

**2006 Evidence-Based Performance Review**  
**Period covering July 1, 2005 to June 30, 2006**

<b>Criteria</b>	<b>Accomplished?</b>			<b>Findings</b>	<b>Sources</b>
	Yes	No	In Process		
<b>I. Adherence to Organizational By-Laws and Committee Structure, including appropriate Board development and policy review.</b>	X			At the request of the CAC, the Legal Task Force and Foundation's legal counsel (Lathrop & Gage) reviewed and recommended approval by the Board of an amendment to the 9-20-04 by-laws, which incorporated the CAC's purpose and structure. The amended by-laws were approved by the Board on 3-27-06. On 9-19-05, the Board adopted officer and committee job descriptions in order to codify each of the committee's structures, duties and frequency of meetings. Grants, Executive, and Finance Committees developed written job descriptions, which will provide a framework for the actions specified in the job descriptions.	<ul style="list-style-type: none"> <li>Foundation By-laws &amp; amendment</li> <li>Foundation Policies</li> <li>Board &amp; CAC Minutes</li> </ul>
<b>II. Adherence to the Foundation's stated Guiding Principles...REACH shall:</b> <ol style="list-style-type: none"> <li>1. <i>Serve as a community catalyst for change;</i></li> <li>2. <i>Leverage our investments wherever possible, creating strategic alliances and encouraging effective partnerships;</i></li> <li>3. <i>Demonstrate respect for individuals and communities we serve;</i></li> <li>4. <i>Recognize the diversity within and among the communities we serve;</i></li> <li>5. <i>Achieve transparency and openness in our dealings with others;</i></li> <li>6. <i>Create and maintain an awareness of the needs of all underserved populations;</i></li> <li>7. <i>Encourage creativity and creative problem solving;</i></li> <li>8. <i>Employ integrity and a team approach in our decision-making;</i></li> <li>9. <i>Utilize a fair and equitable process for applicants;</i></li> <li>10. <i>Require accountability of ourselves and our grantees;</i></li> <li>11. <i>Practice sound corporate governance.</i></li> </ol>			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 Board's adherence to the Foundation's Guiding Principles is evidenced by continued efforts to practice sound corporate governance.</p> <p>Furthermore, the Board has implemented a series of policies to provide accountability standards for the Board, CAC, staff, prospective grantees, and actual grantees, which are designed to assure impartial and transparent grant-making process.</p> <p>The CAC and Board have collaborated to establish a sound and open nomination process for both incumbent and new Board members. The revision of the Conflict of Interest and Confidentiality Policy, which is now applicable to both Board and CAC, is further evidence of the desire to adhere to these Guiding principles.</p> <p>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>	<ul style="list-style-type: none"> <li>Mission, Vision &amp; Guiding Principles Document</li> <li>Board &amp; CAC Minutes</li> <li>Board Policies</li> <li>Grant Documents</li> <li>Finance Reports</li> <li>Applicant Evaluations</li> </ul>

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<b>III. Periodic Needs Assessment to help Guide Foundation Annual Funding Priorities and Strategic Planning</b>	X			<p>The Foundation originally contracted the services of the Kansas Health Institute (KHI), an independent, nonprofit health policy and research organization based in Topeka &amp; Kansas City, Kansas, to conduct a community health needs assessment of Johnson, Wyandotte and Allen Counties of Kansas.</p> <p>The ongoing collaboration with the Health Care Foundation of Greater Kansas City has provided a comprehensive summary of existing needs assessment data sets focused on the counties of interest. These documents continue to be relevant and used by the Board of Directors in its strategic planning process to develop its 2006 grant funding priorities.</p> <p>In 2005, the Foundation contracted with the University of Kansas to conduct a dedicated survey of community health needs in Allen County. This effort was designed to supplement the data, providing more specific analysis for this county. Additionally, various listening tours/conferences sponsored by REACH in 2006 provided an opportunity to gather supplemental input from community participants.</p>	<ul style="list-style-type: none"> <li>• Allen, Johnson and Wyandotte Counties Health Assessment &amp; REACH Survey of Community Health Organizations</li> <li>• Collaboration with Health Care Foundation of Greater Kansas City</li> </ul>
<b>IV. Transparent and Accountable Grant-making (eligibility, application process, selection criteria, evaluation methodology, etc.)</b>	X			<p>The Grants Committee and staff of the Foundation have developed a transparent and comprehensive grant application process, which includes specific eligibility &amp; 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. Three grant cycles have been completed to-date.</p> <p>The Grants Committee established reporting requirements of grantees by adapting the Federal Uniform Data System (UDS) for tracking safety net services. They also adopted a process to review and approve or decline grant applications in the Critical Needs and Emerging Organization grant category.</p> <p>The CAC is encouraged by the Board's ongoing effort to develop an evaluation methodology and process that will assess the impact of grant funds distributed. In March 2006 a Transparency and Grant-making Accountability Template was developed, modeled on the California Endowment, Independent Sector Checklist for Accountability.</p>	<ul style="list-style-type: none"> <li>• 2006 Grant Application Guidelines &amp; 2006 Grant Awards</li> <li>• Transparency and Grant-making Accountability Template</li> <li>• Board Policies</li> <li>• Grant Summary Documents</li> </ul>

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<b>V. Adherence to program planning, Board composition and grant-making for the geographic service area that includes Johnson, Wyandotte and Allen Counties in Kansas, plus Kansas City, Missouri, Cass, Lafayette and Jackson Counties in Missouri, in accordance with the communities defined in the MOU.</b>	X			<p>On 9-19-05, the Board of Directors revised its policy concerning the issue of geographic service area, to be consistent with the foundation's Memorandum of Understanding. The 2006 Grant Guidelines were issued to include Kansas City, Missouri, Cass, Lafayette and Jackson Counties in Missouri in the Foundation's service area. Furthermore, the analysis of regional program grant funding provides evidence that the intent of the foundation's Memorandum of Understanding is being met.</p> <p>In 2005, the grant applications had been restricted to organizations serving residents of Johnson, Wyandotte and Allen Counties in Kansas. The CAC had encouraged the Board to review the policy related to its geographic service area. The REACH Board of Directors is commended for addressing the interpretation and decision to fund the entire area formerly served by the Health Midwest system, as defined in the Foundation's organizational documents.</p> <p>The CAC's and Board of Directors' nomination and appointment process has adhered to the composition and geographic representation requirements, as set forth by the foundation's Memorandum of Understanding.</p>	<ul style="list-style-type: none"> <li>• Board &amp; CAC Minutes</li> <li>• Board Policies</li> <li>• Board Composition</li> <li>• Grant Summary Documents</li> </ul>
<b>VI. Adherence to investment objectives and policies consistent with the goal of increasing the Foundation's corpus, and thus, grant-making capabilities, over time</b>	X			<p>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 rate was 10.1% for 2005, thus exceeding the annual inflation-adjusted target. 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.</p>	<ul style="list-style-type: none"> <li>• REACH Statement of Investment Objectives and Policies</li> <li>• The 6-30-2005 REACH Healthcare Foundation Investment Control Report</li> <li>• The 05-15-2006 Cambridge Associates Review of REACH Healthcare Foundation Investment Policy</li> <li>• Board Minutes</li> </ul>

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<b>VII. Functional Integration of the Community Advisory Committee Role in Foundation Activities</b>			X	<p>The functional integration of the CAC role in the Foundation's activities and relationship to the Board has improved over the course of the past year. The CAC and Board continue to work toward greater understanding of each body's role in the Foundation's overall development and governance.</p> <p>The appointment of a joint Board/CAC task-force resulted in significant improvement of nomination policy and procedures. Foundation staff has provided support and technical assistance to allow the CAC to establish its infrastructure and carry out its duties.</p> <p>The Board has demonstrated its commitment to functional integration of CAC role in Foundation activities by ensuring communication and cooperation between the Board and CAC, and by dedicating Foundation resources, personnel and consultant support to achieve this aim.</p>	<ul style="list-style-type: none"> <li>Board &amp; CAC Minutes</li> <li>Board Policies</li> </ul>
<b>VIII. Successful Completion of an Annual Audit by an independent certified public accountant</b>	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, 2005. 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 5-15-06.</p> <p>In 2006, the Foundation hired a CFO, which will enhance further segregation of duties and require revision of the internal controls document.</p>	<ul style="list-style-type: none"> <li>2004-2005 Annual Audit and Statement of Internal Controls</li> </ul>
<b>IX. 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</b>	X			<p>The Foundation's Board of Directors continues to demonstrate high overall attendance at Foundation Board meetings and committee meetings. The average attendance at Board meetings as of June 30, 2006 is 77.78%. The average attendance at Committee meetings as of June 30, 2006 is 79.17%.</p>	<ul style="list-style-type: none"> <li>Board and Committee Attendance Records</li> </ul>

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<b>X. Demonstration of Board compliance with By-Laws relevant to Board representation (re: geographic residency requirements, etc.)</b>	X			The Board remains in compliance with representation requirements outlined in the Foundation's forming documents. The CAC nominations have placed a high priority on maintaining diversity on the Board, in 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.	<ul style="list-style-type: none"> <li>Board Roster</li> </ul>
<b>XI. Adherence to applicable Open Meetings/Records laws</b>	X			The Board of Directors has maintained compliance with Kansas Open Meetings and Records laws. Foundation Public Access Policy was approved by the Board on September 19, 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.	<ul style="list-style-type: none"> <li>Public Access Policy</li> <li>Website</li> </ul>