

WORTHINGTON REGIONAL HEALTH CARE FOUNDATION, INC.
Worthington, MN 56187

DEFINITION AND LIMITATION OF FUNDS

In accordance with Minn. Stat. 144.581, funds transferred to the Worthington Regional Health Care Foundation, Inc. from the Worthington Regional Hospital must be used in the broadest of interpretation for “hospital purposes” only.

As stated in the Articles of Incorporation, the Worthington Regional Health Care Foundation, Inc. is organized exclusively for charitable and education purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, and in connection therewith, exclusively to promote, facilitate, and undertake operations in favor of the health and education of the people of Worthington and residents of surrounding communities. All funds, whether income or principal, and whether acquired by gift or contribution or otherwise, shall be devoted to said purposes.

There are two categories of funds under the control of the Board of Directors of the Worthington Regional Health Care Foundation, Inc. Those categories are:

- Hospital Transferred Funds – those funds that have been transferred to the Worthington Regional Health Care Foundation, Inc. incident to the sale of the Worthington Regional Hospital. These funds are subject to the limitations of Minn. Statute 144.581.
- Other Funds – those funds that have been received by the Worthington Regional Health Care Foundation, Inc. from all other sources such as fund raisers, wills, bequests, etc.

PROPOSED USE OF FUNDS:

Hospital Transferred Funds: Proposed Uses

- Devote the resources to recruit or retain physicians or other trained specialties(non-physicians) whose services are necessary or desirable for meeting the health care needs of the population, including:
 - the retirement of medical education debt,
 - payment of one-time amounts in consideration of services rendered or to be rendered
 - payment of recruitment expenses,
 - payment of moving expenses
 - provision of other financial assistance necessary for the recruitment and retention of physicians or non-physician specialists, providing that the

expenditure in whatever form are reasonable under the facts and circumstances of the situation.

- Devote the resources to assist in tuition reimbursement, retirement of medical education debt, etc. for individuals from the community pursuing a career in a health care occupation.
- Devote the resources to provide grants to not for profit organizations engaged in programs that will improve the health of the community through programs or services that deal with such issues as:
 - early childhood development,
 - childhood immunization,
 - community health education,
 - communicable disease prevention,
 - teen pregnancy education,
 - maternal child health issues,
 - cultural diversity health education and healthy lifestyles
 - smoking cessation programs
 - healthy work place education
 - Others

Hospital Transferred Funds: Restriction

- Will not be used for building programs (bricks or mortar)
- Will not be used for organizations to increase or develop a competitive advantage over an existing organization or provider.
- Will not be used to provide any personal inurement, except as listed above relating to recruitment.

Other Funds: Proposed Uses

- No restrictions unless the funds have been dedicated or directed for a specific use such as scholarships, or equipment.
 - In the event that funds are given to the Foundation to be used for a specific purpose, every effort will be made to ascertain the wishes of the donor.

Adopted by the Board of Directors of the Worthington Regional Health Care Foundation, Inc. on June 9, 2008.

Jason Vote, Board Chairman