

**The REACH Healthcare Foundation
2005 Annual Performance Review**

Criteria	Accomplished?		Evidence	Attachments
	Yes	No		
Development of Organizational By-Laws and Committee Structure	X		<p>The Legal Task Force and Foundation's legal counsel (Lathrop & Gage) reviewed the original by-laws developed by the Kansas Attorney General's Office over the summer of 2004. Changes to make the by-laws more consistent with the Articles of Incorporation and Memorandum of Understanding (MOU) were prepared by the Legal Task Force and legal counsel and approved by the Board on 9-20-04. An amendment was approved by the Board on 6-20-04, and included one clerical change and the inclusion of proxy voting rights for the CAC.</p>	Foundation By-laws & amendment
Adherence to the Foundation's stated Guiding Principles		X	<p>The Guiding Principles were developed as a result of a strategic planning process conducted in the fall of 2004, and were approved by the Board with the Foundation's Mission and Vision statements on 10-18-04. The CAC sees evidence of the Board's adherence to the Foundation's Guiding Principles in its efforts to practice sound corporate governance; the development of an impartial and transparent grant-making process; implementation of accountability standards for the Board, CAC, staff, prospective grantees, and actual grantees; and an appreciation of diversity of the communities it serves, the staff it employs, and grantees awarded funds. The CAC expects additional demonstration by the Board of commitment to its Guiding Principles in future years as the foundation moves from an operational focus to a leader in the field of health philanthropy, including becoming a community catalyst for change, creating strategic alliances and effective partnerships, leveraging limited philanthropic dollars, and continuing education of the Board, CAC and staff regarding the needs of underserved populations.</p>	Mission, Vision & Guiding Principles Document

The criteria for annual performance review were submitted to the Board of Directors by the Community Advisory Committee on 5/16/05. The CAC finalized its review 8/24/05, and presented its findings to the Board on 9/19/05.

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Criteria	Accomplished?		Evidence	Attachments
	Yes	No		
Development of Needs Assessment	X			
Determination of 2005 Funding Priorities, including level of funding	X			
Grant application process (eligibility, selection criteria, evaluation methodology, etc.)			X	

The Foundation contracted the services of the Kansas Health Institute (KHI), an independent, nonprofit health policy and research organization based in Topeka & Kansas City, Kansas, to conduct a community health needs assessment of Johnson, Wyandotte and Allen Counties of Kansas. The results were a summary of existing data sets focused on 11 areas of health using topical narratives of site-specific data for the three counties of interest. The Foundation also issued a survey of community health organizations in the summer of 2004, which was later summarized by KHI. These documents were used by the Board of Directors in its strategic planning process to develop its 2005 grant funding priorities.

The Board allocated \$1.7 million in 2005 for funding of grants to community health organizations in the areas of Safety Net Services, Oral Health and Mental Health, and reserved up to \$300,000 for emerging organizations and critical needs grants. The REACH Board of Directors is urged to solicit input from the CAC, as it plans for future funding priorities, thereby providing a mechanism for integrating community input into the process.

The Grants Committee and staff of the Foundation developed a transparent and comprehensive grant application process, which included specific eligibility & selection criteria, regular communications to the community about the application process, pre-proposal and proposal conferences, a letter of intent process, and final proposal review process. The CAC encourages the Board to develop an evaluation methodology and process that will assess the impact of grant funds distributed in 2005.

Allen, Johnson and Wyandotte Counties Health Assessment & REACH Survey of Community Health Organizations

2005 REACH Grant Application Guidelines

2005 Grant Application Guidelines & 2005 Grant Awards

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Geographic program planning to include communities as a whole in the area formerly served by the Health Midwest system		X	The Board of Directors limited its review of grant applications in 2005 to organizations serving residents of Johnson, Wyandotte and Allen Counties in Kansas. The REACH Board of Directors is commended for also directing funds to Missouri-based organizations that provided healthcare services to Kansas residents. However, the interpretation and decision to fund, or not to fund, the entire area formerly served by the Health Midwest system, as defined in the Foundation's organizational documents, needs to be formally discussed and definitively addressed by the Board. The CAC encourages the Board to continue its conversations related to its geographic service area with the CAC, the community and other key stakeholders in the process as it makes its future decisions related to this critical	
Development of investment objectives and policies consistent with the goal of increasing the Foundation's corpus, and thus, grant-making capabilities, over time	X		The Finance Committee of the Board of Directors retained the services of an investment consultant, Cambridge Associates, to assist in the development of investment objectives and policies with the goal of achieving an average annual inflation-adjusted (real) total return of at least 5%, net of all investment-related expenses. This rate of return is consistent with the Foundation's IRS-required giving requirements, should the Foundation eventually be ruled a private foundation, as is anticipated. The Foundation's long-term asset allocation targets were determined to be 75% equity and 25% fixed income in an attempt to achieve the necessary growth of, and tolerable risk level to, the invested corpus. The investment policies were adopted by the Board of Directors on 5-16-05.	REACH Statement of Investment Objectives and Policies

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Formation and Functional relationship with the Community Advisory Committee			<p>The relationship between the Foundation's Board and the CAC got off to a late start. The CAC and Board continue to work toward greater understanding of each body's role in the Foundation's overall development and governance. The Board functioned autonomously for its first year, and due to the required operational nature of initial tasks, limited focus was given to the interplay and communication strategies necessary to develop a healthy relationship between the Board and CAC. The Board nomination process was an especially difficult time for both groups. The development of a joint nominations task force, and proposed modification of the Foundation's by-laws to include specific references to the CAC, show promise to increase future communication and cooperation between the Board and CAC. Foundation staff have provided support and technical assistance to allow the CAC to establish its infrastructure and carry out its duties, and the Board's commitment to continued inclusion of CAC/Board relations responsibilities in the job descriptions of key foundation personnel.</p>	CAC Organizational Structure Draft
Successful Completion of an Annual Audit by an independent certified public accountant	X		<p>The Board of Directors retained the professional accounting and audit services of House Park and Dobratz to conduct an audit covering the period of Foundation inception through December 31, 2004. Foundation management of funds was determined to meet federally accepted accounting standards, and the internal controls utilized by the Foundation allow adequate supervision of duties as it relates to the handling and disbursement of funds. The Statement of Internal Controls was adopted by the Board of Directors on 12-20-04, and the annual audit was received and approved by the Board of Directors on 5-16-05.</p>	2003-2004 Annual Audit and Statement of Internal Controls

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Demonstration of Board commitment to the work of the foundation as demonstrated by individual attendance at meetings of the full Board as well as its Committees	X			Board and Committee Attendance Records
Demonstration of Board compliance with By-Laws relevant to Board representation (re: geographic residency requirements, etc.)	X		<p>The Board remains in compliance with representation requirements outlined in the Foundation's forming documents. The CAC encourages the Board to place a high priority on increasing the diversity of the Board while maintaining adherence to these requirements. The CAC has placed additional priority on recruitment of a diverse pool of candidates to assist the Board in this endeavor.</p> <p>The Board of Directors has maintained compliance with Kansas Open Meetings and Records laws. Foundation management reports that an Open Meetings and Records Policy is also currently under development, and is anticipated to be approved by the Board in the fall of 2005. Board, CAC and standing committee meeting dates and times are communicated to the public via the Foundation's web site and by email notification to parties who request such notification. The REACH Board of Directors and CAC are urged to include informational sessions on the Kansas Open Meetings/Records Laws for all current and new members, as appropriate.</p>	Board Roster
Adherence to applicable Open Meetings/Records laws	X			Open Meetings and Records Policy Draft

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