a background check yearly, and all staff receives a background check when they

change positions at Kerr. Any person matching the Federal Exclusion List will not be allowed continued employment at Kerr. Those staff that fail the Oregon Background Check may also not be allowed continued employment at Kerr, depending on their position, access to clients, and the nature of the criminal offense. A person convicted of felony violent, sexual, or person to person crimes will exclude a staff's continued employment at Kerr. Other criminal offenses will be reviewed by Human Resources, who will determine the person's ongoing employment status at Kerr.

SECTION: INTERNAL AUDIT, INVESTIGATIONS AND QUALITY REVIEW PROCESS

The Corporate Compliance Officer or designee conducts audits of service provider documentation and the claims that result from services. Claims must be accurate and evidence of medical necessity. The Corporate Compliance Plan is based on the agency's highest risk areas based on an annual risk assessment approved by the Kerr Board of Director Finance, Audit, and Compliance Committee. Audit findings are reviewed quarterly by the Albertina Kerr Board Audit & Compliance Committee.

Kerr is committed to full compliance with applicable state, federal and local laws. The Chief Compliance Officer shall have the responsibility and authority to conduct and oversee independent compliance investigations to detect possible violations of the law, with legal guidance of outside counsel as appropriate. The extent of the investigation will vary depending upon the matter investigated.

The Chief Compliance Officer shall commence and/or oversee investigations on all compliance-related matters within seven days following receipt of the report indicating a matter warranting investigation. The Chief Compliance Officer may delegate the investigation responsibilities but will retain ultimate supervision and responsibility for all compliance investigations. The investigation may include, but is not limited to:

- Reviewing and preserving documents related to the matter;
- Interviewing appropriate individuals;
- Reviewing policies and procedures applicable to the matter;
- Collaborating with Kerr Leadership, as needed; and
- Engaging an outside consultant, outside counsel, or other authority to assist in the investigation, as needed.

If a significant compliance violation is found, the Chief Compliance Officer and/or Director of Quality Improvement and Compliance shall develop and implement a corrective action plan, in consultation with the CEO and, if needed, with other departments or Senior Leadership. All investigation methods and findings pursuant to the investigation must be documented. Copies of supporting documents should be attached to all reports.

If the investigation findings do not substantiate the allegation or matter, the investigation will be closed by the Chief Compliance Officer. Documentation regarding the investigation will be filed and maintained by the Chief Compliance Officer for a minimum of seven years after the investigation has closed.

If a compliance violation is founded, all documentation related to the investigation will be maintained as an "open" investigation until a corrective action plan has been completed and the matter has been resolved, at which time the investigation will be closed by the Chief Compliance Officer. Once closed, the investigation file will be filed and maintained by the Chief Compliance Officer for a minimum of seven years after the investigation has been closed.

For investigations implicating Kerr's CEO, the Chief Compliance Officer shall notify the Chair of the Board and the Chief Human Resources Officer to decide who shall conduct the investigation. For investigations implicating a member of Kerr Senior Leadership Team, the Chief Compliance Officer shall notify the CEO, and the Chief Compliance Officer and/or CEO will conduct and coordinate the investigation. Investigations implicating the Chief Compliance Officer will be handled by the CEO in coordination with the Chair of the Board of Directors.

SECTION: RESPONDING TO LEGAL ACTIONS, GOVERNMENT SUBPOENAS, INVESTIGATIONS

It is the policy of Kerr to cooperate fully with any lawful government investigation or audit. Kerr expects all employees to extend the same cooperation within the guidelines of this policy. Accordingly, this policy covers:

- Telephone calls or letters from a government official, representative, investigator, or other individual acting on behalf of the Government.
- Presentation of demand letters, government subpoenas, or search warrants.
- On-site visits to or inspections of Kerr sites, including corporate and/or facility premises, by a government official, representative, investigator or other individual acting on behalf of the Government.
- Visits to the homes or other locations of current employees by a government official, representative, investigator, or other individual acting on behalf of the Government.
- Other contacts with a government official, representative, investigator, or other individual acting on behalf of the Government.

If a Kerr employee is contacted by an official, representative, investigator or other individual acting on behalf of the Government, the employee should: (1) immediately contact the Chief Compliance Officer, Chief Program Officer, or Chief Executive Officer; and (2) ask to see credentials or proper identification, including a business card, before speaking further with the person.

Request for Interviews

An interview of a Kerr employee may be requested by a government official, representative, investigator, or other individual acting on behalf of the Government. The Chief Compliance Officer should be immediately notified and may be consulted regarding any such request. If an employee decides to be interviewed by the government official, representative, investigator, or other individual acting on behalf of the Government, the employee should always be truthful, cooperative, and polite. If the employee does not know with certainty the answer to any question, it is appropriate for the employee to say that he or she does not know the answer to the question. Also, the employee may stop the interview or conversation at any time.

Demand for Documents

A government official, representative, investigator, or other individual acting on behalf of the Government may arrive at a Kerr facility or premises with written authority seeking documents. This authorization may come in the form of a demand letter, government subpoena, or search warrant.

Once there has been notice of an investigation, the destruction portion of any policy on record retention is suspended, and NO documents may be destroyed until notified otherwise by the Chief Compliance Officer.

Demand Letters and Government Subpoenas

If the authorization is either a demand letter or government subpoena, the employee must request that the government official, representative, investigator, or other individual acting on behalf of the Government wait until either the Chief Compliance Officer, Chief Program Officer, or Chief Executive Officer is notified. The employee should ask the government official, representative, investigator or other individual acting on behalf of the Government for proper identification, including their business cards, and the employee should list the names and positions of all the investigators along with the date and time of the demand.

Search Warrants

If a government official, representative, investigator or other individual acting on behalf of the Government presents a valid search warrant and identification, employees must understand that they have the authority to enter the premises, to search for evidence of criminal activity, and to seize those documents or items listed in the warrant. No employee shall interfere with the search and must provide the documents or items sought in the warrant.

All employees should request an opportunity to consult with the Chief Compliance Officer before a search commences. Note, however, that this request may not be granted by the investigators. However, employees (1) should request copies of the warrant and the affidavit providing reasons for the issuance of the warrant, and (2) should provide the Chief Compliance Officer with a copy of the warrant immediately if possible. The Chief Compliance Officer will immediately contact the Chief Executive Officer and Kerr's outside counsel and follow any directives given.

Staff members should first discuss with the Chief Compliance Officer before responding to any inquiries from the investigator in connection with a search warrant at Kerr and before signing any document presented in connection with a search warrant.

To the extent possible, employees should create a list or inventory of all documents and the general information in any documents taken by the investigators. Note in as much detail as circumstances allow the precise areas and files searched, the time periods when each of them was searched, the manner in which the search was conducted, the government official, representative, investigator or other individual acting on behalf of the Government who participated, and which files were seized.

Other Subpoenas

If you receive a subpoena issued by a legal counsel that is not related to a government investigation, please see *Policy Chapter 10: Privacy and Medical Record Standards, Section Subpoenas*

SECTION: PROTECTIVE SERVICE INVESTIGATIONS

It is Albertina Kerr's policy to never discuss or investigate the allegation/details of an abuse or neglect incident in question while the issue is under investigation by the County, State, or Law Enforcement; with the exception of whatever minimal discussion or investigation must take place in order to ensure the immediate safety of the people we serve. Outside this narrow parameter, the incident may only be discussed directly with the State Investigator to ensure information does not become tainted or to create a suspicion of collusion. It is important to ensure that the State Investigator has access to any information that he/she may need to complete the investigation (i.e. records, staff phone numbers, staff schedules) and Kerr employees must be open and honest in their conversations with the State Investigators.

Once a State Protective Service Investigation has concluded, Kerr Leadership, Human Resources, or Quality and Compliance may initiate an investigation or Root Cause Analysis based on the state findings and recommendations.

Please see *Procedure: Protective Service Investigations and Abuse Allegation Flow Charts*

SECTION: TRAINING

At hire and generally annually thereafter, staff are required to complete training assigned to them by the date they are to be completed. These trainings are designed to enhance client safety, increase understanding of rules and laws that both protect employees and clients and improve the outcomes for those served at Kerr. It is important that employees complete and implement all training as assigned.

CHAPTER INFORMATIONAL SOURCES:

Rule/Source	Summary	Last rule revision date
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
CARF 2018 BH Manual Section M.	Agency will maintain specific types of outcome and performance measures.	2019
CARF 2019 CFS Manual	Agency Compliance Measures	2019
AHRQ Evidence Report Number 208	Quality Improvement Measurement of Outcomes for People with Disabilities	2012
HCBS Quality Framework	Most recent HCBS quality statements	2015
SAMHSA	National Behavioral Health Quality Framework	2014
Multnomah County Client Satisfaction Survey (IDD)	Tool used by the county to collection satisfaction outcomes.	2016
BOLI Standards	Whistleblower Protections and OAR 659a.199 Rule review	2020
Mental Health Commission- Government of Western Australia	Mental Health Outcomes Statements	2012
31 USC 3729-3733	False Claims US Code	1986
ORS 280.755	Oregon False Claims Act	1983

Revision and Approval History:

Policy Section	Revised by	Revision Date	Approved By	Approved Date
All sections of policy except those noted below	Owen Gibson	07/30/2020		
Conflict of Interests	Owen Gibson	08/06/2019	Board of Directors- Finance, Audit and Compliance Committee	08/13/2019
Outcomes Management System	Owen Gibson	02/25/2019	Board of Directors- Program and Accreditation Committee	03/06/2019

SECTION: CODE OF CONDUCT

What does it mean to be an Albertina Kerr Board Member?

As a Kerr Board Member, you are responsible for carrying out your responsibilities in a professional, conscientious, and ethical manner, and by following all applicable laws, regulations, rules, and policies. Albertina Kerr is committed to the highest level of services, standards of ethics, honesty, and integrity in pursuit of our mission. Kerr is committed to providing high-quality care regardless of age, race, gender, sexual orientation, disability, religion, or source of payment for services, and we respect each person’s fundamental right to considerate care, treatment, and services.

This Code of Conduct offers a set of standards to guide decision making and conduct when ethical decisions arise. This Code is a minimum standard of behavior. To the extent this Code requires a higher standard than required by practice or applicable laws, rules, or regulations, Kerr adheres to these higher standards. You have an ethical responsibility to do the right thing for the right reason in serving our clients, employees, and organization. No code can substitute for personal integrity, good judgment, and common sense in performing your duties.

You are expected to adhere to this Code while performing your duties for Kerr. This Code establishes guidelines for standards of conduct and ethics and defines measures to prevent and detect violations of Federal, State, and local laws and regulations. Failure to comply with this Code or other compliance requirements is a serious issue that can negatively impact Kerr’s reputation and those in care.

You are responsible for knowing all board policies and legal requirements applicable to your duties. As a board member, you will never be adversely affected because you refused to carry out a directive which constitutes fraud or is a violation of local, state, federal, or other applicable laws and regulations. It is expected that every board member will support this Code of Conduct by learning about and holding others accountable to these standards.

Kerr assets, including staff time, money, supplies, equipment, vehicles, phones, computers, materials, buildings, information, electronic communications, social media accounts, and other property are to be used for company purposes only. The use of Kerr’s funds, assets, branding, or your position at Kerr for an unlawful or improper purpose is strictly prohibited.

You are also responsible for reporting to the Chair of the Board, any actions or behaviors you believe, in good faith, violate ethical practices, law, or regulation. You may report such activities without fear of reprisal or retaliation. When reported, violations of this Code are addressed through appropriate Board policies related to inappropriate behavior and conduct. You must cooperate in the review of any unethical action or illegal activity. You are responsible for seeking advice if you have doubts or are unclear about what the right action is to stay compliant. You may request a consultation from the Board Chair, other board members, or a member of Kerr’s Senior Leadership Team.

Board members may never retaliate against another board member or Kerr staff when they are reporting compliance or ethical issues in good faith. Albertina Kerr promotes professional excellence and encourages open and honest communication among all that support Albertina Kerr's mission. As such, you shall:

- Adhere to laws, regulations, accreditation and licensing standards, policies, and procedures.
- Report when you see a violation.
- Be truthful and avoid misrepresentation.
- Ensure fairness and objectivity in all activities and actions.
- Respect and protect the right of privacy of all people.
- Never engage in abusive or intentionally harmful actions against clients or staff at Kerr.
- Promote the public confidence in Kerr.
- Refer inquiries by the media to Albertina Kerr's CEO or Board Chair.
- Strive to meet the needs of our clients.
- Maintain professional and healthy boundaries with Kerr employees and clients served.
- Refuse to engage in or tolerate any fraud, misuse, abuse, or waste of Kerr resources.
- Avoid and/or report any situations where outside interests or your personal interests negatively impact your work at Kerr.
- Encourage growth and self-improvement in yourself and your fellow board members
- Show respect for other board members, Kerr staff, clients, and others.
- Ensure that all client's rights are always protected.

The Code of Conduct cannot include every type of compliance or ethical issue. You should refer to all applicable Board policies and procedures and speak with the Chair of the Board or Kerr leadership if you have questions.

Albertina Kerr Centers, Foundation, and Kerr Bikes
Consolidated Statement of Activities
June 30, 2020

	Actual	Budget	Variance	% Change F/(U)
Revenue				
Contract and Program Revenue	4,100,032	3,909,451	190,581	4.9%
Contribution and Event Revenue (Net of Expenses)	182,119	896,523	(714,404)	-79.7%
Sales to the Public (Net of Cost of Goods Sold)	7,387	64,502	(57,115)	-88.5%
Investment Income	38,195	28,477	9,718	34.1%
In-Kind Contributions	145,830	8,958	136,872	1527.9%
Total Revenue	4,473,564	4,907,911	(434,347)	-8.8%
Expenses				
Salaries & Wages	2,635,045	2,698,344	63,299	2.4%
Employee Benefits	273,989	355,620	81,631	29.8%
Payroll Taxes	163,273	231,794	68,521	42.0%
Contracted Direct Labor	10,126	4,830	(5,296)	-52.3%
Other Employee Related Costs	18,066	36,120	18,054	99.9%
Professional Fees & Insurance	39,284	56,462	17,178	43.7%
Telecommunications/MIS	127,358	145,601	18,244	14.3%
Facilities & Occupancy	361,926	269,514	(92,412)	-25.5%
Equipment	30,520	27,140	(3,380)	-11.1%
Program & Office Supplies	152,989	99,450	(53,539)	-35.0%
Vehicle Expenses	43,431	50,541	7,110	16.4%
PR & Fundraising	15,495	26,619	11,124	71.8%
Cost of In-Kind Goods/Services	147,142	8,958	(138,184)	-93.9%
Training & Other	394,881	80,755	(314,127)	-79.5%
Total Expenses	4,413,523	4,091,748	(321,775)	-7.3%
Net Income / (Loss) Before Contingency	60,040	816,163	(756,123)	1259.4%
Contingency	-	(41,667)	41,667	
Net Income / (Loss)	60,040	774,496	(714,456)	

Albertina Kerr Centers, Foundation, and Kerr Bikes
Consolidated Statement of Activities
Year to Date June 30, 2020

	Actual	Budget	Variance	% Change F/(U)
Revenue				
Contract and Program Revenue	45,368,636	45,445,615	(76,978)	-0.2%
Contribution and Event Revenue (Net of Event Expenses)	2,728,833	3,247,028	(518,195)	-16.0%
Sales to the Public (Net of Cost of Goods Sold)	552,621	703,354	(150,733)	-21.4%
Investment Income	169,102	341,721	(172,619)	-50.5%
In-Kind Contributions	268,389	217,500	50,889	23.4%
Total Revenue	49,087,581	49,955,218	(867,637)	-1.7%
Expenses				
Salaries & Wages	32,068,177	31,871,927	(196,250)	-0.6%
Employee Benefits	4,179,712	4,268,445	88,733	2.1%
Payroll Taxes	2,952,218	2,897,779	(54,439)	-1.8%
Contracted Direct Labor	168,956	76,462	(92,494)	-54.7%
Other Employee Related Costs	350,263	434,395	84,132	24.0%
Professional Fees & Insurance	713,214	712,939	(275)	0.0%
Telecommunications/MIS	1,333,510	1,714,162	380,652	28.5%
Facilities & Occupancy	3,451,968	3,374,547	(77,421)	-2.2%
Equipment	346,885	341,660	(5,225)	-1.5%
Program & Office Supplies	1,351,836	1,310,496	(41,340)	-3.1%
Vehicle Expenses	414,329	610,139	195,810	47.3%
PR & Fundraising	277,671	444,573	166,902	60.1%
Cost of In-Kind Goods/Services	268,068	217,500	(50,568)	-18.9%
Training & Other	958,251	876,124	(82,127)	-8.6%
Total Expenses	48,835,058	49,151,148	316,090	0.6%
Net Income / (Loss) Before Contingency	252,523	804,070	(551,547)	218.4%
Contingency	-	(500,004)	500,004	
Net Income / (Loss)	252,523	304,066	(51,543)	

Albertina Kerr Centers, Foundation, and Kerr Bikes
Consolidated Statement of Financial Position
As of June 30, 2020

	6/30/2020	5/31/2020
Assets:		
Cash and Cash Equivalents	1,499,805	1,675,645
Cash Held for Others	152,203	151,835
Investments	9,166,074	9,002,863
Accounts Receivable	2,774,083	2,522,221
Less: Allowance for Doubtful Accounts	(41,977)	(39,930)
Contributions Receivable	55,019	33,999
Other Receivables	62,308	50,234
Prepaid Expenses, Deposits and Other Current Assets	413,668	465,479
Charitable Remainder Trusts Receivable	344,574	344,574
Other Long-Term Assets	(84,865)	41,358
Fixed assets, Net	22,281,710	22,545,090
Total Assets	36,622,601	36,793,367
Liabilities:		
Accounts Payable and Accrued Expenses	916,520	1,031,505
Accrued Payroll Liabilities	1,357,094	1,346,337
Personal Accrued Leave (PAL) Liability	789,661	775,974
Deferred Revenue	218,022	263,466
Unemployment Reserve	222,742	282,742
Long-Term Debt	4,329,760	4,366,356
Total Liabilities	7,833,799	8,066,381
Net Assets:		
Available for General Operations	6,384,397	6,065,875
Investment in Fixed Assets	17,867,143	18,220,151
Temporarily Restricted Net Assets	2,275,455	2,179,475
Permanently Restricted Net Assets	2,261,807	2,261,485
Total Net Assets	28,788,802	28,726,986
Total Liabilities and Net Assets	36,622,601	36,793,367

**Albertina Kerr Centers
P&L Budget
For The Month Ending
June 30, 2020**

Description	Actual 5/31/2020		Actual 6/30/2020		Budget 6/30/2020	Month vs Budget Actual Var		YTD Actual 6/30/2020	YTD Budget 6/30/2020	YTD vs Budget Actual Var		Annual Budget
						Fav/(Unfav)				Fav/(Unfav)		
						\$'s	%			\$'s	%	
Revenue												
Contract and Program Revenue	4,040,115	97.6%	4,049,789	101.8%	3,908,425	141,364	3.6%	45,276,838	45,404,061	(127,223)	-0.3%	45,404,061
Trfs from Fdn and Net Assets Released	72,268	1.7%	28,083	0.7%	149,772	(121,689)	-81.2%	1,030,313	1,337,156	(306,843)	-29.8%	1,337,156
Investment Spending Rate	27,285	0.7%	(97,954)	-2.5%	27,285	(125,239)	-459.0%	202,181	327,420	(125,239)	-61.9%	327,420
In Kind Contributions	-	0.0%	-	0.0%	-	-	0.0%	78,855	50,000	28,855	36.6%	50,000
Total Revenue	4,139,668	100%	3,979,918	100%	4,085,482	(105,564)	-2.6%	46,588,187	47,118,637	(530,450)	-1.1%	47,118,637
Expense												
Salaries & Wages	2,792,622	68.7%	2,579,608	62.3%	2,613,533	33,925	1.3%	31,253,311	30,947,544	(305,767)	-1.0%	30,947,544
Employee Benefits	379,422	9.3%	269,565	6.5%	347,775	78,210	22.5%	4,067,651	4,178,225	110,574	2.7%	4,178,225
Payroll Taxes	264,000	6.5%	158,769	3.8%	225,222	66,453	29.5%	2,875,092	2,818,796	(56,296)	-2.0%	2,818,796
Contracted Direct Labor	2,109	0.1%	10,126	0.2%	4,830	(5,296)	-109.6%	168,456	76,462	(91,994)	-54.6%	76,462
Other Employee Related Costs	20,452	0.5%	18,066	0.4%	35,812	17,746	49.6%	344,791	429,962	85,171	24.7%	429,962
Professional Fees & Insurance	44,729	1.1%	38,937	0.9%	47,756	8,819	18.5%	708,231	608,163	(100,068)	-14.1%	608,163
Telecommunications/MIS	191,572	4.7%	122,537	3.0%	142,728	20,191	14.1%	1,294,902	119,544	(1,175,358)	-90.8%	119,544
Facilities & Occupancy	279,154	6.9%	359,556	8.7%	265,552	(94,004)	-35.4%	3,398,439	4,867,399	1,468,960	43.2%	4,867,399
Equipment	17,604	0.4%	27,133	0.7%	23,713	(3,420)	-14.4%	312,136	300,526	(11,610)	-3.7%	300,526
Program & Office Supplies	86,916	2.1%	139,454	3.4%	97,685	(41,769)	-42.8%	1,313,023	1,171,108	(141,915)	-10.8%	1,171,108
Vehicle Expenses	21,894	0.5%	43,431	1.0%	50,532	7,101	14.1%	413,951	610,014	196,064	47.4%	610,014
PR & Fundraising	3,428	0.1%	755	0.0%	12,863	12,108	94.1%	75,412	151,221	75,809	100.5%	151,221
Cost of In-Kind Goods/Services	-	0.0%	-	0.0%	-	-	0.0%	77,222	50,000	(27,222)	-35.3%	50,000
Training, Interest and Other	16,407	0.4%	393,466	9.5%	88,656	(304,810)	-343.8%	839,947	1,074,467	234,520	27.9%	1,074,467
Admin and Bldg Costs Allocated to AKF	(54,402)	-1.3%	(23,726)	-0.6%	(27,559)	(3,833)	13.9%	(436,093)	(338,845)	97,248	22.3%	(338,845)
Total Expense	4,065,907	100%	4,137,675	100%	3,929,098	(208,577)	-5.3%	46,706,470	47,064,586	358,116	0.8%	47,064,586
Net (Deficit) / Surplus (Before Contingency)	73,762		(157,757)		156,384	(314,141)	n/a	(118,283)	54,051	(172,334)	n/a	54,051
Contingency	-		-		(41,667)	41,667		-	(500,004)	500,004		(500,000)
Operational Net (Deficit) / Surplus	73,762		(157,757)		114,717	(272,474)		(118,283)	(445,953)	327,670		(445,949)

**Albertina Kerr Centers
Balance Sheet
For The Month Ending
June 30, 2020**

	<u>Balance June 30, 2020</u>	<u>Balance May 31, 2020</u>	<u>Net Change</u>	<u>% Change</u>
Assets:				
Cash and Cash Equivalents	\$1,357,049	\$1,544,694	(187,645)	-12.1%
Contract/Program Receivables	2,774,874	2,523,165	251,709	10.0%
Less: Allowance for Doubtful Accounts	(41,977)	(39,930)	(2,048)	5.1%
Contributions Receivable	9,686	(2,928)	12,614	-430.8%
Other Receivables	45,231	32,910	12,321	37.4%
Prepaid Expenses, Deposits & Other Current Assets	396,641	445,589	(48,948)	-11.0%
Other Long-Term Assets	(84,865)	41,358	(126,223)	-305.2%
Fixed Assets, Net	16,060,836	16,300,547	(239,711)	-1.5%
Due From / (To) Other Funds	(2,955,231)	(3,624,738)	669,507	-18.5%
Total Assets	17,562,245	17,220,669	341,576	2.0%
Liabilities:				
Accounts Payable and Accrued Expenses	735,075	845,124	(110,049)	-13.0%
Accrued Payroll Liabilities	1,357,094	1,346,337	10,757	0.8%
PAL Liability	789,661	775,974	13,688	1.8%
Deferred Revenue	218,022	221,983	(3,961)	-1.8%
Unemployment Reserve	222,742	282,742	(60,000)	-21.2%
Long-term debt	4,329,760	4,366,356	(36,596)	-0.8%
Total Liabilities	7,652,355	7,838,517	(186,163)	-2.4%
Unrestricted Net Assets:				
Available for General Operations	1,218,910	1,031,340	187,570	18.2%
Investment in Land, Buildings and Equipment	8,690,980	8,350,811	340,169	4.1%
Total Net Assets	9,909,891	9,382,152	527,739	5.6%
Total Liabilities and Net Assets	17,562,245	17,220,669	341,576	2.0%

FY19-20 EXTRAORDINARY ITEMS

COVID-19

Lost Revenue - Estimate

Community Inclusion	-\$133,440
Subacute	-\$179,466
Outpatient	-\$16,130
Employment Services	-\$330,934
PALS	-\$298,282
TOKNA	-\$248,669
Donations	-\$100,000
Bikes	-\$89,276
	-\$1,396,197

Incremental Revenue

DDS Group Home 10% AMJ	\$848,631
ODDS COVID CI	\$23,731
Care OR COVID - Subacute/OPMH	\$105,000
Care OR RC Pull Forward	\$39,000
ODDS COVID - PALS/Employment	\$195,337
	\$1,211,699

Incremental Cost

Special COVID PAL	-\$66,910
PPE Supplies	-\$98,750
	-\$165,660

Cost Containment

401K Match	\$36,788
Admin 10% Cut	\$54,760
	\$91,547

COVID Net Impact

-\$258,610

PALS Site Closure - Asset Write-Off

-\$311,738

2017 CDHS EPIC Write-Off

-\$39,901

SWAP Rate to Market

-\$125,240

Total Extraordinary Items

-\$735,489

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 October		August 11, 2020	8
6	Review and recommend modification(s) of the Committee Charter	August 11, 2020		August 11, 2020	13
7	Meet with financial auditor and recommend Board acceptance of 2018-2019 financial audit results			November 3, 2020	6
8	Evaluate financial auditor performance and decide to continue with vendor or send RFPs			November 3, 2020	6
9	Review of 5 year capital and reserve plan			January 12, 2021	1
10	Monitor financial reserves			January 12, 2021	1
11	Review current investment policy and portfolio benchmark performance			January 12, 2021	3
12	Review Risk Management Assessment			March 9, 2021	11
13	Review federal 990 tax filings for AKC, Inc. and AKCF, Inc. prior to submission			March 9, 2021	7
14	Review Corporate Compliance Plan			June 8, 2021	8
15	Recommend board approval of 2020-2021 Operating, Capital, Cashflow and Foundation Budgets			June 8, 2021	2
16	Evaluate Committee performance against 2019-2020 goals and establish goals for 2020-2021			June 8, 2021	12, 14
17	Review Audit Plan with Auditor			June 8, 2021	3

Meeting Schedule for 2020-2021

August 11, 2020

October 6, 2020

November 3, 2020

January 12, 2021

March 9, 2021

May 11, 2021

June 8, 2021