

# **POLICIES AND PROCEDURES SEQUOIA HEALTHCARE DISTRICT**

**April 19, 2005 Policies Adopted**

**October 5, 2005** Amended to include Policy 24

**August 9, 2006** Amended Policies 2.6, 6.1, 6.2, 6.6, 6.7, 8.3, 9.2, 10.5, 10.8, 10.11,  
10.12, 10.14, 10.22, 10.25, 10.27, 15.3, 22.1, added Policies 22.2 and 22.3 and renamed

Policy 22 pursuant to Board Resolution 06-4.

**December 6, 2006** Amended Policies 11.6, 16.3, 17.8 and added Policies 16.4 through 16.10.

**January 14, 2009** Deleted Policy 14; renumbered policy references accordingly; amended Policies 1.1, 1.2, 2.3,  
5.4, 5.5, 6.1, 6.5, 10.23, 13.2, 15.4, 16.4, 17, 19.2, 19.3, 19.4.

**June 3, 2009** Amended Policy 22.1; **April 7, 2010** Amended Policy 15

**October 6, 2010** Added Policy 2.7; **April 6, 2011** Added Policy 23.4

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- POLICY NO. 22 AMORTIZATION OF CAPITAL ASSETS; INVESTMENTS**
- POLICY NO. 23 COMMUNITY GRANTS**

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These policies and procedures are adopted pursuant to Section 32104 of the California Health  
and Safety Code, which provides as follows:

“The board of directors shall provide for the time and place of holding its regular  
meetings and the manner of calling the same, and shall establish rules for its proceedings and  
may adopt such rules and regulations not inconsistent with law as may be necessary for the  
exercise of the powers conferred and the performance of the duties imposed upon the board.”  
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## **POLICY NO. 1 MISSION**

1.1 Sequoia Healthcare District's mission is to improve the quality of life for District residents by enhancing access to healthcare services and by supporting and encouraging programs and activities designed to achieve health, wellness, and disease prevention.

1.2 In accordance with the Strategic Plan ratified by the Board on October 15, 2008 February 19, 2003, Sequoia Healthcare District's strategic vision is to be: the catalyst that stimulates sustainable efforts to assure access to health and health care for District residents today and for years to come.

Be a leader within our community to facilitate the coordination of healthcare resources, private and public, for the purpose of meeting priority healthcare needs;

Focus a significant portion of District efforts and grant funds on chronic disease management and prevention;

Be more proactive in identifying the most pressing healthcare needs of the community while not replicating the efforts of others.

## **POLICY NO. 2 BASIS OF AUTHORITY; ROLE OF DIRECTORS**

2.1 The Board of Directors is the governing body of the District. Apart from his or her normal function as a part of this governing body, a Director has no individual authority. For example, as individuals, Directors do not have authority to commit the District to any policy, act, or expenditure, unless the Board of Directors takes specific action to grant such authority as to a given matter.

2.2 Directors do not represent any fractional segment of the community, but are, rather, a part of the body that represents and acts for the community as a whole.

2.3 The primary responsibility of the Board of Directors is the formulation and evaluation of policy. Directors are responsible for monitoring the District's progress in attaining its goals and objectives, while pursuing its mission. Routine matters concerning the operational aspects of the District are to be delegated to the Executive Director of the District.

2.4 Individual Directors shall not instruct District staff, District legal counsel, or District consultants, advisors, vendors, or contractors, but shall work through the District President or the Board as a whole. However, the chairperson of any Board committee shall be authorized to work with District staff and receive information and support from District staff with respect to matters within the committee's jurisdiction.

2.5 Directors have a fiduciary duty to act in good faith and for the benefit of the District. In exercising that fiduciary duty in the context of requesting information from staff or making public records requests, Directors are encouraged to identify their specific issue of concern rather than making broad requests that require significant amounts of staff time and hinder staff's ability to devote the time necessary to the business of running the District.

2.6 Any request by an individual Director for substantive information and/or research from District staff or advisors, the response to which will require the use of material District staff time or resources, shall be submitted in writing (which includes email) through the Board President, who shall decide whether or not it is in the District's best interests to expend District resources in such a fashion and, for approved requests, shall advise staff regarding the appropriate level of resources to be devoted to the matter. If an individual Director's request is denied by the Board President, the request shall, if the individual Director wishes, be placed on the agenda of the next meeting of the Board (for which an agenda has not yet been posted). If a majority of the Directors (as defined in policy 21.2) approve the request for information and/or research, the Executive Director shall respond to the individual Director's request for substantive information and/or research.

2.7 Directors make a significant commitment to their Board service, normally 10-20 hours per month. Directors are expected to become and stay current on District affairs and projects. Directors are encouraged to serve on District committees, represent the District at community events, visit the facilities of grant recipients, attend intergovernmental meetings at which health care issues are discussed and decided, become familiar with District financial reports, and carefully review all materials in advance of Board meetings. Official representation of the District at community events and visits to facilities should be coordinated through the Chief Executive Officer to ensure compliance with the Brown Act.

### **POLICY NO. 3 TERM OF OFFICE**

3.1 The term of office of an elected Director begins at noon on the first Friday in December pursuant to California Elections Code Section 10554. The oath of office of an elected Director is taken and filed at the time the Director, as a candidate, files his or her declaration of candidacy.

3.2 The term of office of an appointed Director begins effective upon appointment and upon taking the oath of office. The Director shall be sworn in by an official authorized to administer the oath of office.

3.3 Officials authorized by law to administer the oath of office include every county officer and the officer's deputies (Government Code §24057), every executive and judicial officer and every member of the legislature (Government Code §1225), and the elections official (Elections Code §10265). Executive officers include persons who fill offices created by or under the authority of the Local Healthcare District Law. (Government Code §1001).

## **POLICY NO. 4 OFFICERS OF THE DISTRICT**

- 4.1 The District officers shall be President, Vice President, and Secretary/Treasurer.
- 4.2 The President shall conduct the meetings of the Board and lead the Board and the District in fulfilling the District's mission. The President shall appoint Board committees, both standing and ad hoc, and shall appoint individual Board members to specific tasks.
- 4.3 The Vice President shall conduct the meetings of the Board in the absence of the President and shall assist the President in leading the Board and the District.
- 4.4 The Secretary/Treasurer shall execute those documents required by law of the secretary or treasurer with respect to the minutes and other records of the District. The Secretary/Treasurer shall be the Board's liaison with the District's auditors and financial consultants and shall be available to staff as necessary with respect to such matters.
- 4.5 The term of office for each District officer shall be two years; provided, however, that if an officer leaves office mid-term for any reason, his or her replacement shall serve the balance of the original two-year term.

**POLICY NO. 5 COMMITTEES OF THE BOARD; PUBLIC INFORMATION LIAISON; AUDITORS**

5.1 There shall be no standing committees of the Board.

5.2 The President of the Board shall appoint such ad hoc committees as may be deemed necessary or advisable by the President or by the Board. The duties of an ad hoc committee shall be outlined at the time of appointment, and the committee shall be deemed dissolved when its final report has been made.

5.3 The President of the Board shall appoint a Director to be Public Information Liaison to serve at the pleasure of the President and to work with the Executive Director and outside advisors to promote effective communications with the local community consistent with the mission of the District, as set by the Board.

5.4 For purposes of maintaining appropriate checks and balances and cost control, a request for proposals (RFP) for audit services to the District shall be issued every three years. The Board may review this policy and extend the audit firm's engagement for an additional two years.

5.5 The due date for completion of the District's annual audit shall be the December 31st of the fiscal year that is the subject of the audit.

## **POLICY NO. 6 BOARD MEETINGS: LOCATION, TIME, DATE, AND QUORUM**

6.1 Meetings of the Board of Directors shall be held at the District's office located at 525 Veterans Boulevard, Redwood City, CA 94063 except as otherwise set forth in the Ralph M. Brown Act, California Government Code Section 54954(b) or (e) and Section 54953(b)(3) or successor provision. If any Director is attending a meeting by teleconference, the teleconference location shall be accessible to the public, which shall be provided an opportunity to address the Board directly. If a meeting includes any Director's attendance by teleconference, at least a majority of the Directors (as defined in policy 21.3) shall participate in the meeting from locations within the boundaries of the District although it is not required that the majority all be at the same location within the District.

6.2 Section 32106 of the California Health and Safety Code provides that "A majority of the members of the board shall constitute a quorum for the transaction of business." The definition in policy 21.3 shall apply to this provision.

6.3 Regular meetings of the Board shall be scheduled for 4:30 p.m. and shall begin at that time or as soon thereafter as a quorum is present.

6.4 The regular meetings of the Board shall be held on the first Wednesday of even-numbered months, i.e., February, April, June, August, October, and December.

6.5 The annual organizational meeting of the Board shall be the Board's regular meeting in February or an earlier meeting, if called. At that meeting officers shall be elected, any committee appointments shall be made, and the District Executive Director shall report on the state of the District report. The fiscal year budget (July 1 – June 30) will be presented no later than the June meeting.

6.6 Emergency meetings of the Board may be called by the Board President or by a majority of the Directors (as defined in policy 21.3) at a time and for the purpose(s) specified in the call of an emergency situation involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities.

6.7 Emergency meetings of the Board may be called by the Board President or by a majority of the Board at a time and for the purpose(s) specified in the call in the case of an *emergency situation* involving matters upon which prompt action is necessary due to the disruption or threatened disruption of public facilities. An *emergency situation* is "a work stoppage, crippling activity, or other activity that severely impairs public health, safety, or both, as determined by a majority of the members of the legislative body" or "a crippling disaster, mass destruction, terrorist act, or threatened terrorist activity that poses peril so immediate and significant that requiring a legislative body to provide one-hour notice before holding an emergency meeting...may endanger the public health, safety, or both, as determined by a majority of the members of the legislative body." The provisions of the Ralph M. Brown Act applicable to emergency meetings shall be followed.

6.8 Regular and special meetings (including adjourned regular and adjourned special meetings) may be adjourned to a future date and time. If, after a meeting has been convened, the number of Directors present drops below the number required for a quorum, no further action

may be taken except that less than a quorum of the Board may adjourn the meeting to a future date and time. If no Directors are present, the clerk of the Board may adjourn the meeting to a future date and time and shall give notice of the adjournment in the same manner as for special meetings. The subsequent meeting is known as an “adjourned regular meeting” or “adjourned special meeting.” A notice of the adjournment, including the future date and time of the adjourned meeting, shall be conspicuously posted on or near the door of the place where the meeting was held within 24 hours after the time of the adjournment. If the date of the adjourned meeting is within five (5) days of the original meeting, no new agenda need be posted (so long as the adjourned meeting is limited to the original agenda). If the date of the adjourned meeting is more than five (5) days from the original meeting, a new agenda must be prepared and posted.

6.9 District staff shall insure that appropriate information, including Board packets, is available for the audience at meetings of the Board of Directors and that physical facilities for meetings are functional and appropriate. Board packets shall be posted on the District’s web site at same time as the packets are sent to the Directors.

## **POLICY NO. 7 ATTENDANCE AT MEETINGS**

7.1 Directors shall attend all regular and special meetings of the Board unless there is good cause for absence. Good cause for absence includes, but is not necessarily limited to, illness, accident, vacation, business or family commitments or other unavoidable personal matters. It is recognized that the timing of business and family commitments, since they involve additional people and outside factors, cannot always be controlled. However, to the extent reasonable, Directors are expected to make good faith efforts to schedule vacation, business, and personal commitments at times that will not conflict with the schedule of regular Board meetings.

7.2 Section 32100.2 of the California Health and Safety Code provides as follows:

“Notwithstanding any other provision of law, the term of any member of the board of directors shall expire if he or she is absent from three consecutive regular meetings, or from three of any five consecutive meetings of the board and the board by resolution declares that a vacancy exists on the board.”

7.3 As set forth in the Brown Act in Government Code Section 54953, Directors may attend a meeting by teleconference.

## **POLICY NO. 8 AGENDA**

8.1 The District Executive Director, in consultation with the President of the Board of Directors, shall determine the items to be placed on the agenda and shall prepare the agenda for each meeting of the Board of Directors. The ultimate authority for determining the agenda shall rest with the President of the Board.

8.2 Any Director or member of the public may request that a matter directly related to District business be placed on the agenda of a meeting of the Board of Directors. The request must be in writing and submitted to the Executive Director, together with supporting documents and information, if any, at least two weeks prior to the date of the meeting. It shall be up to the discretion of the Executive Director and the President of the Board, as set forth in Policy No. 8.1, whether to place the requested item on the agenda.

8.3 Notwithstanding Policy No. 8.1 and Policy No. 8.2, any Director may place one item on the agenda of each scheduled meeting so long as the item is within the subject matter jurisdiction of the District and so long as the item complies with Policy No. 10. Any Director may request at a regular meeting of the Board that an item be placed on the agenda of a subsequent meeting. Such request shall be honored if the request is seconded and a majority of the Directors (as defined in policy 21.2).

8.4 The agenda for each Board meeting shall be posted as required by the Brown Act, which requires, among other things, that the agenda be posted “in a location that is freely accessible to members of the public.” (California Government Code Sections 54954.2(a) and 54956) For Sequoia Healthcare District that shall mean that the agenda shall be posted in the following location(s): outside the door to the office of the District Executive Director, in the main lobby of Sequoia Hospital where notices are posted, in the professional staff office in Sequoia Hospital, and on the District’s website.

8.5 For any meeting in which teleconferencing is to be used, the Brown Act also requires the District to “post agendas at all teleconference locations.” (California Government Code Section 54953(b)(3)) If the teleconference location is a private home, the agenda shall be posted on the front door, if that is freely accessible to the public, and otherwise at the point where the private driveway to the home meets the nearest public street. If the teleconference location is in a hospital, hotel, or other commercial establishment, the agenda shall be posted where notices of meetings or other events are commonly posted, if there is such a place, and otherwise in a location on the premises where the public commonly gathers or passes and where the notice can be read. If the teleconference location is elsewhere, the agenda shall be posted in the location most accessible to the public. The notice and agenda of the meeting shall identify each teleconference location and the agenda shall be posted at all teleconference locations for the required length of time (at least 72 hours before a regular meeting, at least 24 hours before a special meeting, and as otherwise required for an emergency meeting).

## **POLICY NO. 9 TOPICS FOR DISCUSSION AT BOARD MEETINGS**

9.1 For *regular* meetings, “No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcements, or make a brief report on his or her own activities.” California Government Code Section 54954.2(a).

9.2 However, the Board may take action on items of business not appearing on the posted agenda if (1) a majority of the Directors (meaning a majority of the directors present [in person or otherwise] and voting aye or no, except as may otherwise be required by law) determines that an emergency exists as defined in the Brown Act, (2) if at least two-thirds of the Directors present at the meeting (or, if fewer than two-thirds of the Board is present, all if the Directors present) determine that there is a need to take immediate action and that need came to the attention of the District after the agenda was posted, or (3) the item was posted for a prior meeting of the Board occurring no more than five calendar days earlier and the item was continued to the present meeting. California Government Code Section 54954.2(b).

9.3 For *special* meetings, “No other business [other than the business listed in the call and notice of the special meeting] shall be considered...by the legislative body.” California Government Code Section 54956.

9.4 “Every agenda for *regular* meetings shall provide an opportunity for members of the public to directly address the legislative body on any item of interest to the public, before or during the legislative body’s consideration of the item, that is within the subject matter jurisdiction of the legislative body, provided that no action shall be taken on any item not appearing on the agenda [except that the Board may adopt reasonable regulations such as limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker].” (Italics added.) California Government Code Section 54954.3.

9.5 “Every notice for a *special* meeting shall provide an opportunity for members of the public to directly address the legislative body concerning any item that has been described in the notice for the meeting before or during consideration of that item.” (Italics added.) California Government Code Section 54954.3.

9.6 Proposed resolutions, regulations, and policies shall be brought before the Board for discussion and action.

9.7 Proposed contracts shall be brought before the Board as set forth in Policy No. 17.

9.8 The Board may give directions (about matters that are on the agenda) that are not formal action, including directives and instructions to staff. The President of the Board shall determine by consensus a Board directive and shall state it for clarification. Should any two Directors challenge the statement of the President, a voice vote shall be taken (unless a roll call vote is required per Policy No. 10.14).

9.9 Actions within the scope of the authority of the Executive Director are not required to be brought before the Board.

## **POLICY NO. 10 CONDUCT OF MEETINGS**

10.1 The Board prefers a flexible form of meeting under the procedures set forth in this policy and not under the formalized rules of *Robert's Rules of Order*. However, if procedural questions arise that are not covered by these Policies and Procedures, the provisions of *The Standard Code of Parliamentary Procedure* Fourth Edition New and Revised by Alice Sturgis shall govern.

10.2 The President of the Board of Directors shall preside at all Board meetings at which he or she is present. The President shall have the same rights as the other Board members in voting, introducing or seconding motions and resolutions, and participating in discussions.

10.3 In the absence of the President, the Vice President of the Board of Directors shall perform the President's duties and have the President's rights. If both the President and Vice President are absent, the Secretary/Treasurer shall perform the President's duties and have the President's rights.

10.4 The President shall call the meeting to order at the time set on the agenda or as soon thereafter as a quorum is present. The meeting may continue so long as a quorum is present.

10.5 The first item on the agenda of a regular meeting shall normally be the minutes. The President shall ask if there are any corrections to the minutes. If no corrections are offered, the President shall state that the minutes are approved as submitted and there shall be no need for a motion or vote on the minutes. If any correction is offered, the suggested correction shall be discussed and the voted upon by the Board. Corrections approved by a majority of the Directors (as defined in policy 21.2) shall be made to the minutes. Following discussion and voting on any correction, the President shall ask if there are any further corrections and, if none, shall state that the minutes are approved as corrected.

10.6 Ordinarily, items on the agenda will be considered in the order set forth in the agenda. However, the President may alter the order of items on the agenda, as the President deems necessary for the good of the meeting.

10.7 When necessary in order to complete consideration of the entire agenda in a timely fashion and to allow all interested persons an opportunity to speak, the President may limit the total time to be devoted to an item on the agenda and may limit the time allowed for each person to speak on such item.

10.8 If a Director believes procedures are not being followed or are not adequate, he or she may raise a point of order, not requiring a second. The President shall rule on the point of order. If the ruling is not satisfactory to the Director who raised the point of order, the President shall put the question to the Board and the ruling shall be approved or disapproved by a majority of the Directors (as defined in policy 21.2).

10.9 Any Director desiring to speak shall address the President and, upon recognition by the President, may address the subject under discussion.

10.10 Any Director, including the President, may make or second a motion. If a motion is made by one Director and seconded by another Director, the President shall restate the motion if

necessary for clarity and then call for discussion. After full discussion, including any public comment on the motion, the President shall call for the vote.

10.11 If the public in attendance has had an opportunity to comment on a motion, any Director may move to bring the question to a vote immediately. This motion to call the question is not debatable. If the motion to call the question is seconded by another Director and approved by a majority of the Directors (as defined in Policy 21.2), then the main motion is voted upon without further discussion. If the motion to call the question is not seconded or does not pass, discussion on the main motion may resume.

10.12 After a motion has been made and seconded, a secondary motion concerning the main motion may be made and considered as follows:

Motion to Amend. A main motion may be amended before it is voted on, either by the consent of the Directors who moved and seconded or by a new motion and second.

Motion to Postpone. A main motion may be postponed to a certain time, by a motion to postpone, which is then seconded and approved by a majority of the Directors (as defined in policy 21.2).

Motion to Table. A main motion may be indefinitely tabled before it is voted upon, by motion made to table, which is then seconded and approved by a majority of the Directors (as defined in policy 21.2).

Motion to Refer to Committee. A main motion may be referred to a Board committee for further study and recommendation, by a motion to refer to committee, which is then seconded and approved by a vote of the Directors (as defined in policy 21.2).

10.13 Any Director may make a motion to suspend the rules. This motion is debatable and requires a two-thirds vote to pass. The effect of the motion is to allow the Board to suspend a particular rule in the Policies and Procedures for a particular purpose. The motion shall specify which rule is to be suspended and for what purpose.

10.14 Any Director who voted in favor of a motion that passed may make a motion to reconsider. Any other Director may second the motion to reconsider (regardless of how or whether the seconding Director voted on the original motion). However, a motion to reconsider may be made only at the same meeting at which the original motion was voted upon or at the very next meeting of the Board. A motion to reconsider requires approval by a majority of the Directors (as defined in policy 21.2). If the motion to reconsider passes, the effect is that the original motion is back on the floor and must be considered again by the Board.

10.15 No action may be taken by secret ballot. (Government Code Section 54953(c))

10.16 All votes taken during a teleconferenced meeting shall be by roll call. (Government Code Section 54953(b)(2))

10.17 Votes taken on resolutions shall be by roll call.

10.18 Directors shall at all times during Board meetings conduct themselves with courtesy and respect to each other, to staff, and to members of the public. Any complaints against any District employee, other Board member, or consultant or advisor to the District shall first be discussed with the Executive Director or the President of Board and a good faith effort made to resolve the problem at that level before bringing the matter to a meeting of the Board.

10.19 Directors are free to question and discuss items on the agenda. Comments on an agenda item should be confined to that item and should be concise and avoid repetition.

10.20 Individual Directors have the right to disagree with ideas and opinions. However, once the Board takes action, Directors shall support the action and not create impediments to the implementation of the action.

10.21 Directors shall observe all applicable conflict of interest rules (see Policy No. 12). In the event that the District is contemplating entering into a contract to which Government Code Section 1090 may apply, no such action shall be taken until it has been determined that the proposed action does not violate Section 1090.

10.22 A majority vote is a vote of more than 50%. Thus, for example, a 3-2 vote produces a majority, but a 2-2 vote does not. If only a quorum (three Directors) is in attendance, an item can be approved by a vote of 2 – 1 or 2 – 0 unless there is a statutory requirement for a 2/3 or 4/5 vote of the entire Board, as, for example, under California Government Code Sections 53790 and 53792 (which require a 4/5 vote of all Directors to expend public funds in excess of budget limitations to “meet a national or local emergency created by war, military, naval, or air attack, or sabotage, or to provide for adequate national or local defense”) or under California Government Code Section 54954.2(b)(2) (which is described in policy 9.2). An abstention does not count as a vote for or against.

10.23 The President shall take appropriate actions to preserve order and decorum during Board meetings. The President may direct security to remove any person or persons who persist in making repeated personal or slanderous remarks or otherwise disrupting the meeting after being asked by the President to cease such behavior. In the event security is not available, the President may call the police for assistance.

10.24 “In the event that any meeting is willfully interrupted by a group or groups of persons so as to render the orderly conduct of such meeting unfeasible and order cannot be restored by the removal of individuals who are willfully interrupting the meeting, [the presiding officer]...may order the room cleared and continue in session. Only matters appearing on the agenda may be considered in such a session. Representatives of the press or other news media, except those participating in the disturbance, shall be allowed to attend any session held pursuant to this section. Nothing in this section shall prohibit the legislative body from establishing a procedure for readmitting an individual or individuals not responsible for willfully disturbing the orderly conduct of the meeting.” California Government Code Section 54957.9.

10.25 If approved by a majority vote of the Directors (as defined in policy 21.2), the Board may terminate any meeting at any place in the agenda to any time and place specified in the order of adjournment when, in the opinion of the majority, adjournment is advisable. Examples of situations where adjournment might be appropriate include prolonged power failure, natural

disaster, unexpected absence or sudden illness of persons necessary to consideration of an agenda item, extreme lateness of the hour, or other significant, unanticipated impediments to the continuation of the meeting.

10.26 The President may declare a short recess during any meeting.

10.27 Upon motion made, seconded, and approved by majority vote of the Board, the President shall adjourn the meeting.

## **POLICY NO. 11 MINUTES**

11.1 The clerk of the Board of Directors shall prepare and keep minutes of all regular and special meetings of the Board.

11.2 The Secretary-Treasurer of the Board of Directors shall sign the minutes after their approval by the Board.

11.3 Copies of the draft minutes of the previous regular meeting and any meeting(s) held since the previous regular meeting of the Board shall be distributed to Directors as part of the information packet for the next regular meeting of the Board, at which time the Board shall consider approving the minutes as presented or with modifications. Once approved by the Board, the minutes shall be kept in the District's official files.

11.4 An audio tape recording of regular and special meetings of the Board of Directors shall be made for the purpose of preparing the written minutes. The tape recording shall be kept for one year after the date of the recorded meeting, after which time the tape recording shall be erased.

11.5 Motions and resolutions shall be recorded in the minutes as having passed or failed. Individual votes for and against and abstentions shall be recorded unless the action was unanimous. All resolutions adopted by the Board shall be numbered consecutively, starting new at the beginning of each calendar year.

11.6 Minutes shall be kept in action format. The following information shall be included in each meeting's minutes:

- Date, place and type (regular or special) of meeting.
- Directors present and absent by name.
- Call to order (including time).
- Names and addresses (if given) of public commentators, and topic commented on.
- Vote to approve minutes.
- Time and name of late arriving Directors.
- Time and name of early departing Directors.
- Names of Directors absent during any agenda item upon which action was taken.
- Board directives to staff.
- Information described in Policy No. 11.5.
- Statement of motions made.
- Names of Directors making and seconding motions.
- Time of adjournment.

11.7 Unapproved minutes are "preliminary drafts...that are not retained by the public agency in the ordinary course of business." (Government Code Section 6254) Releasing copies of unapproved draft minutes could create confusion and misunderstanding because the Directors have not had an opportunity to review and, if necessary, correct the draft. Therefore, minutes shall not be released until they have been approved by the Board; provided, however, that draft

minutes, clearly identified as a draft on each page, shall be put on the District's website as part of the Director's packets as set forth in Policy No. 6.9.

11.8 Information or documents supplied by the public at a meeting of the Board or that were not part of the materials supplied by staff in connection with an agenda item shall not be made part of the minutes. However, information or documents offered at a meeting of the Board by a member of the public or by a Director may be added to the District's file with respect to such meeting.

## **POLICY NO. 12 CONFLICT OF INTEREST**

12.1 There are three basic sources of rules about conflicts of interest: The Political Reform Act (California Government Code Sections 87100 et seq.) and California Government Code Section 1090, both of which address financial conflicts of interest, and the common law prohibition against conflicts of interest which focuses on the impartiality of the decision-maker on any basis.

12.2 California Government Code Section 87100 provides that “No public official at any level of state or local government shall make, participate in making or in any way attempt to use his official position to influence a governmental decision in which he knows or has reason to know he has a financial interest.”

12.3 California Government Code Section 1090 provides that “Members of the Legislature, state, county, district, judicial district, and city officers or employees shall not be financially interested in any contract made by them in their official capacity, or by any body or board of which they are members.”

12.4 The common law conflict of interest rule has been stated in various ways by the courts, including, “A public officer is impliedly bound to exercise the powers conferred on him with disinterested skill, zeal, and diligence and primarily for the benefit of the public.” *Noble v. City of Palo Alto* (1928) 89 Cal.App. 47, 51. Also, “Public officers are obligated...[by virtue of their office], to discharge their responsibilities with integrity and fidelity.” *Terry v. Bender* (1956) 143 Cal.App.2d 198.

12.5 Cal. Const., Art. XII, § 7 provides that “A transportation company may not grant free passes or discounts to anyone holding an office in this state; and the acceptance of a pass or discount by a public officer, other than a Public Utilities Commissioner, shall work a forfeiture of that office.” The California Attorney General has interpreted this prohibition to apply to elected and nonelected public officers but not to employees, to apply to domestic, foreign, and interstate carriers and to transportation received both inside and outside of California, and to apply whether the pass or discount was provided in connection with personal or public business. However, the Attorney General has ruled that with respect to airline upgrades, discounts, etc. granted to a person as a member of a larger group unrelated to his official status or the function of his or her office, the constitutional prohibition does not apply.

12.6 The Political Reform Act requires each Director to file a Form 700 Statement of Economic Interests upon assuming office, annually while in office, and upon leaving office. The Form 700 shall be completed and filed in compliance with the District’s Conflict of Interest Code and applicable state law. In signing the Form 700, a Director is certifying under penalty of perjury that the information is true and correct. It is the responsibility of each Director to review each schedule and its instructions carefully and to complete the Form 700 accurately and comprehensively. Any Director needing assistance may consult the Fair Political Practices Commission (“FPPC”) Technical Advice Office. According to the FPPC, it is inappropriate for District staff members to answer substantive questions regarding completion of the Form 700.

## **POLICY NO. 13 APPOINTMENTS TO THE DISTRICT BOARD**

13.1 When the Board is notified of a vacancy or upcoming vacancy on the District Board, the Board shall determine at a regular or special meeting whether to fill the vacancy by election or appointment. Policy Nos. 13.2 through 13.7 shall apply if the Board decides to fill the vacancy by appointment.

13.2 The person appointed shall be a registered voter residing in the District (required by law) and be experienced in healthcare and/or in local community matters and be committed to and have an understanding of the mission, vision, values, and corporate purpose of the District.

13.3 The District shall advertise and fill the vacancy according to the procedures set forth in applicable law (currently Health and Safety Code Section 32100 and Government Code Section 1780).

13.4 Notice of the vacancy shall be posted in at least three conspicuous places in the District, including in the District's offices and in one or more places in Sequoia Hospital. The notice of vacancy shall also be posted on the District's website and published in one or more daily newspapers circulated in the District.

13.5 The Board shall appoint an ad hoc committee of two Board members to interview all applicants and bring a recommendation to the full Board for consideration. Board members (including members of the ad hoc committee) and the Executive Director of the District may submit to the ad hoc committee names of persons to be considered for the vacancy, and the ad hoc committee shall contact any such persons and invite them to apply.

13.6 Persons interested in the position shall submit a resume, a statement explaining their interest in the position, and an acknowledgement that they will be subject to the District's conflict of interest policy and will be required to file Statements of Economic Interests.

13.7 The Board shall appoint a replacement within 60 days after the later of the date on which the Board is notified of the vacancy or the date on which the vacancy becomes effective. If necessary, the Board shall call a special meeting to make the appointment within the 60-day deadline.

## **POLICY NO. 14 CONDUCT RELATED TO ELECTIONS**

14.1 By law, the District may not use public funds or resources to advocate for or against any ballot measure or candidate. Using public funds or resources in such a manner would be inherently unjust to the rights of taxpayers with differing views and further would create the possibility of incumbents taking advantage of their position to stay in office.

14.2 It is permissible, however, to use public funds for the dissemination of impartial educational information, to make a fair presentation of the facts to aid voters in making an informed judgment.

14.3 It is also permissible for the Board to go on record at a public meeting in favor of or opposed to a particular ballot measure. Any such action shall first be approved by a majority vote of the Directors (as defined in policy 21.2).

14.4 During public meetings of the Board, individual Directors shall not make partisan statements in favor of or against any candidate for office or any ballot measure.

14.5 Directors shall not use any District resources, for example, photocopiers or paper supplies, or make any requests of staff to produce or disseminate any partisan campaign material to be used in support of or in opposition to any candidate for public office or any ballot measure.

14.6 During public meetings of the Board, individual Directors have a fiduciary duty to concentrate their attention on the meeting. They shall not hand out partisan campaign material supporting or opposing any candidate for public office or any ballot measure while the public Board meeting is in progress.

## **POLICY NO. 15 REMUNERATION AND REIMBURSEMENT**

15.1 Directors shall receive no fee for attending meetings of the District Board of Directors.

15.2 The District shall pay the premiums for health care and dental insurance for the Directors and their spouses and dependents (or reimburse Directors for their payment of such premiums) up to \$1,200 per month, while Directors are on the District Board. Such payments shall cease effective at the end of the month the Director leaves the Board.

15.3 The District shall reimburse Directors for actual necessary traveling and incidental expenses incurred in the performance of official duties as Directors, subject to the requirements of these Policies and Procedures and the law.

15.4 The following types of occurrences qualify for reimbursement if attended in the performance of official duties as Directors of the board and if prior approval is obtained as set forth in Policy 16.2:

- a. Training workshops, seminars, and conferences.
- b. Educational workshops, seminars, and conferences.
- c. Meetings of or sponsored by ACHD (the Association of California Health Care Districts), by CSDA (the California Special Districts Association), and by other state or national organizations relevant to the purposes of the District.
- d. Meetings of local governmental entities and bodies and committees thereof.
- e. Meetings of local nonprofit organizations.
- f. Meetings of community or civic groups or organizations.
- g. Meetings of advisory groups and committees organized or conducted by District staff.
- h. Meetings with District consultants, advisors, and other professionals.
- i. Any other activity approved by the Board in advance of attendance, whether the request for attendance was initiated by the Board or by a Director.

15.5 Subject to Policies 15.7 and 15.8, reimbursement for travel, meals, lodging, and other expenses shall be made in accordance with Section 7.05 of the District's Employee Handbook, except as otherwise provided in Policy 16. **(An excerpt of Section 7.05 is attached at the end of these policies.)** The provisions of Policy 16.6 shall not be deemed to create any exception to this Policy 15.5.

15.6 Subject to Policy 15.5, if there is no Internal Revenue Service rate established for an expense and if such expense is not reimbursable under Policy 15.5, such expense shall not be reimbursed unless the District board approved such expense in a public meeting before the expense was incurred.

15.7 No expense shall be reimbursed except pursuant to an expense report meeting the requirements of this Policy and submitted by the Director to (and received by) District staff, within four weeks after the final date of the occurrence in connection with which the expense was incurred. The expense report shall document that the expenses meet the requirements of Policies 15 and 16 and shall include receipts for all expenses for which reimbursement is being requested.

15.8 No reimbursement shall be paid unless, at the next regular meeting of the board following the occurrence for which the expense report was submitted, the Director submitting the expense report makes a brief report on the occurrence attended. If the Director is not in attendance at such next regular board meeting, a written report submitted by the Director and read aloud by staff or another Director shall suffice as the required brief report.

Policy 15 revised 4-7-10; 2-2-11

## **POLICY NO. 16 MEMBERSHIP IN ASSOCIATIONS; TRAINING & EDUCATIONAL CONFERENCES**

16.1 The Board of Directors shall hold membership in such national, state, and local associations as are applicable to the functions of the District and deemed appropriate by the Board and shall approve, either as part of the budget or otherwise, the payment of any membership fees or dues for these organizations.

16.2 Directors are encouraged to attend educational or professional conferences, seminars, workshops, sessions, and meetings (“Professional Events”), including those of the organizations described in Policy No. 16.1, if such attendance will further the purposes of the District. If any Director wishes the District to pay, or to reimburse the Director, for the costs of attending a Professional Event (tuition, travel, lodging, and meals), the Director shall obtain the approval of the President of the Board of Directors before incurring the costs. The President shall approve the request if the President believes that attendance is appropriate based on the criteria set forth in this Policy No. 16.

16.3 Junkets (defined as a tour or journey for pleasure at public expense) will not be permitted.

16.4 Staff shall assist Directors, as they request, in making arrangements to attend a Professional Event approved by the President of the Board. All reimbursement requests and all bills for such Professional Events shall be submitted to staff, together with validated receipts.

16.5 Directors shall use all reasonable efforts to minimize the costs of tuition, transportation, meals, and lodging related to attending a Professional Event approved by the President of the Board by doing the following:

- a. Making reservations sufficiently in advance, when possible, to obtain discounted tuition, airfares, and hotel rates.
- b. Utilizing accommodations recommended by the event sponsor in order to obtain discounted rates or accommodations in the mid-range of quality and cost.
- c. Traveling with other Directors, where feasible and economically beneficial.
- d. Using shuttles, rather than taxis, where available and safe.

16.6 A Director shall not attend a conference or training event for which there is an expense to the District, if the event occurs after the Director has announced his or her pending resignation or after an election in which it was determined that the Director will not retain his or her seat on the Board.

16.7 Upon returning from a Professional Event for which there was an expense to the District, a Director shall make a report during the next regular meeting of the Board, in compliance with policy 15.10, explaining the purposes and nature of the Professional Event and how the District benefited by the Director's attendance at the Professional Event.

**POLICY NO. 17 AUTHORITY AND RESPONSIBILITIES OF THE EXECUTIVE DIRECTOR**

The Executive Director will function as the Chief Executive Officer of the District and these terms are used interchangeably within this document.

17.1 Comments or inquiries concerning the District from residents, property owners, staff, consultants, and advisors of the District shall be referred to the Executive Director. Safety concerns or hazards relative to the District shall also be referred to the Executive Director.

17.2 Contracts that do not require public bidding shall be let upon the authorization set forth below.

Amount of Contract	In the approved budget
\$1 - \$24,999 \$25,000-up	Executive Director may authorize
	Executive Director may authorize with President’s approval

Amount of Contract	Not in the approved budget
\$1 - \$5,000 Over \$5,000	Executive Director may authorize
	Requires approval of the Board

17.3 Contracts that require public bidding shall be taken to the full Board for discussion and action.

## **POLICY NO. 18 BIDDING**

18.1 The District shall comply with the requirements of California Health and Safety Code Section 32132, which sets forth the bidding requirements applicable to Sequoia Healthcare District. The general rule is that “the board of directors shall let any contract involving an expenditure of more than twenty-five thousand dollars (\$25,000) for materials and supplies to be furnished, sold, or leased to the district, or any contract involving an expenditure of more than twenty-five thousand dollars (\$25,000) for work to be done, to the lowest responsible bidder” except that competitive bidding rules do not apply to “medical or surgical equipment or supplies, to professional services, or to electronic data processing and telecommunications goods and services” and do not apply to “change orders that do not materially change the scope of the work...and if each individual change order does not total more than 5 percent of the contract.”

18.2 As clarified in numerous decisions by various courts, the professional services to which the bidding rules do not apply include those of persons who are highly and technically skilled in their science or profession; persons with a peculiar skill or ability, such as attorney at law, architect, engineer, or artist; and persons whose work requires taste, skill, and technical learning and ability of a rare kind.

## **POLICY NO. 19 PUBLIC RECORDS REQUESTS**

19.1 Requests for public records shall be subject to the California Public Records Act (California Government Code Sections 6250 et seq.) and shall be handled according to the provisions of that act.

19.2 The District may charge a reasonable fee for copying records provided by the requesting party. The charge shall be \$0.15 per page for normal size pages and shall be adjusted for odd sized pages or copies that require special handling. The Executive Director or designee may waive the charge for incidental copies, not exceeding 10 pages, that require minimal handling. There shall be no charge for copies of documents provided as part of a public meeting.

19.3 If the request is expected to involve a significant amount of copies and effort, District staff may make an estimate of the cost. District staff may then ask the requesting party to confirm that the proposed charge and delivery time are acceptable and to signify acceptance in a reasonable manner (written approval, email, etc.). District staff may require a deposit of the estimated cost before making copies. Once the requesting party has agreed to the estimated cost and delivery date, District staff will have the copies made and will deliver the copies when full payment is received.

19.4 If a person requests to inspect certain documents, District staff will provide such an opportunity within a reasonable period of time after the request. The document inspection may, at District staff's discretion, be conducted under the supervision of a District employee. No documents may be removed, copied or tampered with in any way, without the District staff's permission. All copying requests will follow the procedures outlined in policies 19.1, 19.2 and 19.3.

## **POLICY NO. 20 REVIEW OF ADMINISTRATIVE DECISIONS**

20.1 Section 1094.6 of the California Code of Civil Procedure shall govern any appeal of an administrative decision of the Board of Directors pursuant to Section 1094.5 of the California Code of Civil Procedure.

## **POLICY NO. 21 DEFINITIONS OF, AMENDMENTS TO, AND SUSPENSION OF POLICIES & PROCEDURES**

21.1 By motion made, seconded, and approved by a majority of the Directors (as defined in policy 21.2), the Board may amend or temporarily suspend these policies and procedures in whole or in part.

21.2 The word “majority” policies 2.6, 8.3, 10.5, 10.8, 10.11, 10.12, 10.14, 10.25, 10.27, 14.2 and 21.1 shall mean a majority of the directors present at the meeting and voting aye or no. “Present at the meeting” shall include all directors present in person and all directors legally present by telephone or other allowed method.

21.3 For purposes of policies 6.1, 6.2, 6.6, and the first sentence in 6.7, the word “majority” shall be deemed to mean a “majority” of the Directors then in office, except as may otherwise be required by law.”

## **POLICY NO. 22 AMORTIZATION OF CAPITAL ASSETS; INVESTMENTS**

22.1 Capital assets of \$5,000 or more shall be depreciated on the straight-line basis over the asset's estimated useful life or the lease term as follows:

Major Land and Building Improvements	15-20 years
Equipment and Furniture	3 – 5 years
Leasehold Improvements	Life of Lease
Improvements to Common Areas	3 – 5 years

22.2 The District's investments shall conform to all applicable law and regulation. As allowed by the same, the following policies shall apply:

1. U.S. Treasuries
2. U.S. Agencies – Federal Home Loan Bank, Federal Home Loan Mortgage Corp., Federal National Mortgage Association, Student Loan Marketing Association, Government National Mortgage Association and Federal Farm Credit Bank
3. Bankers Acceptances – Up to 40% of District's surplus money can be invested in Bankers Acceptances
4. Certificates of Deposit – Up to 30% of District's surplus money can be invested in Certificates of Deposit
5. Asset-Backed Securities – Exposure not to exceed 20% of portfolio; issuers must be rated 'AA' or better by Moody's or S&P
6. Commercial Paper – Exposure not to exceed 15% of portfolio and issuers' Short-term rating must be at least A1/P1
7. Medium Term Notes (Corporate Bonds) – Exposure limited to 30% of portfolio; issuers must be rated 'A' or better by Moody's or S&P; companies must be within the United States
8. Municipals – California only

### General

- A. 20% maximum exposure per issuer (except U.S. Treasuries and Governments)
- B. 30% maximum per industry (except U.S. Treasuries, Governments and LAIF)
- C. Weighted average portfolio maturity of 5 years or less\*

D. 40% of portfolio can have a maturity (average life) of greater than 5 years\*

E. Benchmark – Lehman Government Intermediate Index\*

\* Adopted 8/7/00

## **POLICY NO. 23 COMMUNITY GRANTS AND EVENTS**

- 23.1 Under the law, Sequoia Healthcare District may provide assistance to health care programs, services, facilities, and activities at any location within or without the District for the benefit of the District and the people served by the District and to nonprofit provider groups and clinics functioning in the community in order to provide for adequate health services to communities served by the District. (California Health and Safety Code Sections 32121(j) and 32126.5)
- 23.2 A community's health needs are served not only by traditional acute care hospitals, but also by a broad array of other health-related programs and initiatives. These include local health and wellness programs, community-based clinics, health provider educational programs, and other programs and organizations that promote physical, emotional and psychological well-being.
- 23.3 As allowed by the District's financial condition, the District shall have a community grants program to address identified community healthcare needs. District staff shall administer the program with the District Board of Directors making the final decision regarding grant recipients. In conjunction with setting the District's annual budget each year, the District shall determine whether to fund the community grants program for that budget year and, if so, in what amount.
- 23.4 The Sequoia Healthcare District will not sponsor fundraising events but may sponsor health education events up to \$2,500 per event but not to exceed \$10,000 in any fiscal year. The staff/ Board may purchase tickets to fundraising events or other community events as long as no more than \$300 is spent per event and the total for event attendance does not exceed \$3,000 per year.

The CEO will be required to report on any events sponsored or attended as part of the CEO report each Board Meeting including who attended representing the District and the purpose of the event.

Policy 23 revised 4-6-11

**As reference to Policy 15.5, the following except is from the District's Employee Handbook, adopted 12/2/09.**

## **7.05 Expense Reimbursement**

This policy establishes standards for Sequoia Healthcare District ("District") Employees who incur expenses during the course of business activities on behalf of or at the request of District. The purpose of this policy is to provide uniform standards for those employees who incur, authorize and approve business travel, out-of-pocket and entertainment expenses. The policy also defines the documentation necessary to support reimbursement for business travel, out-of-pocket and entertainment expenses.

Employees will be reimbursed for mileage at the rate allowed by the Internal Revenue Service. Meals will be reimbursed upon presentation of valid receipts. Personal cell phones used in the course of District business upon presentation of a valid invoice will be reimbursed up to \$75/month.

Employees are to exercise good judgment in incurring business travel and entertainment expenses. Reimbursement will be made for authorized business expenses that are reasonable, necessary and appropriately documented.

### **A. Business Travel Expenses**

Business travel expenses are reasonable and necessary expenses that an employee incurs while traveling away from home on District business or related activities approved by District. This Section A applies to basic expenses associated with travel on District business. Section B contains separate requirements related to business entertainment expenses.

1) Hotel Accommodations - Employees should use hotels that balance the needs for convenience, safety, and lower cost. Employees may not stay at luxury hotels such as Ritz Carlton, Four Seasons or utilize similarly expensive lodging unless it is a designated conference hotel. Employees will not be reimbursed for bottled water, in-room movies or mini-bar expenses.

2) Airfare - Employees must travel coach/economy class at the most economical rate available to reasonably accommodate business schedules.

Use of the long-term parking lots and/or off airport parking is encouraged to reduce overall travel costs.

3) Mileage/Ground Transportation - When it is more practical to use a personal automobile when traveling on business, reimbursement will be made at the currently established IRS rate per mile for the actual miles necessary to conduct the relevant business.

Other ground transportation (e.g. taxi, bus, subway, rail, etc.) will be reimbursed if it relates to District business.

Other costs associated with ground transportation such as parking and bridge tolls will be reimbursed.

4) Rental Cars - Luxury and premium cars are not reimbursable.

5) Meals - District will reimburse reasonable meal expenses incurred by employees traveling out-of-town on District business. Such meals should not exceed \$15 for breakfast, \$25 for lunch and \$35 for dinner.

District will not reimburse meal expenses for an employee's spouse.

6) Telephone Calls/Faxes/Mail Service While Traveling - Necessary business related telephone calls, faxes or mail service and business use of personal cell phone, home phone or faxes will be reimbursed with appropriate documentation.

Personal calls while traveling, such as reasonable calls to home, family members, baby sitters, etc., are allowable business expenses.

7) Spouse Travel - No reimbursement is allowed for travel expenses, (including, but not limited to, airfare, hotel, meals, transportation, tips, etc.) paid or incurred by an employee with respect to a spouse, dependent or other individual accompanying an employee on a business trip.

#### **B. Business Entertainment Expenses (including meals and gifts)**

Business entertainment expenses are those expenses incurred by the employee while (i) conducting/discussing District business and (ii) meeting with other District employees (including subordinates) and/or other persons who directly (or through another entity) do business with or support the District.

1) Business Meals - Business entertainment and meal expenses must be reasonable and appropriate, taking into consideration the location of the meal/event, the participants, the nature of the event, and other relevant factors.

District will only reimburse meal expenses involving District-only participants when a significant amount of the discussion/purpose of the meal is business related – whether the meeting takes place in a restaurant or the office.

Employees are reminded that they represent the District while on company business and that alcohol use, if any, must be responsible and in conjunction with a meal.

2) Business Gifts - Modest business gifts to non-employees (including board members and sponsors) will be reimbursed with the approval of the District's CEO or Board President and appropriate documentation.

3) Gifts to Employees - Generally, District will not reimburse an employee for gifts (including flowers) to subordinates, peers, or supervisors, including events such as a birthday, holiday (e.g., Christmas), wedding, special days (i.e., secretary day), birth of child or other life event.

With the CEO's or Board President prior approval, an employee may expense a gift to a District employee or board member for exceptional performance, as a thank you for a special effort, as a going away gift, or as an acknowledgement for completing a degree or training program. In addition, an employee may expense flowers or another appropriate and reasonable gift sent to a subordinate, peer, supervisor, or board member in the event of the death of an employee or immediate family member, the hospitalization of the employee or employee family member or other family crisis.

### **C. Expense Reporting and Documentation Requirements for the Paper Process**

Expense reports must be completed in accordance with the requirements of this policy.

1) Expense Reporting Signature and Approvals - Expense reports must be signed by the employee and approved by the employee's supervisor or the Board President. By signing the expense reports, employees and the individual approving reports are representing and confirming that the expense report complies with these standards.

2) Forms to be Used - Employees must use the current District expense report form(s) for reimbursement of out-of-pocket expenses, the current District mileage and associated reimbursement form for reimbursement of mileage.

3) Attachments to Forms - When preparing expense reports, receipts should be attached.

4) Substantiation of Expenses - Generally, a receipt should be provided in support of out of pocket expense items. Exceptions to this general requirement include bridge tolls, highway tolls, modest bus or subway fares, and tips to baggage handlers in hotels, airports. A receipt should accompany all District credit card purchases.