

Board of Directors

Officers:

Kevin Riley, Chair
Laurel Lee, Vice-Chair
Jason McGill, Secretary

Board Members:

Ahmad Hilal Abid
Lily Baldwin-Garduno
Chris Chord
Jessie Gunn
Dr. Rick Levine
Dania Lopez Jaramillo

Ryan Kippes
Shawn Morris
Nicole Patina
Councilmember Marilyn Scott
Mark Tompkins
Walter Topete

Staff Members:

Liz Baxter, CEO
Arlesia Bailey, CTO
Tiffany Edlin, Director
Nicole Willis, COO

Draft Agenda

Time	Topic	Purpose	Lead
10:00 a.m.	Welcome and Meeting Agenda	Welcome	Kevin
10:10 a.m.	Consent Agenda • Motion: to approve the presented draft April Board Meeting Minutes • Motion: to accept April Financials as approved from Finance Committee • Motion: Board agrees with CEO's interpretation of Executive Limitation Policy #2: Treatment of Staff • Motion: Board agrees with CEO's interpretation of Executive Limitation Policy #7: Compensation and Benefits • Motion: CEO is in compliance with Executive Limitation Policy #2: Treatment of Staff	Vote	Kevin



North Sound ACH

Board of Directors
June 26, 2026
10:00 a.m. – 2:00 p.m.
Anacortes ESD
1601 R Ave
Anacortes, WA 98221

Time	Topic	Purpose	Lead
	• Motion: CEO is in compliance with Executive Limitation Policy #7: Compensation and Benefits • Motion: to accept presented changes to Governance Policy 7: Support for Board Member Capacity Building • Motion: to accept presented changes to Board-Management Delegation Policy 3: Delegation to the CEO • Motion: to accept presented changes to Executive Limitation 3: Programmatic Expectations • Motion: to accept presented changes to Executive Limitation 4: Financial Planning and Budgeting • Motion: to accept presented changes to Continuity of Operation Plan (COOP) Attachment A) April Meeting Minutes Attachment B) April Financials Attachment C) CEO Report on EL 2 & 7 Attachment D) Proposed Updated Policies		
10:15 a.m.	Public Comment	Comment	Kevin
10:30 a.m.	CEO Report • Executive Limitation Policy #5: Emergency CEO Succession Planning • Executive Limitation Policy #4: Financial Planning and Budgeting • Executive Limitation policy #6: Treatment of Asset Protection Attachment E) CEO Report	Prep	Kevin (Liz)



North Sound ACH

Board of Directors
June 26, 2026
10:00 a.m. – 2:00 p.m.
Anacortes ESD
1601 R Ave
Anacortes, WA 98221

Time	Topic	Purpose	Lead
11:15 p.m.	Committee Reports • Executive Committee - Member Update • Finance Committee - Financials - Audit Report • Governance Committee - Board Officer Recommendation - Board Goals - Policies Attachment F) Audit Report Attachment G) Audit Presentation Attachment H) Officer Recommendation Attachment I) Updated Board Goals Attachment J) Additional Policies	Votes	Kevin (Committee Chairs)
12:15 p.m.	Public Comment	Input	Kevin
12:30 p.m.	Lunch (Picture)		
1:00 p.m.	Operations Update • Operational Plan Framework • Transition Planning	Update	Kevin (Liz)
2:00 p.m.	Adjourn		Kevin

We begin by acknowledging, with humility, that
the land where we are today, is the territory of
the
People of the Salish Sea.

Their presence is imbued in the waterways,
shorelines, valleys and mountains of the
traditional homelands of the Coast Salish
People –
Since Time Immemorial...

A resource is linked below, compiled by teams at the University of British Columbia. The site presents context and teachings about the importance and history behind acknowledging land and territory. The site contains a mapping function where you can enter a specific location and learn the history of those who came before. The Land Acknowledgement statement is not an end, but rather a beginning of a broader learning experience. <https://native-land.ca>

Additional Resources for Tribal Learning. <https://northsoundach.org/tribal-learning/>

Brief Land Acknowledgement Video.

<https://www.youtube.com/watch?v=8LiSuVsQnvE&t=11s>

Tribes of Washington. <https://www.washingtontribes.org/the-tribes-of-washington/>

[Board Policy Manual](#) in Boardable >Groups >Board >Documents>Governance Policies

Group Agreements

- Remember our commitments to *Curiosity, Courage, Connection, Care, and Compassion*
- Be reflective, not reactive, about our own positionality and biases
- Embrace complexity - create space for multiple truths and recognize power dynamics
- Practice vulnerability and lean into discomfort
- Practice emotional intelligence and empathy
- Listen to *listen*, not to respond
- Use first-person language
- What is said here stays here; what is learned here leaves

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- Dania Lopez Jaramillo
- Ryan Kippes
- Shawn Morris
- Nicole Patina
- Bonnie Ross
- Councilmember Marilyn Scott
- Mark Tompkins
- Walter Topete

Staff Members:

- Liz Baxter, CEO
- Tiffany Edlin, Director
- Nicole Willis, COO

Draft Agenda

Topic
Welcome and Meeting Agenda • Welcome provided by Kevin
Consent Agenda • Motion: to approve the presented draft February Board Meeting Minutes • Motion: to accept February Financials as approved from Finance Committee • Motion: to approve the presented consent agenda, made by Mark; second by Dr. Levine. Approved. No objections or abstentions.
CEO Interview Prep • Kevin reviewed the history and process of hiring to date • Invited Kara Turner, our HR consultant, to review important process and how to avoid bias during an interview • Board shared in questions regarding process

Topic
CEO Interview Walked through each question in board packet
Break Brief Break
Executive Session Moved into Executive Session at 12:31 p.m.
Close Executive Session Closed Executive Session at 1:17pm Motion: to offer the Chief Executive Officer position to Arlesia Bailey and for Kevin as Chair to lead negotiations within board approved budget, made by Jason; second by Mark. All in favor; no oppositions or abstentions. Motion carries.
CEO Report - A few members needed to drop off the call; no longer have quorum. - Tabling voting items and will share them on our board platform
Committee Reports - Walked through track changes of presented policies and proposed changes of Board Goals. - Discussion around presented changes - Would like to see more detail within the plain language changes - Charging Governance Committee to come back with recommended changes.
Public Comment No public comment at this time
Operations Update Discussed current 1115 Waiver and funds for infrastructure expire in June 2027 and Care Coordination dollars go into 2028

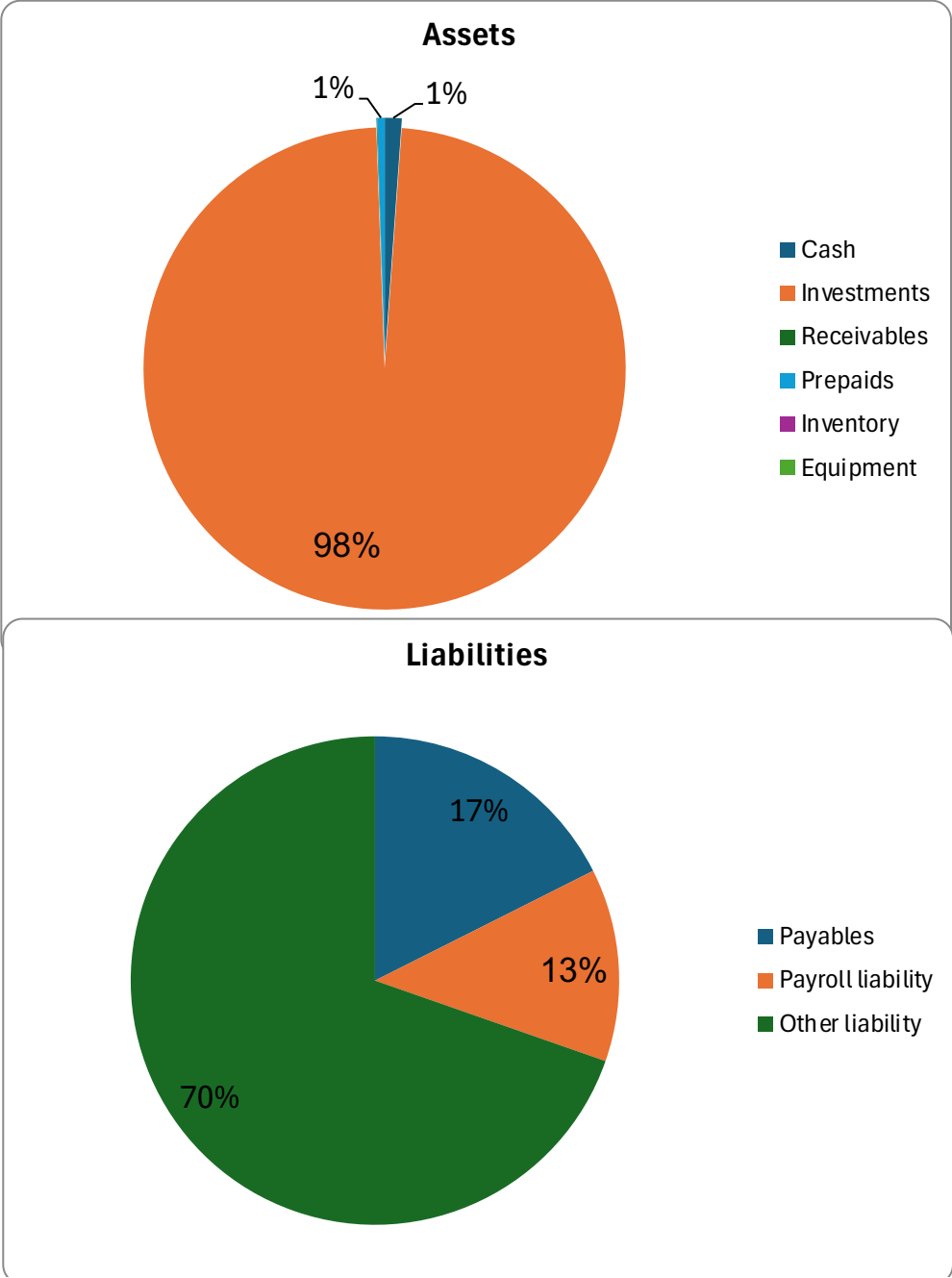
Topic
• Staff continue to work on operational plan from the board approved strategic goals. • A budget provisor approved for HR1 for Health Care Authority (HCA) to work with Accountable Communities of Health (ACHs) • The State of WA has been working to become the first State of Belonging, and North Sound has been at that table with Ripple Foundation, and Economic Justice Alliance.
Adjourned at 2:13pm



Balance Sheet	4/30/26	1/1/26	Change	% Change
Assets				
Current Assets				
Cash and cash equivalents	798,286	1,569,426	-771,141	-49%
Accounts receivable (net)	33,692	65,068	-31,375	-48%
Prepaid expenses and deposits	356,353	263,704	92,649	35%
Inventory	0	0	0	0%
Total Current Assets	1,188,331	1,898,198	-709,867	-37%
Non-current Assets				
Investments	69,306,567	68,732,332	574,235	1%
Total Non-current Assets	69,306,567	68,732,332	574,235	1%
Fixed Assets				
Equipment (net)	0	0	0	0%
Total Fixed Assets	0	0	0	0%
Total Assets	70,494,898	70,630,529	-135,631	0%
Liabilities & Net Assets				
Liabilities				
Accounts payable	304,625	361,699	-57,074	-16%
Accrued payroll expenses	221,146	207,834	13,312	6%
Taxes payable	3,816	3,760	56	1%
Funds held for Others	0	36,079	-36,079	-100%
Deferred Revenue	1,202,778	4,406,869	-3,204,091	-73%
Total Liabilities	1,732,365	5,016,241	-3,283,876	-65%
Net Assets				
Without Donor restriction	68,762,533	65,614,288	3,148,244	5%
Total Net Assets	68,762,533	65,614,288	3,148,244	5%
Total Liabilities & Net assets	70,494,898	70,630,529	-135,631	0%

Balance as of April 30, 2026

Cash	798,286	1.13%
Investments	69,306,567	98.31%
Receivables	33,692	0.05%
Prepays	356,353	0.51%
Inventory	0	0.00%
Equipment	0	0.00%
Assets	70,494,898	
Payables	304,625	17.58%
Payroll liability	221,146	12.77%
Other liability	1,206,593	69.65%
Liabilities	1,732,365	
Net Assets	68,762,533	

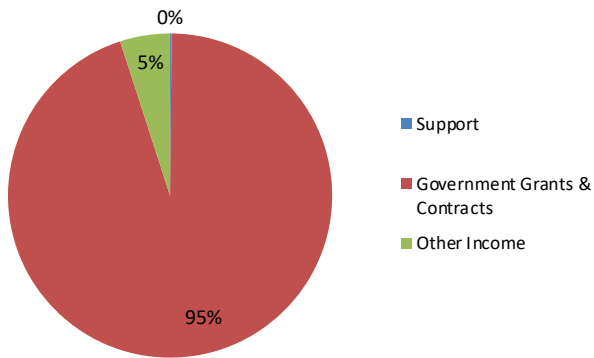




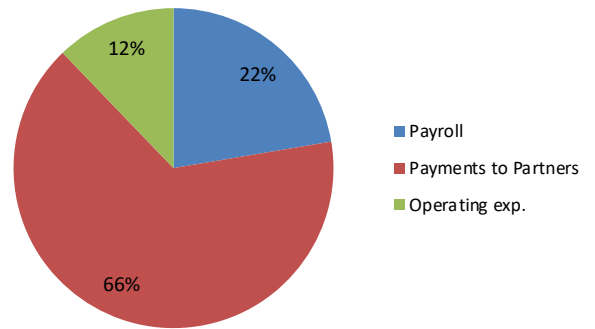
30-Apr-26		Year to Date Results: Comparison to Budget				Results for the year through 4/30			
Statement of Revenues and Expenses	2026 Budget	Current Year Actual	YTD Budget	Variance	% Variance	Current Year Actual	Prior Year Actual	Variance	% Variance
Support and Revenue									
Corporate Donations	19,500	30,000	6,500	23,500	362%	30,000	3,000	27,000	900%
Private Contributions	-	-	-	-	0%	-	-	-	0%
In-Kind Contributions	6,000	-	2,000	(2,000)	-100%	-	-	-	0%
Gov't Contract	16,568,794	5,685,259	5,522,931	162,328	3%	5,685,259	5,911,543	(226,283)	-4%
Total Support and Revenue	16,594,294	5,715,259	5,531,431	183,828	3%	5,715,259	5,914,543	(199,283)	-3%
Other Income									
Interest and Dividend Income	871,326	869,296	290,442	578,854	199%	869,296	654,524	214,773	33%
Total Other Income	871,326	869,296	290,442	578,854	199%	869,296	654,524	214,773	33%
Total Income	17,465,620	6,584,556	5,821,873	762,683	13%	6,584,556	6,569,066	15,490	0%
Expenses									
Salaries and wages	4,387,520	1,440,626	1,462,507	(21,881)	-1%	1,440,626	1,248,333	192,293	15%
Benefits and Payroll Taxes	1,048,062	316,413	349,354	(32,941)	-9%	316,413	266,592	49,822	19%
Total Payroll Expenses	5,435,581	1,757,039	1,811,860	(54,821)	-3%	1,757,039	1,514,925	242,114	16%
Operating Expenses									
Administrative Expenses									
Business Expenses	528,519	175,936	176,173	(237)	0%	175,936	99,112	76,825	78%
Travel & Meetings	149,932	212,056	49,977	162,079	324%	212,056	137,891	74,166	54%
Professional Services	1,313,913	238,764	437,971	(199,207)	-45%	238,764	842,176	(603,412)	-72%
Professional Development	223,666	7,732	74,555	(66,823)	-90%	7,732	33,834	(26,102)	-77%
IT Expenses	708,712	214,594	236,237	(21,643)	-9%	214,594	81,503	133,091	163%
Office Expenses	38,500	23,021	12,833	10,187	79%	23,021	30,983	(7,962)	-26%
Other Expenses	1,040	317	347	(30)	-9%	317	1,661	(1,344)	-81%
Total Administrative Expenses	2,964,282	872,421	988,094	(115,673)	-12%	872,421	1,227,160	(354,739)	-29%
Payments to Partners									
HUB Services	10,350,000	1,112,067	3,450,000	(2,337,933)	-68%	1,112,067	795,505	316,562	40%
Capacity Building	5,570,400	228,100	1,856,800	(1,628,700)	-88%	228,100	715,099	(486,999)	-68%
Total Payments to Partners	15,920,400	1,340,167	5,306,800	(3,966,633)	-75%	1,340,167	1,510,603	(170,437)	-11%
Total Operating Expenses	18,884,682	2,212,587	6,294,894	(4,082,307)	-65%	2,212,587	2,737,763	(525,176)	-19%
Total Expenses	24,320,263	3,969,626	8,106,754	(4,137,128)	-51%	3,969,626	4,252,688	(283,062)	-7%
Net Income before Investment Gain/Loss	(6,854,643)	2,614,929	(2,284,881)	4,899,811	214%	2,614,929	2,316,378	298,551	13%
Realized/Unrealized Investment Income									
Gain/Loss on Investments	2,342,574	533,315	780,858	(247,543)	-32%	533,315	(120,790)	654,105	542%
Total Investment Income	2,342,574	533,315	780,858	(247,543)	-32%	533,315	(120,790)	654,105	542%
Total Net Income	(4,512,069)	3,148,244	(1,504,023)	4,652,268	309%	3,148,244	2,195,588	952,656	43%

Actual: January - April 2026

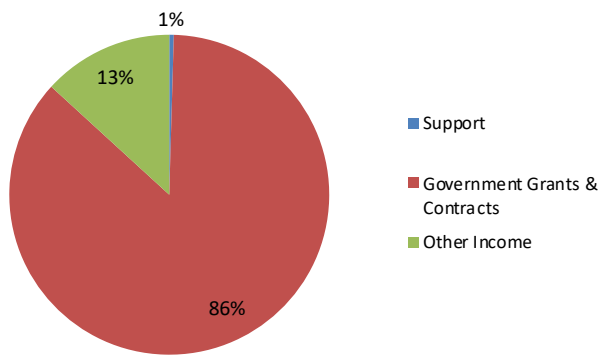
2026 Budget by Revenue Source



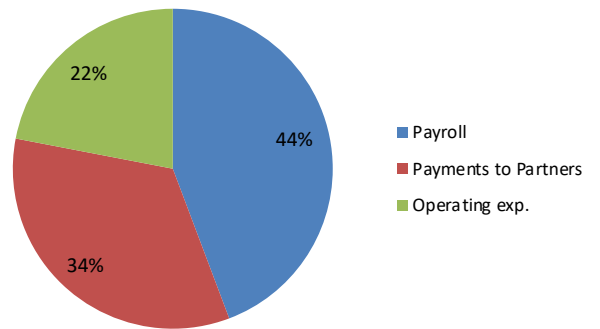
2026 Budget by Expense category



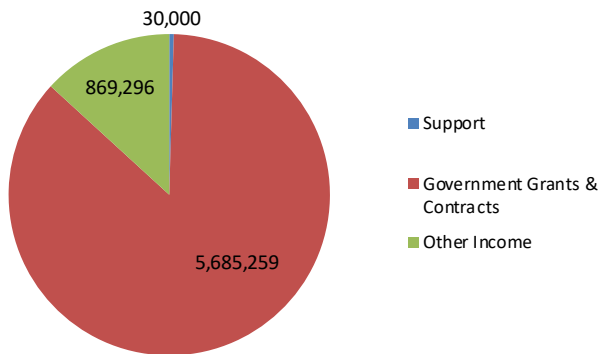
Actual by Revenue Source



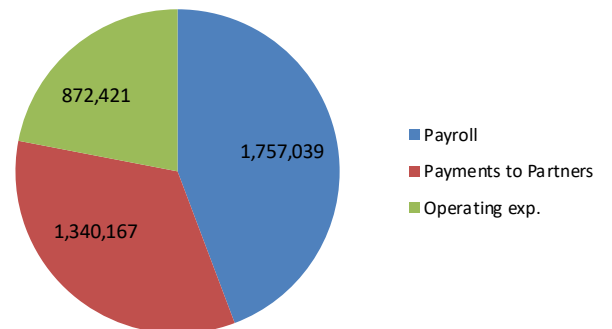
Actual by Expense category



Actual - Total Income \$6,584,556



Actual - Total Expenses \$3,969,626





Notes to Financial Statements
April 30, 2026

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

The statement of financial position shows an overall financial position of NSACH at the specific point in time, providing a comparison between the current month and the beginning of the year. It comprises three main components: assets, liabilities, and net assets.

Current Assets (\$1.2million):

- Cash and cash equivalents decreased 49% since the beginning of this year, reaching \$798k. In April, we transferred \$300k from our Schwab investment account to our checking account.
- Accounts receivable balance reflects amounts due from the Department of Commerce related to the teen homeless prevention and diversion grant in Skagit County, and expenses related to flood response in Whatcom County.
- Prepaid expenses and deposits include advance payments for HUB software (Julota), the Catchafire learning platform, professional liability insurance, rent, employee health insurance and other administrative expenses.
- Inventory is zero at the end of April.

Non-current Assets (\$69 million):

- Investments include a \$69 million portfolio managed by an external investment management firm.
- Fixed assets consist of office equipment, laptops, a company vehicle, and other capital assets with acquisition cost exceeding the organization's capitalization threshold of \$2,500. Fixed assets have been fully expensed over time and have a zero net book value.

Current Liabilities (\$1.7 million):

- Accounts payable include amounts due to vendors and contractors for professional services, rent, office supplies, and other administrative expenses.



Notes to Financial Statements
April 30, 2026

- Accrued payroll expenses include employee accrued vacation time balances (\$219,111) and portion of health insurance premiums deducted from employee paychecks (\$2,035).
- Taxes payable reflect L&I insurance remitted quarterly and sales tax owed to the Washington Department of Revenue on out-of-state purchases for which sales tax was not paid.
- Funds held for Others were at zero.
- Deferred revenue of \$1.2 million represents a portion of MTP 2.0 infrastructure and services funding for use in the future periods.

Net Assets (\$68.7 million):

- Net assets without donor restrictions represent all net assets.

STATEMENT OF ACTIVITIES (REVENUE & EXPENSES)

As of year-to-date, the organization has a cumulative excess of revenue over expenses totaling \$3.1 million; and favorable to budget.

Revenue and Support

Total support and revenue for the period amounted to \$5.7 million, with an additional \$869,296 in net interest and dividend income, net of investment management fees. In total, income exceeds budget by 13%.

Revenue associated with the contract with the Washington State Health Care Authority (HCA) is recognized monthly. Cash receipts are dependent on the designated use of funds: infrastructure dollars are disbursed semi-annually, while service dollars are deposited monthly.

Expenses

Total expenses for the period were \$3,969,626. Payroll and employee benefits totaled \$1.7 million and are 3% under budget.



Notes to Financial Statements
April 30, 2026

Administrative expenses totaled \$872,421 and are 12% under budget. This is primarily due to timing differences for major cost drivers such as partner convening, professional services contracts, and staff and board professional development.

Business expenses are in line with the budget.

Travel & Meetings expenses include more than \$168,558 in hotel costs incurred in connection with flood response in Whatcom County. The State of Washington has been approved for federal disaster assistance; ACH may be reimbursed through those funds. NSACH received a small grant from Whatcom County Health and Community Services that provides funding for care coordination staff time.

Professional services and Professional development are below budget due to timing of events and training.

IT expenses are 9% under budget. The budget includes an increase in care coordination support fees as contract renews on June 1.

Office expenses reflect the purchase of new laptop computers to replace failing ones, and supplies for February Partner Convening.

ACH distributed \$1.3 mill. to partners, including both care coordination hub organizations and to partners as sponsorships. The current grant cycle closed on May 15, 2026 and payments are expected to go out in July.

Year over year comparison

Compared to the same period last year, total income remained consistent, while total expenses decreased by 7%. Net income before gains and losses on investments increased by 13% from last year.

Prior year expenses included payments to partners under previously awarded funding agreements. Professional services included \$400,000 to Children of the Setting Sun Productions supporting native storytelling and resource libraries.

Total net income increased by 43% compared to last year.



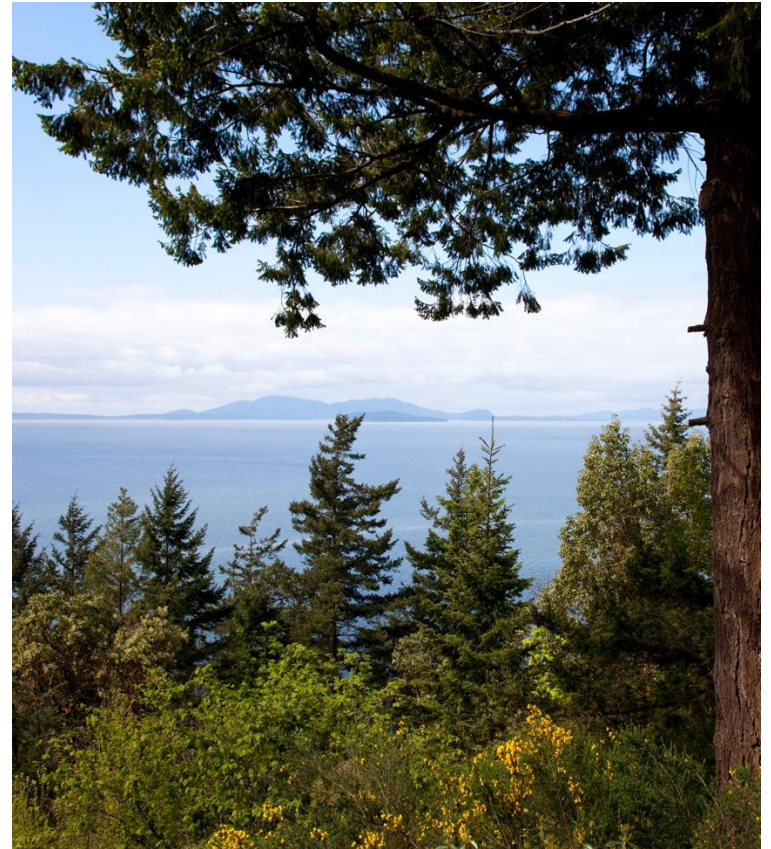
CEO Report:

Executive Limitation 2: Treatment of Staff

North Sound ACH Board Meeting
April 24, 2026

Order of Slides for Each Executive Limitation

- Language in the Board Policy Manual
- CEO Interpretation
- Board Discussion and Vote on Interpretation
- CEO Documentation of Compliance with EL
- Board Discussion and Vote on Compliance



EL 2

Treatment of Staff (from Board Policy Manual)

The CEO shall ensure that:

- 1) Conditions that are unfair, disrespectful, disorganized, unclear or unsafe are prevented and if they occur, are mitigated in a timely manner.
- 2) The organization operates with written personnel policies that clarify personnel rules for staff, employment practices and employee benefits (including job descriptions and salary schedules), provides for effective handling of grievances, enables staff members to express an ethical dissent, and protects against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
- 3) Consults with legal counsel, human resource experts or other advisors as appropriate in the development and implementation of personnel policies.
- 4) Acquaint staff with their rights under this policy, including informing staff how to notify the board when internal procedures have been exhausted, or the employee alleges that: (a) board policy has been violated to their detriment or (b) board policy does not adequately protect their human rights.
- 5) Notifies the board chair immediately of any legal action, proceedings of an administrative body, or criminal charges filed against the organization or against an employee related to any employee's work or conditions of the workplace.

CEO Interpretation of EL 2: Treatment of Staff

- The organization updates the Personnel Handbook at least annually, with changes reviewed in consultation with experts who have explicit knowledge of federal and state employment laws.
- Staff have direct access to HR staff or HR consultants used.
- Staff have an opportunity to offer items for consideration throughout the year to be considered as the Personnel Handbook is reviewed.
- North Sound ACH has an existing relationship with legal counsel, and has access to legal services through our coverage with NPIP.
- All changes to the Personnel Handbook are shared with staff, along with a required attestation form where staff acknowledge receipt of current policies.
- Staff are informed of their rights under policies, including expectations to optimize available resources and their ability to contact the Board Chair if those processes have been exhausted.
- CEO informs the Board Chair immediately of any risk to the organization, including any pending or active legal actions against the organization.

CEO Interpretation of EL 2: Treatment of Staff

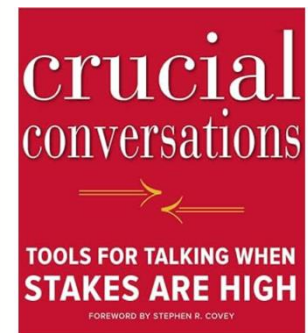
- The current Personnel Handbook, Position Descriptions and Board approved Salary Ranges are shared in an online folder available to all staff.
- In addition to policies, the operations team maintains an Employee Resource Guide which links staff to applicable forms, procedures and policies for common actions (i.e., requesting reimbursement or professional development approval)
- While not stated explicitly in the board policy, CEO interprets the whole policy to require attention to and care for/about the staff as a whole and as individuals.

Board Discussion and Vote

- Board discussion on interpretation (i.e., any requested additions, clarifications needed, or disagreements with what CEO has included)
- Vote on CEO's interpretation of EL 2, Treatment of Staff

Documentation for EL 2: Treatment of Staff

- Current Personnel Handbook, last revised Jan 2025. (Attached in PDF)
- Attestation Form (Final page of Personnel Handbook)
- Link to Turner HR services <https://www.turnerhrservices.com>
- Link to Barron Quinn Blackwood <https://www.barronlaw.com>
- All staff have access to professional development funds, which can be used for training or for services that support them as individuals, such as coaching or other support in their positions.



Board Discussion and Vote

- Board discussion on compliance (i.e., any requested additions, clarifications needed, or disagreements with what CEO has included)
- Vote on CEO's compliance with EL 2, Treatment of Staff



CEO Report:

Executive Limitation 7: Compensation and Benefits

North Sound ACH Board Meeting
April 24, 2026

EL 7

Compensation and Benefits (from Board Policy Manual)

With respect to employment, compensation, and benefits to employees, consultants, and contract workers, the CEO shall ensure that:

- There are written fiscal policies that clarify rules and procedures for handling compensation and benefits
- The CEO cannot change their own compensation and benefits without Board approval.
- No one is promised or implied permanent or guaranteed employment.
- Compensation and benefits are materially aligned with the geographic or professional market for the skills employed.
- Compensation obligations are in alignment with periods in which revenues can be safely projected.
- New or materially changed retirement benefits are approved by the Board during the annual budget process.
- The organization does not incur unfunded liabilities.
- The organization does not allow money to be lent to any employee.

CEO Interpretation of EL 7: Compensation and Benefits

- A review of compensation compared to other similar organizations will be performed at least every other year (the next review is set to occur in Q3 2027).
- This review will include a look at comparable positions, geographic variables, and professional or certification requirements.
- All positions are at-will positions, with no guarantees of employment.
- Positions are reviewed annually and are maintained in alignment with the board approved budget and existing contract requirements.
- There is internal oversight to prevent the CEO from changing their own compensation or approving own expenses or timesheets.
- All positions are listed as part of the annual board budget review and approval process, along with salary ranges and the number of FTE required to complete the work ahead.

Board Discussion and Vote

- Board discussion on interpretation (i.e., any requested additions, clarifications needed, or disagreements with what CEO has included)
- Vote on CEO's interpretation of EL 7, Compensation and Benefits

Documentation for EL 7: Compensation and Benefits

Supporting Documentation:

- Current Personnel Handbook (Attached in PDF)
- Total Compensation and 2026 Salary Ranges as approved by the Board in Dec 2025 (Attached in PDF)
- Fiscal Policies Manual (Attached in PDF)



Board Discussion and Vote

- Board discussion on interpretation (i.e., any requested additions, clarifications needed, or disagreements with what CEO has included)
- Vote on CEO's compliance with EL 7, Compensation and Benefits



Personnel Handbook

January 1 2025

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SECTION 1: INTRODUCTION

1.01 Organization's Purpose

The purpose of North Sound Accountable Community of Health (North Sound ACH) exists to create a just and inclusive culture and the necessary conditions required for all community members to thrive.

1.02 Brief Background

Leaders in the North Sound region formed one of the first pilot ACH sites in Washington. North Sound, along with eight other regions across Washington, participated in a State Innovation Model grant for three years prior to the launch of Washington's Medicaid Transformation Project (MTP) in 2017, which began after approval of Washington's federal Medicaid waiver by the Centers for Medicare and Medicaid Services (CMS).

From the start, North Sound leaders agreed that entrenched community challenges required a longer term vision than the state's five-year Medicaid waiver. They stressed that the most effective strategies for improving health required strategies that lay outside of the traditional healthcare delivery system, needing investments in education, employment, affordable housing and food, among other areas. At the same time, they also understood that 'more' is not always what is needed; sometimes what we need is different and better.

Building strong relationships has been a constant theme, not only between partners and North Sound ACH, but between partners and each other. With an eye toward braiding funds available through the Medicaid waiver, philanthropy, community benefit, health system and health plan investments, North Sound ACH has facilitated the vision of a future state that expands beyond the confines of any single agreement or any single revenue source.

1.03 Organization's Guiding Frameworks

North Sound ACH intentionally focuses on how we relate to and work with each other with a set of intertwined frameworks and guides. We are rooted in honoring tribal sovereignty, equity, targeted universalism (TU), belonging and leading with love, and are creating a practice of bridging that guides the team's approaches with each other, colleagues and partners. We recognize that this is transformative and that while we are asking everyone to commit to helping us live into these frameworks, along the way we will hit bumps.

In 2023, to implement Leading with Love to the organization's frameworks, the team incorporated language to describe these evolving concepts:

- **CURIOSITY** - open-mindedness, characterized by continuous learning, a growth mindset, understanding ourselves, others, and the world we live in. When we are curious, we become more agile, flexible, resilient, and comfortable with ambiguity.
- **COURAGE** - can be summarized as open-heartedness, characterized by attributes such as bravery, risk-taking, creativity, and inventiveness, as well as acting with integrity, authenticity, and vulnerability. Individually, this often requires us to choose courage over

comfort. As an organization, it means committing to doing what is right for the benefit of the collective, even when it is difficult or risky to us personally.

- **CONNECTION** - the idea of interconnectivity and the recognition that everything is connected to, and exists in relationship with, everything else – means understanding, accepting, and appreciating ourselves and our relationships, physically, mentally, emotionally, socially, and spiritually. With curiosity and courage as prerequisites, we prioritize proximity and relationships to constantly deepen our connections with ourselves, people, place, community, and our planet.
- **CARE** - believing that we are all naturally empathic, and therefore, naturally care about others. We see holding the intention to care about others and adhering to the principles of curiosity, courage, and connection as a reliable path to establishing or reestablishing empathy.
- **COMPASSION** - emphasizes kindness in response to suffering. Compassion is an action – in thinking of others, compassion prevents suffering from happening in isolation. Self-compassion is essential for well-being and human flourishing, as well as a prerequisite for being compassionate to others. Compassion in community advances equity, social justice, belonging, and well-being.

All North Sound ACH staff are expected to learn and deepen their understanding of how the frameworks of tribal sovereignty, equity, TU, belonging, and leading with love intertwine and guide the organization and its work.

1.04 Handbook's Purpose and Scope

North Sound ACH has prepared this handbook to provide employees with a general overview of its policies, procedures, guidelines and benefits. **It does not include all local, state and federal laws and regulations that we must adhere to as an employer.**

Talented employees are critical to the organization's success and as you become more familiar with your job and the team, we hope you will find that North Sound ACH is a great place to work.

You are responsible for reading, understanding, and complying with the provisions of this handbook. The objective is to provide you with a work environment that is supportive to both personal and professional growth.

This handbook does not constitute a contract of employment in whole, or in part, nor does it guarantee that any employee will be employed for any specific or minimum length of time. North Sound ACH reserves the right to modify, supplement, rescind, or revise any portion of this handbook (including any benefit or benefit plan) as it deems necessary or appropriate.

This handbook is intended to serve as a general guide to corporate policies and standards; it is not meant to be all-inclusive. Questions are welcome at any time regarding specific policies and procedures should be referred to your supervisor, Human Resources manager, or the CEO.

This handbook supersedes any previous North Sound ACH Personnel Handbooks and written or oral manuals, policy statements, memoranda, summaries and understandings on the subjects covered in this handbook.

SECTION 2: EMPLOYMENT

2.01 Employment At Will

All North Sound ACH employees are employed “at will,” which means that North Sound ACH may terminate your employment at any time for any lawful reason or for no reason, with or without cause, and with or without advance notice. You may also resign your employment with North Sound ACH at any time.

No representative of North Sound ACH other than the CEO or Chair of the North Sound ACH Board of Directors has the authority to enter into any agreement or make any representations modifying or supplementing the provisions of this handbook, including the “at-will” employment policy. Any such agreement or representation must be in writing and signed by the CEO or Chair of the North Sound ACH Board of Directors to be valid and enforceable.

2.02 Equal Employment Opportunity

North Sound ACH values the strengths that a diverse work force offers and is committed to developing an environment that respects differences and accepts varying perspectives and experiences. As an organization, we are committed to creating an environment that is equitable and inclusive in the organization’s employment practices.

North Sound ACH provides equal employment opportunity to all qualified applicants and employees, without regard to race, religion, national origin, gender, sexual orientation, gender identity, age, marital status, the presence of sensory, mental or physical disability, military or veteran status or any other status protected under federal, state or local law.

This policy of Equal Employment Opportunity applies to all policies and procedures relating to recruitment and hiring, compensation, benefits, termination and all other terms and conditions of employment.

2.03 Americans With Disabilities Act

North Sound ACH’s policy is to ensure equal employment opportunity for all qualified persons with a disability. For purposes of this section, “disability” includes a physical or mental impairment that substantially limits an employee’s major life activities, or a record, or appearance of having such an impairment.

North Sound ACH recognizes that employees with physical, sensory, or mental disabilities may need reasonable accommodations to enable them to perform their essential job functions. Any employee who believes they need reasonable accommodation should notify their supervisor and the Human Resources manager. The employee will be requested to complete an ADA Reasonable Accommodation Request Form along with the ADA Accommodation Medical Certification provided by their Healthcare Provider. These documents will assist in clarifying the disability, its limitations in the workplace and possible reasonable accommodations. The organization and the employee will engage in an interactive process to determine what reasonable accommodations will allow the employee to perform the essential functions of the position. The employee has an obligation to collaborate with the organization to determine the most appropriate accommodation.

2.04 Employment Definitions

Orientation Period

North Sound ACH will use the first six (6) months of employment to train the employee and evaluate their performance and job fit.

Full-time Employee

An employee who is typically scheduled to work 30 hours or more per week.

Part-time Employee

An employee who is typically scheduled to work fewer than 30 hours per week. Such employees may be eligible for limited benefits and pro-rated paid time off based on the hours worked as outlined in the benefits section.

Temporary Employee

An employee who is hired on a temporary basis – to cover a position for a short time frame or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration which could include internships. While such employees will receive all legally mandated benefits (such as worker's compensation insurance, social security, and Washington sick leave), they will not receive other benefits as outlined in the benefit section.

Exempt Employee

An employee who is exempt from the overtime provisions of federal and state wage and hour laws and is not entitled to overtime payments. Exempt employees are paid on a salary basis and include certain administrative, executive, and professional employees, and certain highly skilled computer professionals.

Non-exempt Employee

An employee who is not exempt from the minimum wage, overtime, and time card provisions of federal and state wage and hour laws. Non-exempt employees may be paid on an hourly or salary basis and are eligible for overtime pay at the rate of one and one-half times the regular rate of pay for all hours worked in excess of forty (40) hours in the workweek.

Independent Contractor

An individual hired on a contract basis in which the organization identifies the scope of work documented through the contract process. Such individuals are not employees and are not eligible for any benefits.

2.05 Orientation Period

All newly hired and promoted employees will serve a 6-month orientation period. This period allows the employee an opportunity to demonstrate their suitability for the position through actual work performance and it provides the employer an opportunity to evaluate the employee's ability to meet the demands of the position and fit within the organization. Employees will be evaluated by their supervisor prior to the completion of the orientation period.

If circumstances require the need for additional observation, North Sound ACH may extend the orientation period for a specified length of time. An employee may be terminated with or without cause or notice at any time during the orientation period or extended orientation period and the at-will status continues upon completion of the orientation period.

2.06 Hiring

Application & Information

North Sound ACH's overall approach to employee selection is to hire the individual most qualified for the position. In evaluating qualifications, North Sound ACH considers an individual's range of experience and perspectives that supplement education and skills. In order to be considered a viable applicant, an individual must complete an application and provide any requested supplemental materials for position openings. North Sound ACH relies upon the accuracy of information contained in the employment application, as well as accuracy of other data provided throughout the selection process. Any misrepresentation, falsification, or material omission may result in exclusion of the individual from consideration for employment or, if hired, termination of employment.

Job Postings

North Sound ACH believes in creating internal development opportunities for employees. When current positions become vacant or new positions are created, such opportunities will typically be shared with current employees. Current employees are encouraged to apply for any posted position for which they are qualified. North Sound ACH may simultaneously advertise positions externally to expand the pool of qualified applicants.

Background & Reference Checks

The hiring manager, in conjunction with Human Resources, will be responsible for conducting appropriate background checks which may include reviewing licensures, debarment and background checks, and contacting employer references prior to the employee's job offer and/or start date. All offers of employment and continued employment will be contingent upon an acceptable review status.

Driving and Transportation

All North Sound ACH positions require the ability to attend periodic onsite community meetings, conferences or events. It is the employee's responsibility to have a reliable transportation method in order to participate in these events.

Employees whose job responsibilities require them to drive to attend meetings or perform other work-related business will be required to provide a copy of a valid driver's license at the time of hire and proof of current auto insurance. These employees are also responsible to advise the organization of any change in driver's licensing or insurance status. Additionally, North Sound ACH may request a copy of any employee's or applicant's driving abstract for review.

2.07 Employment of Relatives (Nepotism)

To avoid the reality or appearance of improper influence, favor or conflict of interest, and for reasons relating to supervision, safety, and security, North Sound ACH does not allow individuals related by blood or marriage to be employed where:

1. One of the parties would have authority (or practical power) to supervise, appoint, remove, or discipline the other.
2. Where one party would be responsible for auditing the work of the other.
3. Where there is potential for conflict between the parties or between the interest of

one or both parties and the best interest of the organization.

If two employees marry, are or become related, or begin sharing living quarters with one another, and in North Sound ACH's judgment the potential concerns noted above exist or reasonably could exist, only one employee will be permitted to remain in the North Sound ACH's employment unless modification of job duties, positions or responsibilities, as determined in the sole discretion of the CEO, can be made to eliminate the potential concerns. If termination of one employee is necessary, the decision as to which employee will remain employed will be made by the two employees within thirty (30) calendar days of the date they marry, become related, or begin sharing living quarters with each other. If no decision is made during this time, North Sound ACH reserves the right to terminate either employee.

2.08 Outside Activities (Employment, School, Volunteer)

General

North Sound ACH expects full-time employees to place a priority on their employment and avoid other employment, school or activities that interfere with the employee's ability to do their job, meet their work schedule or otherwise create a conflict of interest. The organization requires employees who have concerns about outside employment or other activities, and specifically its impact on their ability to perform their job functions, to receive approval with their supervisor. Should outside employment, school or activities (inhibit or impair a person's ability to complete their job functions or creates a conflict of interest, the employee will be asked to amend or end the outside activity or terminate employment with North Sound ACH.

Volunteer Work

North Sound ACH fully supports employees volunteering within the community and with community partners during their non-working time. Employees are not allowed to provide volunteer services that are the same or similar responsibilities that they are conducting with North Sound ACH and that are connected to the organization's responsibilities to North Sound ACH. This does not prohibit employees from volunteering within the community for work unrelated to their work at North Sound ACH.

If you have any questions, please check with your supervisor prior to volunteering.

2.09 Employee Privacy and Personnel Files

North Sound ACH maintains confidential employment-related files for its employees. These files are property of the company and access to them is limited to management and supervisors on a need-to-know basis. The main personnel file may contain the following type of information:

- Address, telephone number, and emergency contacts;
- Application and/or resume, reference letters or other materials submitted during the employment process;
- North Sound ACH employment information, i.e., titles and dates of positions, dates and salary amounts, changes in status (i.e., full-time, part-time, temporary);
- Performance evaluations, including records of corrective coaching or discipline;

- Personnel action items such as hire, resignation, insurance enrollment/change records and personal information changes.
- Other documents pertaining to employment such as letters of appreciation, training records, etc.

As required by law, medical information will be maintained in a separate employee medical file. Information in the medical file may be disclosed only to the employee, to a supervisor on a need-to-know basis, individuals given access by the employee's written consent, or as otherwise required or allowed by state and federal law.

An employee who wishes to review their personnel records should contact the CEO to arrange a time. These records may be reviewed only in the presence of a company representative during normal business hours. Where an employee disputes information contained in their personnel file, the employee may submit a written request that the information be changed. If this request is denied, the employee may request that a statement containing their correction or rebuttal be placed in the file.

2.10 Personal Information Changes

It is important to have current employee information. Please be sure to notify payroll if you have changes in any of the following areas:

- Employee name
- Address
- Telephone number
- Marital status
- Dependents
- Health insurance coverage or eligibility
- Benefit beneficiary information

2.11 Employment References

Prior to providing employment verification or reference information, North Sound ACH will receive written authorization and a signed release by the individual who is subject to the inquiry.

SECTION 3: GENERAL POLICIES

3.01 General Employee Conduct

North Sound ACH believes its employees will use good judgment in performing their jobs and in representing the organization. Here are general guidelines regarding employee behavior:

- Ensure that your interactions and communications with coworkers, colleagues, clients, and the general public present a professional, respectful, inclusive and caring image consistent with North Sound ACH's stated purpose.
- Recognize that each work assignment is important and worthy of your best efforts.
- Accomplish work in a timely, accurate, and professional manner.
- Report immediately to your supervisor if concerns arise with a client, board member or member of the general public.
- If a concern arises with a colleague at North Sound ACH, please refer to Section 7:01 (Concern or Conflict with Colleagues).
- Abide by all confidentiality standards when handling client information.
- Adhere to policies, procedures, safety rules and safe working practices.
- Preserve and protect North Sound ACH's equipment, facilities, and resources.
- Follow North Sound ACH's ethics policy and professional ethics standards.

3.02 Ethical Business Practices

All employees must avoid situations that might cause a conflict of interest with North Sound ACH or might compromise the organization's integrity and reputation. A conflict, or the appearance of one, occurs when the employee or a member of the employee's household or immediate family uses their position at North Sound ACH for personal benefit or gain. A financial interest or investment, personal association, or business relationship that interferes with the employee's ability to exercise independent judgment on behalf of North Sound ACH is prohibited. For example, a conflict of interest exists where an employee or immediate family member may have financial gains from North Sound ACH business dealings.

North Sound ACH uses the term "immediate family" to align with its common usage in laws and rules. Immediate family can be defined by blood or marriage, even though the organization recognizes that individuals also define 'family' in other ways. Public laws commonly define immediate family to include an employee's parents, grandparents, siblings, spouse, partner, children, in-laws, aunts, uncles, cousins, as examples.

Employees are also prohibited from accepting gifts from partners, consultants, salespeople, vendors, suppliers, or any other type of solicitor. Exceptions to this policy are "de minimums" items such as t-shirts, pens, and other small tokens. If employees are uncertain as to whether an item received is prohibited under the policy, they should check with their supervisor.

3.03 Non-Discrimination & Harassment-Free Workplace

Policy against Discrimination

Every employee has the right to work in surroundings that are free from unlawful discrimination. North Sound ACH strictly prohibits unlawful discrimination based on race, color, religion, national origin, age, gender, sexual orientation, marital status, disability or any other legally-protected classification. North Sound ACH also prohibits the harassment of any individual based on these protected classifications. North Sound ACH requires its employees to abide by this policy in practice and in spirit. The organization encourages its employees to address any questions or concerns about this policy directly to their supervisor, Human Resources manager or the CEO. Employees may do so without fear of retaliation.

Policy against Sexual Harassment

Sexual harassment is a form of sexual discrimination and North Sound ACH will not tolerate it in the workplace. Sexual harassment may include unwelcome sexual advances, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature. Sexual harassment may also include unwelcome sexual attention, verbal abuse of a sexual nature, unnecessary touching, a display in the workplace of sexually suggestive objects or pictures, sexually explicit or offensive jokes or objects, or engaging in any sexually-oriented conduct which unreasonably interferes with another's work performance or creates a work environment that is intimidating, hostile or offensive. North Sound ACH specifically prohibits any employee from:

- making unwelcome sexual advances or requests for sexual favors, or other verbal or physical conduct of a sexual nature, a condition of an employee's continued employment, or
- making submission to or rejection of such conduct the basis for employment decisions affecting the employee, or
- creating an intimidating, hostile, or offensive working environment by such a conduct.

Employee's Response to Misconduct

North Sound ACH requires any employee who feels that they have been the subject of discrimination or harassment to report the conduct. Employees who feel that they or others may have been subject to discrimination or sexual harassment, including but not limited to any of the conduct listed above, by any supervisor, management official, or other employee should bring the matter to the immediate attention of their supervisor, Human Resources manager or CEO who will initiate an investigation. Additionally, employees who have concerns regarding the behavior of clients, colleagues, Board members or the general public should also bring forth such concerns. Allegations of harassment will be promptly investigated, and, if warranted, appropriate corrective action will be taken. To assist in the prompt resolution of the complaint, employees should provide any supporting documents and identify any person who may have knowledge regarding the allegations. The CEO will be immediately notified of any complaints. Should the complaint involve the CEO, the Board Chairperson will be notified.

North Sound ACH'S Investigation

North Sound ACH takes all reports seriously and conduct an appropriate investigation. North Sound ACH requires employees to cooperate in any investigation, whether or not they are directly involved. North Sound ACH will keep the facts and results of its investigation as

confidential as possible. Additionally, employees are expected to refrain from discussing investigatory matters with other individuals. North Sound ACH will take appropriate disciplinary action against an employee found to have violated the policy, up to and including termination of employment.

Non-Retaliation

North Sound ACH prohibits retaliation (taking adverse action against an employee) because of an employee's good faith report of discrimination or harassment, or participation in an investigation of such a claim. Any individual who is found to have engaged in retaliatory conduct will be subject to appropriate corrective action, up to and including termination. Employees who believe that they have experienced such retaliation should notify the Human Resources manager or CEO.

3.04 Drug Free Workplace

General

North Sound ACH is concerned about the effects that drugs and alcohol may have on safe and productive job performance. We also recognize that employees who are affected in their ability to perform their jobs safely and productively jeopardize the integrity of the workplace and the achievement of the organization's stated purpose and goals. Therefore, abiding by the provisions of this policy is a condition of employment with North Sound ACH.

North Sound ACH offers an Employee Assistance Program (EAP) as an additional benefit, which provides professional, confidential counseling to employees experiencing personal issues. Employees who may be concerned about their use of drugs or alcohol should reach out to this service for information and referral sources.

Prohibitions

This policy strictly prohibits the following:

- Performing work with a presence of drugs or alcohol in an employee's system (other than those that do not impact job performance, are medically prescribed and approved by a physician and used as prescribed or purchased over the counter and used as directed).
- The unlawful use, possession, manufacture, distribution, dispensing, transfer or trafficking of alcohol, drugs that are illegal under state, federal or local law (including marijuana) or controlled substances in any amount or in any manner on North Sound ACH property or in North Sound ACH vehicles at any time, whether or not engaged in North Sound ACH business.
- The use, in any way, of North Sound ACH property, equipment or the employee's position to make or traffic alcohol, drugs or controlled substances.
- Any other use, possession or trafficking of alcohol, drugs or controlled substances in a manner which is detrimental to the interest of the organization, creates a safety concern or unduly interferes with job performance.
- Refusing to submit to a drug or alcohol test requested by North Sound ACH.
- Tampering with a test sample or obstruction of the test process.

Employees may use or consume prescription drugs while on the job when taken pursuant to a valid physician's order, or over-the-counter drugs when taken as appropriate, only when there is no possibility that such use may impair the employee's ability to safely perform their

job or may adversely affect their safety, public safety or the safety of other employees. It is the employee's responsibility to be aware of the effects of any medication that they may be taking and to be alert for any evidence of impairment. Employees taking medication which may affect their performance or abilities must advise their supervisor of this fact.

Limited Alcohol Exception

The exception to this policy involves occasional social functions or meetings sanctioned or sponsored by North Sound ACH where alcohol is served. In these situations, employees of legal age are permitted to consume alcohol. However, such consumption will be limited and, at all times when consuming alcohol, employees are expected to use good judgment and discretion and to understand that it is never an employment-related obligation to consume alcohol. Employees also should understand that permissible consumption of alcohol does not excuse violations of North Sound ACH's policies and that unprofessional or unacceptable behavior in connection with permissible consumption of alcohol will not be tolerated and may result in discipline, up to and including termination.

In all cases where employees consume alcohol at meetings or events sponsored or sanctioned by North Sound ACH, employees are absolutely prohibited from driving "under the influence" as defined by Washington state law. Use good judgment in making this decision and arrange for other transportation if necessary.

Testing

- 1) Reasonable Suspicion Testing: North Sound ACH is authorized to require drug and/or alcohol testing when it has a reasonable suspicion of violation of this policy. Reasonable suspicion is suspicion based on specific personal observations of the employee's appearance, behavior, speech or odor. Such testing determinations will be made by a supervisor based on the best available information at the time of the test decision. Refusal to consent to testing will constitute a violation of this policy and employees will be subject to discipline, up to and including termination.
- 2) Requests for Retesting: An employee who tests positive will not be paid for the time lost from work during the period of testing and receiving the test results. Should a positive test be disputed, the employee may request a re-test of the same sample must be made within forty-eight (48) hours. The expense for re-testing must be pre-paid by the employee. Employees who test negative will be paid for time lost from work.
- 3) Testing Methods: The lab designated by North Sound ACH has the discretion to determine its testing methods and the standards for determining whether a test is "positive" or "negative." North Sound ACH and laboratory will provide quality control procedures and will assure the maximum confidentiality and chain of custody.

Confidentiality/Privacy

The fact that a drug and/or alcohol test has been requested or administered, the results of that test, and communications with the employee regarding substance use and abuse, are considered private and confidential.

Disciplinary Action

Employees are subject to appropriate discipline and/or termination for violating this policy as described earlier. Policy violations also include:

- 1) Refusal to Allow Test: North Sound ACH may request an employee to consent to

testing, to permit the test results to be analyzed, and to release such results to authorized company representatives, subject to any applicable state or local laws and regulations. An employee's failure to consent and submit to requested testing will subject the employee to disciplinary action including termination.

- 2) **Positive Test Results:** An employee who tests positive for the presence of alcohol or drugs in violation of this policy will be subject to disciplinary action including termination.
- 3) **Off-The-Job Conduct:** An employee's off-the-job use of illegal drugs or unlawful or unauthorized substances which adversely affects the employee's job performance or jeopardizes the safety of other employees or the security of the company's premises also violates this policy. An employee who is convicted of or pleads guilty or no contest to off-the-job manufacture, sale, purchase, transfer, use or possession of illegal drugs or unauthorized substances will be subject to disciplinary action including termination if, in the view of management, the circumstances warrant. Any employee convicted of a violation of a criminal drug statute that is workplace-related must notify the CEO within five working days of the conviction.

North Sound ACH will not discipline or terminate an employee who voluntarily seeks EAP assistance before there is a performance problem or positive drug or alcohol test result. However, all employees (including those seeking EAP assistance) must be free of drugs and alcohol at work and comply with North Sound ACH's other work rules and performance standards. North Sound ACH notes that any employee who fails to do so is subject to discipline up to and including termination of employment.

3.05 Workplace Violence

General

North Sound ACH prohibits violence in the workplace and is committed to maintaining an environment free of all forms of violence, including verbal or physical threats, intimidation, and abusive statements or any conduct that causes others to feel intimidated or unsafe.

Employees are prohibited from bringing weapons to any North Sound ACH premise, facility or event, including any North Sound ACH parking areas. When the organization has specific safety concerns, North Sound ACH reserves the right to inspect, with or without notice, all persons' bags, packages or other items that come on to North Sound ACH property.

North Sound ACH encourages its employees to raise workplace concerns with their immediate supervisor. If the supervisor is unavailable, or if the complaints remain unresolved after talking with the supervisor, or if the nature of the complaint is such that the employee does not feel they can discuss the complaint with their supervisor, the employee may make a complaint to the Human Resources manager and/or CEO.

North Sound ACH prohibits the following by way of example:

- Any act or threat of violence made by an employee against another person's life, health, well-being, family or property.
- Any act or threat of violence, including, but not limited to, intimidation, harassment, or coercion.
- Any act or threat of violence that endangers the safety of employees, clients, vendors, contractors or the general public.

- Any act or threat of violence made directly or indirectly by words, gestures or symbols.
- Use or possession of a weapon on the organization's premises.

Upon receiving a complaint, North Sound ACH will promptly investigate the matter to determine relevant facts and circumstances. Information about any complaint will be treated as confidentially as possible, consistent with proper investigation and responsive action. Based on its investigation, North Sound ACH will take immediate and appropriate corrective action. Individuals who lodge good faith complaints or who participate in a North Sound ACH investigation will not be retaliated against or otherwise treated adversely for having done so.

Orders of Protection/Restraining Orders

An employee who has obtained an order of protection or restraining order against another individual must notify their supervisor and provide a copy of the official restraining order document. North Sound ACH may also request a picture from the employee of the individual listed on the restraining order. North Sound ACH may take whatever steps it deems appropriate to ensure the safety of the physical workplace, ACH facilities and ACH team members. Employees working remotely are encouraged to seek independent advice from law enforcement, as appropriate, to ensure the safety of their home or remote office. The mandates of the restraining order will be followed until it has expired, or an alternative document has been provided which changes the status of the order.

Public Contact

North Sound ACH strives to maintain a safe and secure workplace and does not tolerate violent, threatening or abusive treatment of employees by clients or members of the public. Employees who feel they are being treated inappropriately or in a threatening manner by another individual should politely remove themselves from the situation and immediately inform their supervisor or, in the absence of their supervisor, another available supervisor.

North Sound ACH Response

When North Sound ACH becomes aware of a potentially threatening situation (both domestic and from the public), management will undertake an assessment of the risk and implement a safety response plan specific to the circumstances of the threat. A response plan will be formulated consistent with any restraining order in consultation with the impacted staff member.

3.06 Non-Smoking

Use of tobacco products (which includes smoking, vaping and chewing tobacco) is prohibited at all North Sound ACH facilities, work sites, and events. To comply with Washington State law, employees wishing to smoke or vape during their breaks or lunch periods must do so at least 25 feet from any public entrances, exits, windows, and ventilation intakes and properly dispose of tobacco products.

3.07 Selling and Solicitation

To provide freedom from pressure, embarrassment, and work interruptions for employees, North Sound ACH does not permit solicitation or distribution of literature or the use of interior communication channels by individuals not employed by North Sound ACH.

Employees may share information regarding charitable and community-supportive events by

utilizing the communication channels provided (i.e., in the Teamwork Chat app). North Sound ACH reserves the right to remove information posted or shared if it deems it to be inappropriate.

3.08 Political & Social Expression during Work time

North Sound ACH recognizes the rights of its employees, as private citizens, to express their political views, to pursue legitimate involvement in the political system, and to vote as they please, provided that all this occurs during the employee's non-working time. North Sound ACH employee will not expend organizational funds, supplies, or work time toward the campaign of any candidate or issue while on North Sound ACH time unless the activity is permitted by law and approved by the CEO.

North Sound ACH recognizes that each of us is more than just our work. Our lives continue outside of the work environment, so sometimes life can seep into the work and that is normal. As a team, we aim to have empathy for each other to be successful and healthy. At North Sound ACH we do this through practicing key elements of the Leading with Love framework (curiosity, courage, connection, care, and compassion) as outlined in Section 1.03.

In order to be respectful of all identities and values, and to embody bridging not breaking, employees are asked to refrain from political debates in shared work spaces or company communication channels. We recognize that we all have ingrained, culturally reinforced beliefs about groups and ideas that the ideas of colleagues may be different from our own. Because of this, staff are expected to be mindful of others' feelings when stating opinions and to try to check themselves before speaking, to prevent language and behaviors that marginalize others and are sometimes referred to as micro-aggressions. Any discussions should be conducted respectfully, and in alignment with our values.

While working, employees are expected to keep virtual backgrounds, clothing and accessories free from political images, partisan messaging, or inflammatory statements when in communal spaces and/or representing North Sound ACH. All forms of expression, including virtual backgrounds, clothing, and accessories, must comply with existing policies on harassment and discrimination. We recognize that these can be meaningful forms of self-expression, however, these guidelines allow us to pause, in order to practice our values of curiosity, courage, connection, care and compassion for ourselves and our colleagues.

3.09 Theft

North Sound ACH property may not be used for personal reasons without permission or as otherwise outlined in policy. Taking North Sound ACH property without permission is considered theft. Any employee who is aware of another employee stealing is expected to immediately report such behavior to a supervisor. Violation of this policy is a serious offense and will result in the appropriate disciplinary action, up to and including termination. Violation of this policy may result in appropriate legal action.

When employees leave employment with North Sound ACH, they must return all company-related information, property and equipment.

3.10 Personal Appearance

North Sound ACH strives to establish and maintain a professional business atmosphere. The image and conduct of the organization's employees play a key role in establishing a professional business atmosphere. North Sound ACH anticipates that employees will use good judgment and dress according to the assignment of the day. For example, more casual dress for labor intensive duties and business casual attire for external meetings and presentations.

If there are questions as to what constitutes proper attire, employees should consult their supervisor, Human Resources manager or CEO.

3.11 Confidential Information

North Sound ACH employees are required to keep client information in the strictest confidence and to not disclose that information except in the normal course of administering programs. Employees will comply with all applicable confidentiality requirements of state and federal funders. Additionally, employees are expected to use their best judgement when sharing other North Sound ACH sensitive information.

Client information includes information such as name, address, health or medical information, social security or other identifying numbers. Client information should not be shared with another employee of North Sound ACH unless that employee has a need to know that information in the course of providing services to the client or in administering programs, which means employees must be respectful of client information and take reasonable measures to ensure that client information is not inadvertently shared, whether by loud conversation or leaving material unattended where it can be viewed by others.

Employees violating confidentiality may receive discipline, up to and including termination.

3.12 Electronic Communications Systems

North Sound ACH provides and/or pays the full or partial cost of (including monthly connectivity fees) of "Electronic Communications Systems" to assist employees in the performance of their work. These systems are intended primarily for business use; however, incidental personal use is allowed in accordance with this policy.

For the purposes of this policy, the North Sound ACH "Electronic Communications Systems" includes electronic mail (email), voicemail, facsimile, computer programs, Internet access and any other data in any form sent from, received by, or stored upon the organization's computers, hard drives, networks, discs, jump drives, flash drives, and any other electronic memory or storage devices. This term also includes all directories and subdirectories of any included storage devices, including the local drives of all users. The provisions of this policy also specifically apply to the use of the organization's computer and communication systems to access the Internet or other computer networks.

North Sound ACH has a responsibility to ensure that "Electronic Communication Systems" are being used responsibly. As a result, employees should be aware that they have no personal privacy right in anything created, received or sent on or from North Sound ACH Electronic Communications Systems including email, voicemail, facsimile, and Internet access. By accessing the system, employees expressly waive any right of privacy in anything

they create, store, send or receive on or from the system.

This includes messages and information created, received, stored, transferred, or downloaded using equipment or devices provided and/or paid fully or in part by North Sound ACH, including mobile phones, smart phones, laptop computers, computer tablets and pads, and other electronic communications devices. By accessing the system, an employee consents to allow the organization to access all material created, sent, received, stored or accessed on or from the system or device.

North Sound ACH reserves the right to audit, monitor and access messages and data sent from, received by and stored upon its computer and communication systems (including devices and/or monthly connectivity fees paid for in full or part by North Sound ACH) at any time, with or without notice.

The Electronic Communications Systems may not be used to solicit, advertise or proselytize for commercial ventures, religious or political causes, charitable or other outside organizations, or any other non-job-related solicitations.

Examples of unauthorized use of North Sound ACH Electronic Communications Systems include, but are not limited to:

- Downloading, uploading, storing, sending, distributing or displaying messages, files or data, the contents, titles, filenames or headings of which are inappropriate to a business setting, including, but not limited to:
 - Obscene, lewd or pornographic messages, “jokes,” screensavers, graphics files or other data;
 - Messages, graphics files or other data intended to harass, intimidate, threaten, embarrass, humiliate or degrade another employee;
 - Messages, graphics files or other data that targets an individual or groups of individuals for purposes of harassing, intimidating, threatening, embarrassing, humiliating, degrading or discriminating against the targeted individual or group of individuals on the basis of their ethnicity, race, gender, age, sexual orientation, religion, disability or other status protected by applicable nondiscrimination laws, and;
 - Messages, graphics files or other data that contain defamatory references or depictions of other individuals.
- Unauthorized copying, destruction, deletion, distortion, removal, concealment, modification or encryption of information, messages, files or other data on any North Sound ACH computer, computer network or other communication system.
- Accessing or attempting to access another employee’s computer, computer account, email or voicemail messages, files or other data without the express consent of the user or the CEO. Any exception to this policy must be approved in advance by the CEO and be in compliance with applicable HIPAA policies.
- Copying any North Sound ACH-owned software without the prior approval of the CEO or their designee.
 - Loading any programs or software onto North Sound ACH-owned equipment without prior approval of the CEO or their designee, including installing any updates.
 - Any use of North Sound ACH computers, computer networks or other

communication systems that is in violation of any applicable federal, state or local law.

- Downloading software that does not have a direct North Sound ACH business use, or using downloaded software in violation of the license or copyright agreement.
- Any use of North Sound ACH computers, computer networks or other communication system which contains or is for the purpose of “gossip,” including sharing personal information about any employee.
- Any use of North Sound ACH computers, computer networks or other communication systems that contains or is for the purpose of soliciting or proselytizing for commercial ventures, religious causes, or outside purposes that are not job-related.
- Gambling or placing online bets using North Sound ACH’s Electronic Communications Systems.

Persons not employed or engaged by North Sound ACH are not permitted to use the organization’s electronic equipment for any purpose. A violation of any provision of this policy may result in disciplinary action, up to and including termination of employment. Nothing in this policy is intended to restrict employees’ communication with co-workers about the terms and conditions of their employment.

3.13 Company Equipment

North Sound ACH supports employees by providing equipment such as laptops, monitors, and other supports that allow the team to work remotely and attend meetings and other obligations requiring access to shared folders, online tools and resources. While equipment “looks” sturdy, the electronic components are fragile, and can be damaged easily if care is not taken. It is the employee’s responsibility to take the utmost care of any North Sound ACH equipment.

North Sound ACH equipment including, but not limited to, laptops, monitors, flash drives, projectors, and phones are the property of North Sound ACH and are to be used only for work-related purposes. From time to time, the organization may request to inspect laptops or other company equipment. There should be no expectation of privacy regarding documents generated and stored on these company devices.

Employees should demonstrate the utmost of care in the use and maintenance of company equipment. Employees are expected to use preventative measures to protect equipment, such as utilizing laptop protective sleeves, using protective measures whenever transporting equipment, avoiding eating or drinking near equipment, etc.

If damage occurs due to negligence or intentional abuse, employees may be asked to pay for repairs or replacement which may be accomplished through a payroll deduction. Except in cases of negligence or intentional abuse, if equipment is damaged, lost or stolen while in the office, or on company business at another location, the North Sound ACH employee is not responsible for repair and/or replacement.

If the employee takes North Sound ACH equipment home – even if working remotely – the employee’s homeowner’s or renter’s insurance carries the primary responsibility for repair and/or replacement. If the employee does not have homeowner’s or renter’s insurance, the

employee will be responsible for repair and/or replacement. Employees are to report any equipment loss or damage to the CEO or their designee as soon as they occur.

Equipment During Leave

When an employee is on leave greater than three weeks, or is on unpaid leave, the employee must return all North Sound ACH-related information and property that the employee has in their possession for the duration of the leave. Additionally, prior to the first day of leave, the employee will ensure that all passwords are up to date in the password manager system to allow computer access during the leave.

3.14 Remote Work

General

In providing service coverage to the five-county area, the organization strives to be creative and flexible in alternative work design, including remote work. Remote work includes working from home or another location on a full- or part-time basis. Remote work locations will typically be within the North Sound region. Any remote work performed outside of Washington state will receive pre-approval regarding the location and duration of work.

Employees who work remotely are required to:

- Designate a safe, productive remote workspace with reliable internet connection
- Work approved hours consistent with business needs
- Provide clear and accurate communication regarding schedule and availability (through approved communication tools, such as a shared calendar)
- Provide online accessibility to team members for collaborative work and to address questions or concerns
- Attend all relevant meetings, including group participation as appropriate
- Demonstrate productive work through measurable outcomes
- Avoid other commitments during work time, such as child or elder care

North Sound ACH anticipates that remote work arrangements may be appealing and beneficial to both the employee and employer. Nothing in this remote working arrangement alters the employee's status or requirements to follow all organizational policies and procedures. Approval to work remotely is a privilege, not a right, and may be re-evaluated and/or withdrawn.

Hourly, Non-Exempt Employees

Hourly, non-exempt employees are expected to record all hours worked (remote or non-remote) using the approved time tracking method. This includes any type of work within or outside of the regular scheduled work day.

Workplace/Workspace

North Sound ACH defines the "workplace" as any space where work is conducted on behalf of the organization (i.e., remote office/virtual, shared office space, convening locations, etc.). Within their remote work location, employees will designate a workspace and maintain it in a professional, safe condition, free from hazards to the employee and equipment. Any company materials and equipment should be secured and maintained in a manner that it is not accessible to others. North Sound ACH has a right to review an employee's remote workspace as needed.

On-Line Meeting Etiquette

- When engaging in an audio or video meeting, please do so in a private, quiet location to ensure minimum disruptive background noise and disruption, such as phone calls, texts, emails, and animals.
- Microphones will be muted when you are not speaking.
- It is the preferred practice during video enabled calls to have cameras on and be visible during online meetings, especially while speaking.

- Be aware of your visible office setting when conducting online meetings and remove items in the background that may be seen as unprofessional, political or partisan in nature (See Section 3.08)

Equipment/Tools/Software/Supplies

North Sound ACH will provide specific equipment, tools and software for remote employees to effectively perform their work. The use of North Sound ACH's equipment, tools and software is limited to authorized persons and for purposes relating to company business. The organization will provide for reasonable repairs to North Sound ACH equipment when used in remote locations. Employees will be responsible for maintenance and repairs of their own personal equipment. Any other office equipment or supply needs must be requested and approved by the employee's supervisor.

Upon separation from employment, all North Sound ACH office equipment, tools and unused supplies will be returned.

Security

Employees working remotely are required to follow all established security protocols, including securing access to company equipment and data.

Liability

Employees with approval to work remotely will be covered under Worker's Compensation for any injuries occurred during work time while performing work duties within their designated remote office space. Any injuries occurring during work time within an employee's remote workspace will be immediately reported to the employee's supervisor and the Human Resources manager. North Sound ACH is not liable for loss, destruction or injury that may occur in or to the employee's home. This includes family members, visitors or others that may become injured within or around the employee's home.

Tax Implications of a Home-based Office

Employees are encouraged to independently consult with a qualified tax professional to discuss any tax implications of maintaining a home/remote office area. North Sound ACH does not provide tax guidance or assume any additional tax liabilities for remote office locations.

3.15 Internal Communications

Company Recordings

North Sound ACH may record various virtual meetings, trainings or collaborations. These recordings are the property of the organization and may be shared at the discretion of the organization. North Sound ACH also reserves the right to not share such recordings.

Team Chat

North Sound ACH utilizes Team Chat for day-to-day operational communications. While this method of communication is less formal, employees are asked to be professional at all times and ensure that messages are consistent with various policies and guidelines.

3.16 Electronic and Social Media

North Sound ACH understands that personal social media can be a fun and rewarding way for employees to share their lives and opinions with co-workers, family, and friends around the world. However, use of social media also presents certain risks and carries with it certain responsibilities. To assist employees in making responsible decisions about the use of social media, North Sound ACH has established these guidelines for appropriate use of electronic and social media.

Guidelines

In the rapidly expanding world of electronic communication, social media includes all means of communicating or posting information or content of any sort on the Internet, including to your own or someone else's web log or blog, journal or diary, personal website, social networking or affinity Website, Web bulletin board or a chat room, whether or not associated or affiliated with North Sound ACH, as well as any other forms of electronic communication. The same principles and guidelines found in these policies apply to employees' activities online. Ultimately, each employee is solely responsible for material posted online. Before creating online content, employees should consider some of the risks and rewards that are involved. Keep in mind that any conduct that adversely affects job performance, the performance of fellow employees or otherwise adversely affects employees or clients may result in disciplinary action up to and including termination.

Be Respectful

Always be fair and courteous. Keep in mind that employees are more likely to resolve work-related complaints by speaking directly with each other than by posting complaints to a social media outlet. Nevertheless, if an employee decides to post complaints or criticism, they should avoid using statements, photographs, video or audio that reasonably could be viewed as malicious, obscene, threatening or intimidating, that disparage employees or clients, or that might constitute harassment or bullying. Examples of such conduct might include offensive posts meant to intentionally harm someone's reputation or posts that could contribute to a hostile work environment on the basis of race, gender, disability, religion or any other status protected by law or North Sound ACH policy.

Be Honest and Accurate

Employees should be honest and accurate when posting information or news, and any mistakes should be corrected quickly. Be open about any previous posts that have been altered. Remember that the Internet archives almost everything; therefore, even deleted postings can be searched. Never post any information or rumors that are known to be false about North Sound ACH, its employees or clients.

Post Only Appropriate and Respectful Content

Maintain client confidential information. Client names and information are confidential and will not be disclosed. Employees should express only their personal opinions. Employees must never represent themselves as a spokesperson for North Sound ACH. If North Sound ACH is a subject of the content, the employee must be clear and open about the fact that they are an employee and make it clear that their views do not represent those of North Sound ACH, fellow employees or clients and that the employee is not representing the organization.

Using Social Media at Work

Refrain from using social media while on work time or on company equipment, unless it is specifically related to North Sound ACH job responsibilities.

Violation

Employees should report any violation of this policy and will not be retaliated against for doing so. If you have any questions or concerns regarding the use of electronic media, please consult your supervisor.

3.17 Reimbursement for Business Use of Personal Vehicle

North Sound ACH will reimburse employees for business use of personal vehicles according to the guidelines approved by Board in the organization's Fiscal Policies, summarized here. As those Fiscal Policies are updated, employees will be notified.

- Staff will not be reimbursed for routine mileage between the employee's residence and North Sound ACH leased spaces without prior approval of their supervisor.
- Recognizing that remote work spaces are common, all staff must have a work schedule agreement with their supervisor on file, indicating Remote days and In-Office days. Mileage reimbursement will be based on the travel rate established annually by the IRS.
- Remote days: Staff who are requested by their supervisor to come to an ACH physical office on their regularly scheduled remote day, will be paid for their time spent traveling from their home to a North Sound ACH worksite and may claim the mileage traveling from their home, up to the number of miles that a GPS system deems as the direct route for estimating number of miles.
- In-Office days: If an employee is scheduled to work from one of North Sound ACH's offices, normal commute time is not paid for, and mileage to and from the office is not to be claimed.
- The employee is considered to be on travel time if traveling between ACH worksites and meetings on in-office days, and may claim the mileage traveling between ACH worksites and to meetings.
- Staff are considered to be on travel time between their remote office and meetings on Remote days and may claim the mileage traveling from their Remote worksite to and from meetings.
- Staff are considered to be on travel time if traveling between two ACH office locations during the day and may claim the mileage traveling between ACH sites.
- Employees are not permitted, under any circumstances, to operate a personal vehicle for company business when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any company vehicle at any time or operate any personal vehicle while on company business while using or consuming alcohol, illegal drugs or prescription medications that may affect their ability to drive. These prohibitions include circumstances in which the employee is temporarily unable to operate a vehicle safely or legally because of impairment, illness, medication or intoxication.

3.18 Company Vehicle Usage

North Sound ACH has purchased a vehicle for business use by the Chief Executive Officer, that is available for staff use when not in use by the CEO. Use of the North Sound ACH vehicle carries responsibilities; the driver, passengers and employees are required to treat the vehicle with the utmost care.

- 1) Prior to being authorized to use the company vehicle for business use, employees must provide a copy of their driver's license and proof of insurance. Additionally, North Sound ACH reserves the right to initially (and routinely thereafter) review an employee's driving abstract to review an employee's driving record.
- 2) Employees who drive a vehicle on company business must exercise due diligence to drive safely, obeying all traffic laws, and to maintain the security of the vehicle and its contents. Use of handheld cell phones (including texting) while behind the wheel of a moving vehicle being used on company business is strictly prohibited.
- 3) Employees are responsible for any driving infractions or fines that occur while driving on company business.
- 4) Employees must report any accident, theft or malicious damage involving a company vehicle to their supervisor, regardless of the extent of damage or lack of injuries. Such reports must be made as soon as possible but no later than 48 hours after the incident. Employees are expected to cooperate fully with authorities in the event of an accident. However, employees should make no voluntary statement other than in reply to questions of investigating officers.
- 5) Employees are not permitted, under any circumstances, to operate a company vehicle for company business when any physical or mental impairment causes the employee to be unable to drive safely. Additionally, employees shall not operate any company vehicle at any time or operate any personal vehicle while on company business while using or consuming alcohol, illegal drugs or prescription medications that may affect their ability to drive. These prohibitions include circumstances in which the employee is temporarily unable to operate a vehicle safely or legally because of impairment, illness, medication or intoxication.

SECTION 4: WORK HOURS AND COMPENSATION

4.01 Business Hours & Work Schedules

North Sound ACH's regular business hours are 8:30 am to 5:00 pm, Monday through Friday. It is North Sound ACH's expectation that full-time employees typically work 40 hours per week which may be accomplished in a number of formats (i.e., five 8-hour days, four 10-hour days), subject to supervisory approval. Unless approved by the supervisor in extenuating circumstances, employees are expected to work a consistent schedule from week to week.

The CEO or designee will approve employee work schedules. North Sound ACH recognizes that work schedules may need to be adjusted at times depending on the demands of an employee's position. Ongoing work schedule adjustments, known as alternative work schedules, must be discussed with and approved by the CEO or designee utilizing the process below. North Sound ACH retains the right to change the employee's normal working hours on either a temporary or regular basis to meet the needs of the organization.

4.02 Work Schedules and Modifications

You will work with your supervisor to identify your regular schedule within the work week. Employees may request modifications to their regular schedule as outlined below.

Standard Work Schedule

Employees will establish a standard working schedule typically consisting of five 8-hour days (40 hours/week), Monday through Friday. Employees will work with their supervisors to create a mutually agreeable schedule to meet their position demands and coverage. All North Sound ACH schedules will include overlap with the "core business hours" of 10:00 am to 2:00 pm (i.e., 6am to 2:30 pm, 8 am to 4:30 pm, 10:00 am to 6:30 pm, etc.)

Flex Hours

An employee may need to temporarily flex their established work schedule based upon personal or business needs. Please communicate with your supervisor such requests. Employees are eligible to flex their work schedule but work hours must continue to overlap with the core business hours.

Alternative Work Schedules

Employees may desire to work an alternative work schedule where they complete their 40 hours within an alternative cadence (i.e., 4 days working 10 hours each day).

Employees can request an alternative work schedule by submitting the formal request form then scheduling time to discuss it with their supervisor. All requests for alternative work schedules will be considered but approval is not guaranteed. Additionally, alternative work schedule arrangements can be revoked based upon performance concerns or business demands.

4.03 Pay Period and Pay Days

For payroll and accounting purposes, the workweek begins at 12:00 a.m. Sunday and ends at 11:59 p.m. on the following Saturday. North Sound ACH pays employees once a month on

the last business day of the month for all hours worked within the month. If the payday falls on a Saturday or Sunday, employees will be paid on the preceding Friday. North Sound ACH prefers to process payroll through the direct deposit method unless indicated otherwise by the employee.

Employees are expected to report hours worked in time tracking system on a daily or weekly basis. Employees must ensure all hours are entered, including estimated hours through the end of month, four business days prior to the pay day.

North Sound ACH will make all mandatory deductions from paychecks, including but not limited to income taxes, social security, WPFML and WA CARES premiums, and garnishments as required by law. All payroll deductions are indicated on the paycheck stub.

4.04 Compensation Program

Compensation Philosophy

North Sound ACH believes it is in the best interest of the organization, the employees and the community to fairly compensate employees and to provide employees with access to healthcare and other benefits taking into consideration budgetary and other economic considerations.

North Sound ACH's objective is to have a total compensation package that is easy to administer and enables the recruitment and retention of highly qualified team members. When looking at total compensation, North Sound considers all factors that benefit an employee which include compensation, insurance plans, remote and flexible work options and professional development opportunities to name a few.

Key features of North Sound ACH's total compensation philosophy include:

- Competitive salary ranges that are based on a "market review" which includes other ACH and comparable non-profit organizations. This review will be completed at least every other year.
- Salary ranges are approved annually by the Board of Directors.
- Compensation will be handled consistently and equitably within approved salary ranges based upon established criteria outlined in the 4.05 Salary Guidelines.
- Non-cash compensation, which includes a competitive benefit package, mission-driven culture, supportive and flexible work environment, and support for work-life balance.
- Support for professional development.

Authorization and Communication of Salary Information

The CEO or their designee must authorize in writing all pay offers, increases, demotions, promotions, transfers and other changes affecting payroll status. Regarding the CEO's salary, only the Board of Directors can authorize pay offers and/or changes in compensation. Changes to the CEO's salary requires Board approval, and is communicated by amending the organization's contract with the CEO.

The CEO or their designee is responsible for communicating salary ranges, the systems for performance reviews, transfers and promotions to employees.

4.05 Salary Guidelines

North Sound ACH will utilize the following salary guidelines in the management of the salary structure:

New Staff Positions

When a new position is created, the CEO or their designee will develop a position description and gather appropriate peer market salary data for the proposed position. A determination will be made whether the new position should be placed within an existing salary classification or a new classification should be created.

Changes to Existing Staff Positions

When the duties and complexity of a current staff position changes significantly (thus requiring increased knowledge, skills and abilities), the CEO or their designee will review the current position description, and the new roles that the staff person is taking on, in order to determine if the position falls within an existing salary classification or a different salary classification. Typically, position changes are anticipated and adopted during the annual budget process by the Board of Directors.

Initial Placement within the Position's Salary Range

When a new staff person is hired, an assessment of their education, experience and other identified skills will take place in order to determine their step in the salary range as posted. Meeting the minimum requirements for the position would place a new hire at Step 1. Additional relevant experience, relevant education that enhances their readiness for the role, and whether they bring a language skill will impact their initial placement in the salary range.

Step Increases

Employees will receive a step increase annually following their performance review. Performance reviews will occur during the 4th quarter each year. Staff who are meeting or exceeding expectations set during the annual performance review are eligible for a step increase, which will take effect the first day of the new year following the completed review.

- Employees must be hired before October 1st to be eligible for the upcoming step increase.
- Employees hired between Oct 1 and December 31st will be eligible to receive their step increase at the following 4th quarter review process (i.e., one year plus one quarter).
- Employees who are newly hired before Oct 1, must complete their orientation period and receive 6-month review that meets the above standards prior to receiving their step increase, which may fall beyond January 1st. Their step increase will be effective the first of the month following successful completion of the orientation period.

Note that:

- 1) Staff who have not met expectations set during the annual performance period will not receive a step increase until performance expectations are met. At the discretion of the manager/supervisor a Performance Improvement Plan process can be initiated in order to address performance expectations.
- 2) Staff who are in a Performance Improvement Plan (PIP) are not eligible for a step increase until successful completion of the PIP. Their step increase will be effective the first of the month following successful completion of the PIP.

Promotions or Advancement

Staff who move into advanced positions will be evaluated for placement in the new salary range using a similar process to the one used for new employees. Employees who are promoted, at a minimum, will move into the nearest step that allows for a 3% increase, after evaluating for the new education and experience requirements. Employees must be promoted before October 1st to receive the following January 1st step increase. Employees promoted between Oct 1 and December 31st will be eligible to receive their step increase at the following 4th quarter review process (i.e., one year plus one quarter).

General Range/Wage Adjustments

Annually, North Sound ACH will review a variety of factors to determine whether an annual general adjustment or Cost of Living Adjustment (COLA) will be applied to the salary ranges. Any recommended range adjustments will be presented to the Board of Directors as part of the annual budgeting approval process. If approved, COLAs will be applied effective January 1 of the Board-approved budget year.

Market Evaluation

North Sound ACH desires to stay competitive with the labor market. Therefore, at a minimum, a market review will be conducted every other year to determine range competitiveness. North Sound ACH may adjust an employee's compensation after the market compensation review if there are adjustments to the salary ranges. All pay increases are discretionary, made at the sole discretion of North Sound ACH, and subject to budgetary and other considerations.

Unusual Circumstances

The CEO may recommend to the Board of Directors adjustments to current salary schedules based upon unusual market changes or circumstances.

4.06 Non-Exempt Employees

General

Employees typically receive a 30-minute unpaid lunch period and will receive a 15-minute paid rest period for each four (4) hours worked. Non-exempt, hourly employees cannot waive rest periods, combine the rest period with the lunch period, or use this time to shorten the workday. Because of the nature of the organization's work, small rest breaks may be taken on an informal basis throughout the day that add up to the 15-minute rest period. The most common example for a full-time employee is to take their two paid 15-minute break mid-morning and mid-afternoon, with 30 minutes unpaid for lunch in the middle of their work day. Needs of staff vary, and different schedules should be discussed with their supervisor.

Overtime

- Non-exempt, hourly employees will receive overtime, which is one and one-half their regular rate of pay, for any hours worked beyond 40 hours in the defined work week (Monday through Sunday).
- Paid time off and Holidays are not considered worked time in the calculation of overtime.
- Employees are expected to seek supervisory approval prior to working overtime.
- It is sometimes necessary to work overtime based upon meeting a critical business deadline. To the extent possible, notice of required overtime will be given. Overtime

will typically be assigned on a voluntary basis but may be required of an entire work team to spread the workload.

4.07 Time Records

Both exempt and non-exempt employees are required to report their time using the designated North Sound ACH time tracking method. For program tracking purposes, exempt and non-exempt employees must track the total number of hours worked per day, including the use of Paid Time Off (PTO), and absences from work due to various approved leaves (paid or unpaid). All time tracking must be approved by the CEO or designee. The CEO or designee will verify and approve all time tracked.

4.08 Exempt Employees

“Exempt” employees are individuals working in positions that are exempt from the minimum wage and overtime provisions of the Fair Labor Standards Act (FLSA). Exempt employees are not eligible for overtime and are expected to work the hours needed to effectively perform the responsibilities of the position. This means the actual hours worked by exempt employees will vary from day to day and from week to week.

In addition to any required deductions, after applicable paid leave is used up, an exempt employee's salary is reduced only for full-day absences occasioned by personal reasons, illness, or injury. An exempt employee's salary will continue during workweeks while the exempt employee is on jury duty, a witness in a legal proceeding based on a validly-issued subpoena, or on temporary military leave, so long as the exempt employee is still providing services to North Sound ACH during part of those work weeks.

4.09 Mistakes in Classifications or Deductions

North Sound ACH strives to accurately classify each employee's position as exempt, non-exempt, full-time, part-time or temporary. We also strive to ensure that each employee's compensation is accurately calculated and that only required and/or authorized deductions are withdrawn. If you believe that your position has been improperly classified or that your compensation or deductions have been improperly calculated, you should immediately contact the payroll administrator. North Sound ACH will promptly review your concerns and remedy all mistakes, if warranted.

4.10 Training

Employees attending training programs sponsored by or required by North Sound ACH during their regular work hours will receive their normal pay for attendance at such programs.

Employees are eligible to receive normal pay for pre-approved attendance at training sessions under the following circumstances:

- The employee was required to attend the training,
- The training was directly related to the employee's current position and approved by the CEO or designee.

4.11 Event Cancellations

From time-to-time, the CEO may announce the cancellation of North Sound ACH events. Due to the nature of the organization's work, most employees have the ability to continue working remotely in such circumstances and will therefore be unaffected. During inclement weather periods, employees are asked to use their best judgement on whether keep or postpone meetings or events which require travel. North Sound ACH will make every attempt to make these decisions in advance to allow for appropriate notification to participants.

SECTION 5: BENEFITS

5.01 Benefits Disclaimer

North Sound ACH strives to provide competitive and cost-effective benefits for employees as part of the employee's total compensation package. Employees should recognize that the total cost to provide the benefits programs described herein is a significant supplement to each employee's pay, and should therefore be viewed as additional compensation, paid in various benefit forms (including paid time off) on behalf of each employee.

This portion of the manual contains a very general description of the benefits to which you may be entitled as an employee. Please understand that this general explanation is not intended to, and does not, provide you with all the details of these benefits. Therefore, this manual does not change or otherwise interpret the terms of the official plan documents. North Sound ACH refers its employees to the official plan documents for a complete description of the available benefits, as well as any prerequisites, limitations or conditions on the receipt of those benefits.

North Sound ACH reserves the right, in its sole discretion, to amend, modify or terminate, in whole or in part, all or any component of its benefit program. Further, North Sound ACH reserves the exclusive right to administer, apply and interpret the benefit plans described herein.

5.02 Medical, Dental & Vision

Coverage under North Sound ACH's group health insurance plan is available to regular full-time (30+ hours per week) and regular part time employees (20-29 hours per week) beginning on the first day of the month following employment based on the employee's eligibility under the terms and conditions of the particular Benefit Plan. Temporary employees are not eligible to participate in the group health insurance program. Employee spouses, domestic partners, and dependents may participate in the group plan, at participating employees' expense, based on that individual's eligibility under the terms and conditions of the particular group health plan.

Part-time employees working 20-29 hours per week are eligible to participate in the group health plan but are required to pay a percentage of their monthly health insurance premium. North Sound ACH will pay a percentage of the premium equal to the percentage of the employee's FTE status (prorated). Part-time employees will pay the balance of monthly premium through a payroll deduction.

With the exception of leave due to domestic violence and Washington Paid Family & Medical Leave, an employee on unpaid leave who participates in the North Sound ACH's group health plan is responsible to pay their group health insurance premium for any period of unpaid leave. Employees will receive an invoice for their insurance premium which must be received by the due date to continue health insurance. An employee who elects not to continue group health insurance coverage during unpaid leave will receive COBRA notification paperwork and may have to re-qualify for participation in the group health plan after returning to work.

5.03 Long-Term Disability

North Sound ACH offers full-time employees long-term disability insurance paid for by the organization. Employees are eligible for coverage on the first of the month following their date of hire.

5.04 Life Insurance

North Sound ACH offers full-time employees a level of life insurance paid for by the organization. Employees may also voluntarily elect additional coverage paid for through a payroll deduction. Employees are eligible for coverage on the first of the month following their date of hire.

5.05 401(K) Retirement Plan

North Sound ACH employees (21 years or older) are eligible to participate in the organization's 401(k) plan on the first of the month following six (6) months of employment. For plan details and organizational matching contributions, please contact the Payroll Administrator.

5.06 Reimbursement of Business-Related Expenses

North Sound ACH will reimburse employees for reasonable business-related expenses in accordance with the Fiscal Policies approved by the Board of Directors. The CEO or CFO can provide the most recent version of the relevant Fiscal Policy upon request.

North Sound ACH requests that business-related expenses be put on one of the company credit cards held by selected employees, therefore limiting the times when employees face out of pocket business related expenses. Employees who do not hold a company card should communicate with the most relevant company card holder to acquire the needed item before using their personal card.

We understand that, at rare times, it may be necessary for employees to put business expenses on their personal credit card. In these cases, employees must save a receipt for every expense and enter all expenses in the time tracking application, along with a copy of the receipt. The expense reimbursement request should include the amount of the expense, the vendor/merchant, as well as detail explaining what the expense was for. Expense reimbursement requests should be submitted to accounting for processing by the 5th of the following month. If receipts are missing, the specific expense will be rejected for reimbursement. Accounting will process expense reimbursement forms once a month during the standard check run process. If the expense is for a planned future event, reimbursement will be processed after the date of the event.

5.07 Paid Time Off (PTO)

North Sound ACH provides a formal Paid Time Off (PTO) program as a benefit to employees to use as vacation or for absences due to an employee or eligible family member's health concern as outlined below.

Accrual & Carryover

All regular full- and part-time employees will accrue PTO based on their regularly scheduled assignment as follows:

Length of Service	PTO Days (based on 30-40 hrs/week)	PTO Days (based on 20-29 hrs/week)	PTO Days (based on less than 20 hrs/week)
0-24 mos.	20 days/year	10 days/year	5 days/year
25-60 mos.	25 days/year	12.5 days/year	6 days/year
61-108 mos.	30 days/year	15 days/year	7.5 days/year
109-240 mos.	35 days/year	17.5 days/year	9 days/year
20 or more yrs.	40 days/year	20 days/year	10 days/year

An employee will begin accruing PTO on their first day of employment and is eligible to use PTO upon completing 90 calendar days* of employment. (*Exceptions within the first 90 days can be requested for sick leave through discussion with the CEO or designee.) PTO may be taken in increments of 15 minutes or more. PTO is not considered worked time for the purposes of calculating overtime. Employees must use all PTO prior to requesting Leave without Pay. Employees are not able to borrow against future PTO accruals.

Employees may carry over accrued, unused PTO from one calendar year to the next according years of service as outlined below. Accrued PTO beyond the maximum hours listed will be forfeited.

Length of Service	Maximum PTO Carryover at Year End
0-24 mos.	120 hours
25-60 mos.	130 hours
61-108 mos.	160 hours
109-240 mos.	180 hours
More than 240 mos.	200 hours

PTO Cash-Out

Employees who have more than the maximum carryover number of hours of accrued PTO have the option annually at year end to cash out the value of accrued PTO of more than the maximum allowed (i.e., for an employee with fewer than 24 months of service, the difference between 120 hours and any additional accrued, unused PTO). Cashed out PTO is paid on a gross basis minus applicable withholdings, according to regular payday guidelines.

Separation & Reinstatement

Upon voluntary or involuntary termination of employment, the employee will be paid the value of their accrued, unused PTO (minus applicable withholdings) up to the maximum year end PTO carryover allotment as indicated in the above chart (i.e., 0-24 months service may cash out up to 120 hours).

Employees voluntarily resigning from employment must provide the appropriate notice summarized in section 9.01 to be eligible for the PTO cash out at separation.

Scheduled PTO

Scheduled PTO for vacation purposes should be planned out as far in advance as possible to coordinate project work and staff coverage. PTO requests will typically be approved by supervisors and scheduled at least two (2) weeks prior to the date requested.

PTO Usage for health-related reasons

In compliance with Washington's Paid Sick Leave law, employees may also utilize PTO to care for their health and the health of their family members. Employees are required to give reasonable notice regarding the need for such leave and, in all circumstances, must personally notify their supervisor no later than their scheduled reporting time. "Family members" is defined as a child or parent (including biological, adopted, foster, step or legal guardian), a spouse, registered domestic partner, spouse's parent, grandparent, grandchild or sibling. Sick leave may be used for the following circumstances:

- An employee's mental or physical illness, injury or health condition;
- Preventive care such as a medical, dental or optical appointment and/or treatment;
- Care of a family member with an illness, injury, health condition and/or preventative care;
- Closure of the employee's place of business or child's school/place of care by order of a public official for any health-related reasons;
- If the employee or the employee's family member is a victim of domestic violence, sexual assault, or stalking.

When an employee is absent for more than three consecutive days, North Sound ACH may require medical verification that the employee is taking leave for an authorized purpose and may also request verification of the employee's ability to return to work.

Notice

North Sound ACH will provide employees with regular notice about the amount of PTO the employee has earned and used. Any questions and concerns about the PTO policy may be directed to their supervisor.

5.08 Paid Holidays

North Sound ACH currently observes the following paid holidays on which the office is closed:

- New Year's Day
- Martin Luther King Day
- President's Day
- Memorial Day
- Juneteenth

- Independence Day
- Labor Day
- Indigenous Peoples Day
- Veterans Day
- Native American Heritage Day

Dates when these holidays will be recognized during a year will be announced in January of that year.

Full-time employees will receive 8 hours of compensation for the holiday.

Part-time employees will receive up to eight hours of compensation for the holiday, up to the amount they are regularly scheduled for that day.

On January 1st of each calendar year, full- and part-time employees will receive two 8-hour Floating Holidays to be used at their discretion (with supervisory scheduling approval) during the calendar year. The floating holidays must be taken during the calendar year or else be forfeited.

5.09 Bereavement Leave

In the event of the death of a member of an employee's significant loved ones, North Sound ACH will grant the employee up to twenty-four hours of leave with pay. Notice of the need for leave should be given as soon as possible. Employees may request to take additional time off as needed utilizing their personal PTO bank.

This policy recognizes the importance of providing time away for employees during times of grief and loss. For the purposes of this policy, bereavement leave applies after the death of immediate family (see definition used by the organization in Section 3.02) and other significant relationships as determined by the employee and manager on a case-by-case basis.

Where a special circumstance exists that is not covered by the specific provisions of this policy, the employee should discuss the circumstance with the CEO or designee.

5.10 Jury Duty Leave

North Sound ACH considers jury duty an important civic responsibility. Regular full-time employees shall be allowed leave with pay for jury duty when subpoenaed for such services.

An employee is required to notify their supervisor promptly when they are summoned for jury duty and subsequently upon their selection as a juror. Regular full-time employees will be paid their regular salary/wages for any period of required service as a juror, which occurs during the employee's scheduled workday (not to exceed 8 hours/day) for up to two (2) weeks. Part-time employees will not be compensated for jury duty. In order to receive compensation for jury time served, an employee must provide confirmation from the court clerk indicating jury service.

When an employee is excused from jury duty prior to the end of the work day, the employee is required to report back to work or check in with their supervisor.

5.11 Washington Paid Family & Medical Leave

Washington Paid Family and Medical Leave (PFML) is a statewide insurance program that provides eligible Washington employees with paid time off to give or receive care. The Program is administered by the Washington Employment Security Department (ESD). Employees should go directly to ESD's website for a full description of the program and to apply for benefits (www.paidleave.wa.gov). North Sound ACH will not discriminate or retaliate against any employee for requesting or taking leave under this law.

Reasons for Leave

Eligible employees may take up to 12 weeks, if you:

- Welcome a child into your family (through birth, adoption or foster placement);
- Experience a serious illness or injury;
- Need to care for a seriously ill or injured relative; or
- Need time to prepare for a family member's pre- and post-deployment activities, as well as time for childcare issues related to a family member's military deployment.

Employees have up to one year from the birth, adoption or fostering of a child to access the leave benefit. If you face multiple events in a year, you might be eligible to receive up to 16 weeks, and up to 18 weeks if you experience a serious health condition during pregnancy that results in incapacity.

Serious Health Condition

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement may be met by a period of incapacity of more than three (3) consecutive calendar days combined with at least two visits to a health care provider or one visit and a regimen of continuing treatment, or incapacity due to pregnancy, or incapacity due to a chronic condition. Other conditions may meet the definition of continuing treatment.

Leave Eligibility

Employees who have worked 820 hours in Washington State in the preceding 12 months (equal to 16 hours a week for a year) will be able to apply to take paid medical or family leave. The 820 hours are cumulative, regardless of the number of employers or jobs someone has during a year if all prior employers are in the State of Washington. All paid work over the course of the year counts toward the 820 hours, including part-time, seasonal and temporary work.

North Sound ACH employees who are not eligible for Washington Paid Family and Medical Leave due to not having worked the 820 hours in Washington State will be eligible for 40 hours of paid leave provided by the organization to be used for their own qualifying serious health condition or for the birth, adoption or foster placement of a child. This time is to be used at the commencement of the leave.

Payment of premiums

The overall program is funded by premiums paid by both employees and employers. Because North Sound ACH has fewer than 50 employees, the employer is not required to contribute

a premium, however, every employee must contribute through a premium payroll deduction. North Sound ACH will notify employees of any changes to premiums.

Taking Leave

Eligible employees who have a qualifying event are required to provide the Company with 30 days written notice of a foreseeable need for leave. Additionally, the employee must contact and apply for leave with the Employment Security Department to receive partial wage replacement benefits. Please see Policy 3.13 Company Equipment for procedures related to equipment during leaves. For information on eligibility and applying for benefits, please go to www.paidleave.wa.gov.

Benefits While on Leave

While on PFML, employees will continue their health insurance at the same level as when they were working for the duration of the ESD-approved leave subject to standard premium deductions. Employees will receive an invoice for their portion of any premiums due and payment must be received by North Sound ACH by the due date to continue insurance.

While on PFML employees will not:

- Earn or receive paid holidays
- Accrue additional paid time off benefits

Partial Wage Replacement from ESD

Employment Security Department (ESD) handles an employee's partial wage replacement during Washington Paid Family & Medical Leave (PFML). The benefit generally ranges from 75-90 percent of your weekly wage, with a minimum of \$100 per week and a maximum of \$1,000 per week. Employees are required to communicate weekly with ESD to verify continued eligibility for leave and report any compensation received from their employer. Employees will receive the partial wage replacement based on their earnings directly from Employment Security. Employees may also access partial wage benefits for intermittent leave. There is a minimum claim requirement of eight (8) consecutive hours of leave in a week for which benefits can be sought.

Except for leave taken in connection with the birth or placement of a child, PFML benefits are subject to a seven-day waiting period. The waiting period begins on the Sunday of the week in which PFML is first taken. Employees may access their paid time off (PTO) to receive compensation for the unpaid work days during the waiting period. North Sound ACH will not supplement ESD payments other than during the waiting period.

Job Protection

While you may be eligible to access partial wage replacement with ESD, due to the size of North Sound ACH (less than 50 employees), the organization is not required to hold your position for the duration of PFML. If the Company decides that it is not able to hold your position, you will be notified once that determination has been made. Employees may be eligible for job protection under another policy or law (i.e., Washington Maternity Disability).

Contact During Leave

You may be required to check in during your leave period to provide updates regarding your expected return date.

Return to Work

Employees who are out on PFML due to their own serious health condition, will be required to provide a return-to-work certification form from their health care provider prior to returning to work.

5.12 Breast Feeding/Chest Feeding/Lactation

North Sound ACH supports breastfeeding individuals by accommodating an employee who wishes to express breast milk during their workday when separated from their infant/child. The provisions of this policy meet the requirements of the Fair Labor Standards Act as it relates to breaks for nursing individuals.

For up to one year after the child's birth, any employee who is breastfeeding or chest feeding their child will be provided reasonable break times to express breast milk or feed their child during the workday in the work space. Breaks of more than 20 minutes total will be unpaid and the employee must make up this time or indicate the time on their time record.

5.13 Domestic Violence Leave

Under the Washington State Domestic Violence Victims Leave law, if you are a victim of domestic violence, sexual assault or stalking, you may take reasonable or intermittent leave from work to take care of legal or law enforcement needs or get medical treatment, social-services assistance or mental-health counseling. Employees who are family or household members of someone experiencing domestic violence may also take reasonable leave to help the victim obtain treatment or seek help. A "family or household member" for domestic violence leave is defined very broadly and is more inclusive than the definition of a family member for medical or other leave purposes. It includes biological and legal children, current and former spouses and domestic partners, persons who have a child in common, adult persons related by blood or marriage, adult persons currently or formerly residing together, and persons with a biological or legal parent-child relationship, including step parents, step children, grandparents, and grandchildren.

Employees may access their PTO or use unpaid leave. North Sound ACH must be given advance notice, when possible, and reserves the right to request that an employee provide verification of the need for domestic violence leave. One or more of the following may be provided as proof:

- A police report indicating the employee or employee's family member was a victim.
- A court order providing protection to the victim.
- Documentation from a healthcare provider, advocate, clergy or attorney.
- An employee's written statement that the employee or employee's family member is a victim and needs assistance.

If an employee is on unpaid Domestic Violence Leave, they will continue to receive health insurance at the same level as working, subject to the standard deductions. Paid time off benefits will be handled according to 5.16 Leave without Pay.

5.14 Military Leave & Military Spousal Leave

North Sound ACH provides unpaid military leave of absence for employees while performing military service in accordance with federal and state law. Military service includes active

military duty and reserve or National Guard training. Reinstatement upon return from military service will be determined in accordance with applicable federal and state law.

Any employee who works more than 20 hours per week and whose spouse or state-registered domestic partner is deployed or about to be deployed or is on leave from deployment in a military conflict declared by Congress or the President is entitled to up to fifteen (15) days of leave of absence per deployment. The leave is unpaid except that the employee may access their eligible paid time off. An employee wishing to take this leave must notify their supervisor within five business days of receiving official notice that the spouse is being deployed or will be on leave from deployment. Upon conclusion of the leave, the employee will return to their position or an equivalent one unless the employee would otherwise have been terminated had they not taken the leave.

5.15 Leave Without Pay

Requesting Leave Without Pay

North Sound ACH provides employees with PTO to utilize for a variety of reasons. Also, employees needing leave for their own medical needs or to care for an eligible family member's need, or for the arrival of a new family member should refer to 5.11 Washington Paid Family & Medical Leave for request procedures.

In extenuating circumstances where an employee has exhausted their bank of paid time off (PTO) and is in need of leave, North Sound ACH may consider providing Leave without Pay for a short duration. The employee may submit a written request for a leave of absence without pay due to personal reasons to their supervisor. The leave request must be dated, signed by the employee, and state the reasons, circumstance, duration, and location of the employee during the leave. North Sound ACH will notify the employee if the leave request is approved and the duration of the approval.

North Sound ACH is sensitive to employee needs and will make reasonable attempts to accommodate such requests if they do not disrupt the business operations. An employee who fails to report promptly for work at the expiration of a leave of absence, or who accepts other employment during the leave, or who applies for unemployment insurance while on leave, will be considered to have voluntarily resigned.

Equipment During Leave

When an employee is on paid leave greater than three weeks, or is on unpaid leave, the employee must return all North Sound ACH-related information and property that the employee has in their possession for the duration of their leave. Additionally, the employee will ensure that passwords are up to date in the password storage system to allow computer access during the leave.

Benefits During Leaves Without Pay

Employees who receive at least 75% FTE equivalent compensation in any given month in which they take approved Leave Without Pay will continue to receive health insurance at the standard premium coverage (100% employer premium paid for the employee and 50% employer premium paid for spouse and dependents). When an employee's worked hours and compensation falls below 75% FTE equivalent, the employer and employee portion of the premium will be pro-rated accordingly based on actual hours worked in a month. If compensation falls below 50% FTE equivalent the employee assumes full responsibility for

the premium payment if they choose to retain coverage during a period of Leave Without Pay. Employees will receive an invoice for their portion of any premiums due and payment must be received by North Sound ACH by the due date to continue insurance.

This section does not apply to employees utilizing approved leave without pay while on domestic violence leave or approved Washington Paid Family & Medical leave (see corresponding policy).

5.16 Administrative Leave

On a case-by-case basis, North Sound ACH may place an employee on an administrative leave with or without pay for a specified period of time, as determined by the CEO. This leave may be used to provide North Sound ACH with time and opportunity to investigate matters, make decisions, or execute other administrative proceeding as needed.

SECTION 6: PERFORMANCE REVIEWS

6.01 Performance Standards

North Sound ACH believes that supervisors and employees should openly communicate regarding each employee's job performance. Accordingly, North Sound ACH has established a regular system of communication and coaching, along with performance reviews.

The preparation and use of employee performance reviews are intended for the mutual benefit of North Sound ACH and its employees in terms of decisions related to such employment conditions as pay, training, employee development, promotions and retention. Therefore, performance reviews will be used generally to identify specific levels of appropriate standards being performed; to recognize good performance and encourage continued development; and to prescribe the means and methods of correcting concerns to a required level of performance. Nothing in this section on performance standards alters the at-will employment relationship, and positive performance evaluations will not ensure continued employment.

6.02 Orientation Period Reviews

North Sound ACH will strive to conduct an orientation period performance evaluation after 6 months of employment. This review will examine the employee's adjustment to employment conditions, integration with the team, job learning progress and any other feature of the employee's job that is significant to retention decision-making and prospects of job success. At the conclusion of this evaluation, the employee will be asked to sign the review and receive a copy of the report.

6.03 Annual Performance Reviews

The performance of all employees will typically be evaluated annually during the 4th quarter of each year. Such reviews will be used in the consideration of an employee's pay, training, employee development, promotions and retention. Performance reviews will be completed by supervisors, discussed with the employee, and then maintained in the employee's personnel file.

6.04 Performance Improvement Plan

When, in the opinion of the supervisor, a gradual or marked decline in the performance of an employee arises, the organization may utilize the Performance Improvement Plan (PIP) to outline specific areas for improvement. The organization may utilize various methods (such as check-in meetings or additional training) to assist the employee's performance improvement. Through this focused process, it is North Sound ACH's goal that the employee will make full efforts and bring performance up to the identified expectations.

SECTION 7: CONCERN OR CONFLICT RESOLUTION

7.01 Concern or Conflict With Colleagues

North Sound ACH encourages employees to address concerns directly with one another to enhance communication and build stronger relationships within the team, using the principles of leading with love (courage, compassion, community, curiosity and care). The organization recognizes that practicing conflict resolution directly builds stronger skills and relationships among team members. If/when you need support in resolving the concern or conflict, please consult with your supervisor. Human Resources is also available if you need additional support.

North Sound ACH recognizes that fostering a work environment which allows employees the opportunity to openly voice their concerns, suggestions, and problems, can contribute significantly to creating a satisfying and inclusive work environment. Toward that end, the organization encourages employees to share their concerns, suggestions, or problems directly with their supervisor before circumstances escalate to a more serious situation. North Sound ACH supports an “open door” management style that includes access to any member of leadership or management if you are unable to resolve the situation in collaboration with your supervisor.

Employees who feel that their situation has not been sufficiently addressed with their supervisor or who are not comfortable addressing their concerns with their supervisor are encouraged to contact the CEO and/or Human Resources manager to discuss their concern. An employee who has a concern with the CEO specifically may bring their concern to the Chairperson of the Board of Directors, but only after they have exhausted other available resources, including attempts to work directly with the CEO and utilized the Human Resources manager.

SECTION 8: DISCIPLINE PROCEDURES

8.01 Standards of Conduct

North Sound ACH expects all employees to observe high standards of professionalism at all times; to comply with applicable laws, and all North Sound ACH policies, procedures, guidelines, directives and instructions; and to treat others with dignity and respect. Appropriate conduct, whether on duty or off, is expected at all times while on North Sound ACH property, performing North Sound ACH business, or at work- related events, including events outside the workplace. Adherence to these standards not only promotes productivity and efficiency, but also helps to provide all employees with a pleasant and cooperative work environment.

When corrective action and/or discipline is necessary, the primary goal of such corrective action or discipline is to improve performance or correct behavior problems that might otherwise lead to termination of employment. However, North Sound ACH retains the right to apply these policies or not, at its discretion, up to and including terminating an employee without previous corrective action or discipline. Nothing in this policy alters the at-will employment relationship.

It is impossible to list every type of misconduct, infraction, or performance problem that may result in disciplinary action. The following are examples of conduct that may result in disciplinary action, up to and including immediate termination of employment:

- Falsification of North Sound ACH records or any other dishonest or deceptive act.
- Unauthorized use or disclosure of confidential North Sound ACH information as defined under North Sound ACH's policies on confidentiality of business information and member health information.
- Unauthorized destruction or alteration of North Sound ACH's documents or records, particularly those pertaining to pending litigation, governmental investigations, or audits.
- Committing an act detrimental to the safety and health of a fellow employee.
- Violations of North Sound ACH's Equal Employment Opportunity or Harassment and Discrimination policies.
- Misrepresentation of North Sound ACH products and service by deception, inaccuracy, or incompleteness.
- Unauthorized use of North Sound ACH's assets (e.g., facilities, equipment, supplies, reports, records, software, trademarks, and intellectual property) for purposes other than North Sound ACH business.
- Improper, unethical, or illegal use of North Sound ACH's funds.
- Theft or unauthorized possession of North Sound ACH property or property belonging to a fellow employee.
- Fighting or provocation to fight on North Sound ACH property, while attending work-related events or while on North Sound ACH business.
- Insubordination (the refusal to follow a lawful direction given by North Sound ACH management).
- Failure to cooperate fully with any North Sound ACH inquiry or investigation.
- Failure to meet performance standards.

8.02 Discipline Guidelines

The purpose of this policy section is to state North Sound ACH's position on administering equitable and consistent discipline for unsatisfactory conduct. North Sound ACH's own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, specific and objective. The major purpose of any disciplinary action is to correct the concern, prevent recurrence, and prepare the employee for successful service in the future.

Although employment with North Sound ACH is based on mutual consent and both the employee and North Sound ACH have the right to terminate employment at will, with or without cause or advance notice, North Sound ACH may use progressive discipline at its discretion.

Disciplinary action may call for any of four steps -- verbal warning, written warning, suspension with or without pay/last warning, or termination of employment -- depending on the severity of the issue and the number of occurrences. There may be circumstances when one or more steps are bypassed.

Progressive discipline means that, with respect to smaller disciplinary concerns, these steps will normally be followed: a first offense may call for a verbal warning; a next offense may be followed by a written warning; another offense may lead to a suspension/last warning; and, still another offense may then lead to termination of employment. The level of disciplinary action will be evaluated on a case-by-case basis. North Sound ACH recognizes the benefit, in some cases, of using progressive discipline, but is not required or obligated to use progressive discipline before imposing a particular type of disciplinary action, including termination.

By using progressive discipline, we hope that many concerns can be corrected at an early stage, benefiting both the employee and North Sound ACH. Nothing in this policy is intended to alter the at-will employment relationship or constitutes a promise of specific treatment in specific circumstances.

SECTION 9: SAFETY

9.01 General Safety

It is the policy and practice of North Sound ACH to provide for the continuous development, implementation and maintenance of a healthy and safe work environment. All employees will be held responsible at all times to observe and practice the highest standard of safety and health in the execution of their duties. Employees are responsible for reporting any condition or situation which results or may result in an unsafe or unhealthy work environment. Employees will be subject to disciplinary action, up to and including termination of employment, if determined to be in violation of established safety policies or willfully negligent in the safe performance of their duties.

Responsibilities

Each employee should regularly inspect their work area, identify unsafe conditions and report those conditions to the appropriate supervisor for correction. Each supervisor is responsible for assisting in the correction of any unsafe condition and in the investigation and documentation of accidents/incidents that occur in their work area. North Sound ACH expects employees to be familiar with the safety plans and their responsibility in each plan. Additionally, employees who perform duties outside of the office environment and drive to various locations are expected to obey all laws and rules of the roadway, including not texting while driving.

Employee Concerns/Complaints

Any concern/complaint by an employee regarding a possible unsafe condition should be investigated and the supervisor should inform the employee of what corrective action, if any, was taken. No employee shall be discriminated against in any way for having made such a complaint or for having filed a complaint or initiated any proceeding with OSHA/WISHA, testified in conjunction with an OSHA/WISHA hearing or otherwise exercised any right afforded by OSHA/WISHA.

** OSHA – Occupational Safety and Health Administration*

** WISHA – Washington Industrial Safety and Health Act*

8.02 On-the-Job Injury or Illness

North Sound ACH is covered through the Washington State Labor and Industries Workers Compensation program. This program covers employees who suffer on-the-job injuries or illnesses and allows them to receive medical care, rehabilitation services and compensation for lost wages (under certain conditions). An industrial injury or illness is one which occurs during the course of and as a direct result of an employee's work or working conditions.

Reporting

North Sound ACH requires its employees to report any work-related injury, accident, illness, and exposure to infectious diseases to their supervisor immediately regardless of the severity. Employees are required to complete an Accident/Injury form. If a work-related injury occurs while an employee is performing North Sound ACH business, but off North Sound ACH property, the employee should contact the supervisor as soon as possible to report the incident.

Seeking Medical Attention

An employee who is injured on the job and who needs medical attention should seek the most appropriate source (family physician, urgent care, or local Hospital Emergency Room). If medical treatment is necessary, the employee should notify the treating physician that the injury was work-related, and that the facility is covered under the State Workers Compensation program. Following treatment, the employee should contact their supervisor as soon as possible to provide an update on the employee's status and ability to return to work. An employee will be required to provide a release to return to work following the physician's visit.

SECTION 10: SEPARATION OF EMPLOYMENT

10.01 Notice of Resignation

Recognizing that career transitions are a natural step in professional and personal growth, North Sound ACH employees may resign their employment at any time. Employees are encouraged to provide as much notice prior to their separation date as they can in order to support a smooth transition for ongoing projects and allow remaining team members to adjust accordingly. For those reasons, North Sound ACH requests at least two (2) weeks written notice from employees.

Employees must provide their notice in writing via email to their direct supervisor indicating their last day of employment, updating their contact information with the payroll provider. Prior to separation the employee must update all passwords in the password management system, and arrange for return of all North Sound ACH equipment.

North Sound ACH reserves the right to deny vacation leave during the period between the notice of separation and the employee's last scheduled day of work to allow sufficient time to transition workloads and to allow for procedures scheduled on the last working day of employment.

10.02 Abandonment of Position/Voluntary Termination

When an employee is absent from work for three (3) consecutive days without notifying their supervisor, North Sound ACH will consider the employee to have voluntarily abandoned or voluntarily terminated their position.

10.03 Last Day of Employment & Compensation

On the last scheduled working day, employees are expected to return all Company property (both physical, intellectual and data/computer-related) and complete an Exit Checklist. The cost of any North Sound ACH property that is not returned at separation will, at the discretion of the CEO, be deducted from an employee's final paycheck.

An employee's final paycheck will be available to the employee on the standard payday of the last month worked. An employee's final paycheck will include all wages for hours worked up to the time of separation and a lump sum payment for any unused paid time off, up to the limits set in Section 5.08 under PTO Cashout, and if the proper advance written notice is provided.

North Sound ACH is interested in hearing from departing staff about their employment experience. Employees will be assigned a task of completing an exit interview survey prior to their last day of employment. To assist the organization to be continuously improving the workplace, we encourage employees to take advantage of that exit interview opportunity.

North Sound ACH Employee Handbook Acknowledgement

Employee Attestation

This is to acknowledge I have received a copy of North Sound ACH's updated January 2025 Employee Handbook. I understand that it is my responsibility to review the handbook and ask questions for clarification as necessary, and to abide by the policies, guidelines and practices summarized within. I also understand and acknowledge that:

- This Handbook supersedes all prior manuals, handbooks, policies, summaries discussions and understandings on the subjects covered in this Handbook. I further understand that this Handbook is not intended as a complete statement of my rights or responsibilities.
- This Handbook is not a contract of employment or a promise or guarantee of employment for any specified duration or length of time, nor is it a promise of specific treatment in a specific situation. I understand that all employment with North Sound ACH is "at will," meaning that either North Sound ACH or I can terminate the employment relationship at any time, with or without notice, for any legal reason.

Employee Printed Name

Employee Signature

Date Signed

(The Attestation Form will be sent to employees using Adobe Sign and will be kept in the Employee's Personnel File.)

North Sound ACH Total Compensation

Payroll

Monthly payroll, paid on last working day of the month

Non-exempt employees paid based on actual hours worked

Exempt employees paid based on agreed upon FTE percentage

Remote work support:

Employees who are approved to work remotely receive reimbursement monthly for two stipends (prorated for FTE %) \$100 for utility support and \$50 for cell-phone support

Reimbursement for Approved Expenses:

Employees receive monthly reimbursement for work-related expenses after approval by supervising manager

Pooled Paid Time Off Accrual (Vacation and Sick Leave):

Months 0-24: 20 days per year

Months 25-60: 25 days per year

Months 61-108: 30 days per year

Months 109-240: 35 days per year

After 240 months: 40 days per year

Paid Holidays:

10 paid holidays that are pre-determined by the organization

- New Year's Day
- Martin Luther King Jr. Day
- President's Day
- Memorial Day
- Juneteenth
- Independence Day
- Labor Day
- Indigenous Peoples Day
- Veteran's Day
- Native American Heritage Day
- + 2 Floating Holidays to be used in 8-hour increments

Professional Development:

After agreement with manager on a professional development plan, organization will provide financial support for trainings, conferences, classes or other options, up to \$750 per staff member or another amount approved by the Board each year.

Other PTO:

Bereavement, Jury Duty, WA Paid Family and Medical Leave, Domestic Violence, Military Leave and Military Spousal Leave,

Breast Feeding/Chest Feeding/ Lactation

North Sound ACH Benefit Plan	
Medical Insurance: Kaiser Permanente: Access PPO Visits Plus Gold LX Average Calendar Year Deductible: Preferred Provider Employee Family Coverage	 \$600.00 \$1,200.00
Average Calendar Year Deductible: Out-of-network Employee Family Coverage	 \$1,200.00 \$2,400.00
Out of Pocket Limit: Employee Family Coverage	 \$6,500.00 \$13,000.00
Office Visits and Urgent Care: Preventive Care Office Visit Co-Pay Regular Office Visit Coinsurance Specialist Visit Co-Pay Urgent Care	 \$0.00 \$30.00 \$50.00 \$50.00
Dental Insurance: Kaiser Permanente: Delta Dental PPO Annual Maximum: Adult (including dependents 19 years and older) Pediatric (dependents 18 and younger) Diagnostic & Preventative Care: Adult (including dependents 19 years and older) Pediatric (dependents 18 and younger) Restorative: Adult (including dependents 19 years and older) Pediatric (dependents 18 and younger) Major: Adult (including dependents 19 years and older) Pediatric (dependents 18 and younger) Orthodontia (coinsurance): Adult (including dependents 19 years and older) Pediatric (dependents 18 and younger)	 \$1,500.00 unlimited 100% 100% 80% 80% 50% 50% 50% 50%
Vision Insurance: Kaiser Permanente: Access PPO Visits Plus Gold LX Optical Hardware: Adult (including dependents 19 years and older) Pediatric (dependents 18 and younger)	 \$100/calendar year 100%
Life Insurance/ AD&D: Basic Life Insurance: Basic AD&D:	 \$50,000.00 \$50,000.00
Other Coverage: Employee Assistance Program (EAP) 401K Retirement Plan, Employer Match set by Board annually Mass Transit Tickets, up to \$50/month	

Frances Maybach

Bellingham, WA 98225

AREAS OF EXPERTISE

◆ Equitable Policy Development ◆ DEIA Leadership ◆ Performance Management ◆ Hiring & Onboarding

EXPERIENCE

US Cloud, St. Louis, MO - *People Operations Manager (HR)*

Microsoft software technical support & client care

NOVEMBER 2024 - PRESENT

- Mediates and resolves disputes between employees, managers, or departments, ensuring fair and consistent application of organizational policies
- Maintains and updates company policies according to employment law
- Facilitates usage of employee benefits and different categories of employee leave

Accountability Counsel, San Francisco, CA - *People Manager (HR)*

International social justice non-profit with employees across 8 countries

JANUARY 2022 - DECEMBER 2023

- Led wellness and mental health programs, DEIA initiatives, and inclusive, bias-aware recruiting & onboarding processes
- Developed equitable employment contracts and organizational processes
- Produced annual salary and benefit updates with compensation benchmarking
- Negotiated employee transitions from consultant to PEO & EOR to direct hire
- Built public compensation framework and performance management programs

Juntos Global, San Carlos, CA - *Human Resources Manager*

International financial inclusion organization with employees across 10 countries

JULY 2014 - AUGUST 2021

- Assisted domestic and international expansions in the areas of employment law, regulatory compliance, and change management
- Advised C-suite leaders and managers through major organizational transitions
- Developed employee handbook, organizational policies and training programs
- Facilitated payroll (domestic and international), monthly expense reporting, annual budget planning, and all hiring & onboarding

HALO Corp., San Diego, CA - *Human Resources Generalist*

International humanitarian kidnap-rescue organization

FEBRUARY 2011 - JULY 2013

- Performed all organizational administrative functions
- Hired and managed contractors and assets in multi-national security operations

EDUCATION

University of Minnesota, Minneapolis, MN - *Bachelor of Arts, Physiology*



Kara Turner 11:07 AM

INTERNAL HIRING ANNOUNCEMENT – FEB 2023

North Sound ACH is now accepting internal applications for the additional Program Manager positions:

- *Program Manager, Community HUB
- Program Manager, Medicaid Transformation

JOB DESCRIPTION REVIEW

Job descriptions can be found here:

https://drive.google.com/drive/folders/1e86NckxxKG_c3rMcVJgRpSyVG98WOrk_

TO APPLY

Internal application forms should be submitted for these additional roles by 2/17/23 along with your current resume to kara@turnerhrservices.com.



2025 Salary Ranges

	Minimum	Midpoint	Maximum
Chief Executive Officer	167556	197125	226694
Other C Suite	127068	149492	171915
Director	98454	115828	133203
Manager	78124	91911	105697
Specialist	68417	80491	92565



2024 Fiscal Policies Manual

Revised October 17, 2024

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GENERAL PURPOSE

The purpose of the Fiscal Policies Manual is to establish guidelines for the Board of Directors and North Sound ACH staff about standards to be applied when developing financial goals and objectives, making financial decisions and reporting the financial status of North Sound ACH to the Board and public. In addition, these policies provide guidelines that foster an effective management of North Sound ACH funds.

North Sound ACH was incorporated as a Washington nonprofit organization in 2016, and is exempt from federal income tax under Internal Revenue Code (IRC) Section 501(c)(3). As such, we are required to adhere to all regulations and restrictions set by the IRS in order to retain this tax-exempt status.

ROLES & RESPONSIBILITIES

Board of Directors

It is the responsibility of the Board of Directors, through its Finance Committee, to formulate fiscal policies, delegate administration of such policies to the Chief Executive Officer (CEO), and review operations and activities on a periodic basis. The Board of Directors adopts the annual budget by board vote

Finance Committee

The Finance Committee, chaired by the Board Treasurer, is responsible for the oversight of the following, bringing recommendations to the board around: annual budget presentation for Board approval, review and presentation of financial statements, timely 990 completion, management of fund investments, selection of external auditors, internal controls, and financial policies.

Staff

Chief Executive Officer (CEO)

North Sound ACH's CEO oversees general and daily financial management and reporting. The CEO acts as the primary fiscal agent, implementing all financial policies and procedures and is the sole employee who can commit the ACH to any contractual financial arrangements. In addition to general and daily management activities, the CEO develops and presents staff compensation ranges to the Board of Directors annually alongside the annual budget approval process. The CEO arranges for a compensation review every two years examining salary ranges and compensation, with adjustments made for the size and hiring patterns for similar companies in Washington State. The CEO is responsible for preparing the annual

operational budget for presentation to the Finance Committee, and approval by the Board, financial reports analyzing performance to the budget, and periodic cost and productivity analyses.

Chief Financial Officer (CFO)

North Sound ACH's Chief Financial Officer (CFO) is primarily responsible for managing the financial risks of the organization, for financial planning, budget tracking, forecasting and recordkeeping, and financial reporting to the CEO, the Finance Committee and the Board of Directors as requested. The CFO is responsible for ensuring periodic accounting tasks are completed timely and accurately with the support of the finance team, meeting daily, weekly, monthly, and annual requirements. The CFO, in partnership with the COO, leads the finance team and is the direct contact for all financial audit related activities. The CFO is required to ensure the agency responds in a timely manner to audit requests and provides timely updates on progress to the CEO and the Finance Committee.

FINANCIAL REPORTING

North Sound ACH regularly prepares both internal and external financial statements. North Sound ACH's financial statements are prepared on the accrual basis in accordance with Generally Accepted Accounting Principles ("GAAP"), and more specifically in accordance with standards of accounting and reporting established for non-profit organizations.

Financial Statements

Presentation of the Financial Statements shall describe net assets and revenues, expenses, gains, and losses, classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of North Sound ACH and changes shall be classified as either net assets with donor restrictions or unrestricted net assets.

Net assets without donor restrictions include amounts that are not subject to donor-imposed stipulations that are used to account for resources available to carry out the purposes of North Sound ACH in accordance with the limitations of its charter and bylaws.

Restricted net assets with donor restrictions are those resources available for use for program services or donor implied use. They are expendable only for purposes specified by the donor or grantor and may or will be met by the actions of North Sound ACH and/or the passage of time. Such resources originate from grants and contributions restricted for specific purposes or a specific future time frame. When a donor or grantor restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Internal Reporting

Financial Statements shall be prepared monthly. The Financial Statements include information about all of the organization's funds and cash position as of the end of each month, and are reviewed by the CFO and the CEO prior to submission to the Finance Committee for review and approval. The Financial Statements are submitted to the Board of Directors by the Finance Committee for final review and acceptance at scheduled Board meetings.

Fraud and Embezzlement

The CEO will notify the Board Chair, CFO and all applicable funding sources not later than one working day after the date any alleged fraud activity comes to the CEO's attention. North Sound ACH staff will develop the case and notify the proper authorities. If any fraud or embezzlement is identified as part of the annual financial audit and if the CEO is implicated, the auditor shall inform the Board chair immediately. If deemed appropriate, after the investigation and resolution of the issue, the organization will make internal control changes to satisfy all concerned.

Revenue Goals

The responsibility for reaching North Sound ACH's budgeted revenue goals is shared by the CEO and the Board of Directors. The CEO in conjunction with the Board of Directors and the CFO develops and proposes revenue goals and objectives and submits them to the Board for approval at least annually at a scheduled Board Meeting .

The CEO prepares regular reports on the status of any revenue-raising activities and presents it to the Board and Executive Committee at regularly scheduled meetings. The Finance Committee reviews monthly revenues and expenditures and, if necessary, makes recommendations for change to the CEO, who will report it to the Board.

Cost Allocation

North Sound ACH's cost allocation method treats all costs as direct costs except general administration and general expenses.

Costs not directly attributable to one program and one funding source are initially posted to a common cost center, which are then distributed proportionately to the variety of North Sound ACH cost centers at month end. These include, but are not limited to, costs shared by all programs in the organization, e.g. rent, auditing services, professional fees, administrative support staff, telecommunications, maintenance, utilities fees and licenses, janitorial.

Allocation of costs are based on labor percentages derived from the relative number of direct hours worked and documented on staff monthly timesheets for each North Sound ACH program or initiative. Most common costs, e.g. printing and postage, office supplies,

telecommunications, bookkeeping, fiscal audits, are distributed to programs based on the hours worked in each program or initiative as a percentage based on allocation criteria are evaluated on a regular basis e.g. annually unless significant program/initiative changes occur more frequently.

Pure administrative costs are tracked separately and include expenses that are not directly attributable to the programs of the organization. They may include Board meeting and related Board expenses, administrative staff costs and other expenses related to maintaining the organization.

Indirect administration is allocated to programs/initiatives on the basis of direct program hours worked in each program to the full allowable percentage per program/initiative. Since some funding sources restrict the level of reimbursable administrative overhead, the "excess" administration will be charged to other sources of funding or to "no source" if no other funding sources are available, leaving the administrative costs creating a deficit to the agency which may be supported by other unrestricted revenues or the investment income/corpus.

Budgeting Process

The Finance Committee and North Sound ACH's CEO shall plan for the long-term financial stability of the organization in accordance with North Sound ACH's long-term plans that are reviewed annually, and adjusted as necessary.

North Sound ACH's CEO is responsible for presenting to the Finance Committee a draft annual operating budget for discussion prior to seeking Board approval before the beginning of each fiscal year. The CEO shall review the specific revenue goals tied to revenue-raising activities and Strategic Planning goals of North Sound ACH, and make recommendations to the Finance Committee. In addition, the CEO will identify relevant staff to participate in the budget planning around planned expenditures and other items in the annual operating budget as it is being finalized for presentation to the Board.

CASH MANAGEMENT

Cash and cash equivalents include all cash balances and highly liquid investments with maturity of eighteen months or less. North Sound ACH investments shall be reviewed monthly by the Finance Committee. The Finance Committee shall use due diligence in overseeing the investments of North Sound ACH funds, by establishing and monitoring investments that gives proper recognition to risk and return.

North Sound ACH uses a primary checking for normal operating expenses. The primary checking account is reviewed regularly by the finance team to ensure that the balance is adequate for monthly expenses. North Sound ACH strives to maintain the average checking balance of approximately 3 months worth of operating expenses. A fund transfer to the primary checking account will occur from either the Schwab investment account or another cash account as needed. Documentation will be maintained to support the transfer amount

including the amount transferred, date the transfer occurred on, accounts the transfer came from and went to, and evidence of the authorized individual to make the transfer noted by signature and date.

Funds and Banking

Funds of North Sound ACH shall be deposited in North Sound ACH's bank accounts designated by the Board of Directors. North Sound ACH maintains one (1) primary checking account, and one (1) primary savings account in addition to investment accounts. These accounts may be changed as North Sound ACH's financial conditions and requirements change. The CEO, with oversight from the Finance Committee, shall maintain and oversee bank accounts, and ensure consistent running of North Sound ACH's day-to-day financial operations. The CEO can designate additional staff to have limited administrative access to finance accounts online, and have authority to discuss accounts with bankers as needed to support the daily needs of the agency.

All checks, cash, money orders, and credit card deposits, are deposited in the appropriate accounts. Checks, ACH transactions and wire transfers are processed weekly based on staff completed check request forms and/or regular approved vendor invoices to meet monthly North Sound ACH financial obligations, or ongoing operational expenditures. Checking, savings, and investment account statements are reconciled monthly and serve as an internal control to assure all entries have been made to the general ledger system and possibly discover bank errors or theft.

Fund Transfer Policy

The CEO or designee and CFO have permission to make interorganizational fund transfers between existing accounts to support the cash flow management of the agency. Transfers between accounts require approval by both the CFO and CEO.

Investments

Investments are reported in line with the North Sound ACH investment policy.

Fund Accounting

In observance of limitations and restrictions placed on the use of resources available to North Sound ACH, the accounts of North Sound ACH are maintained in accordance with the principles of fund accounting. Under these procedures, resources for various purposes are classified for accounting and maintained for each fund.

Signature Authorization

The CEO, Board Chair, and other officers identified by the Board Chair, are authorized to sign checks, drafts, or orders for payment of money issued in the name of North Sound ACH, with each signer having signed required documents at North Sound ACH's financial institutions. The CFO, with Board resolution, may also be designated as a signer at North Sound ACH financial institutions. The CFO has signature authority independent of the CEO only when designated in writing by the CEO.

The CEO, CFO and Accountant are authorized to approve payments through the financial executor portal. The CEO and CFO are authorized to approve bank ACH (Automated Clearing House) and wire transactions. The CEO may provide additional permissions for users to approve payments as needed. Both the CEO and CFO must approve all transactions initiated by North Sound ACH.

All contracts, commitments for services in the name of North Sound ACH, and other legal obligations shall be signed by the CEO, the Treasurer or the Board Chair unless otherwise delegated by the CEO.

CASH OPERATIONS

North Sound ACH's finance team maintains standard accounting records containing all aspects of North Sound ACH's financial operations. They include but are not limited to: a general ledger, a check register, and a payroll register.

Revenue Recognition

All contributions or exchange transactions shall be recorded in accordance with GAAP, with specific attention to standards ASC 958-605-25 and ASC 606. Contributions are recorded as pledged or received in accordance with ASC 958-605-25 and exchange transactions consider ASC guidance 606 as it pertains to timing of recognition. Revenue must be credited to the appropriate income lines as presented in the annual budget and coded with the appropriate account number as designated in North Sound ACH's Chart of Accounts.

Cash Receipts

The following procedures for cash/checks received through the mail or given to an organization representative shall be in place: Mail is sorted by CEO or their designee. Mail is then distributed to the appropriate personnel. All checks are then given to the CEO or designee to prepare them for deposit. Cash and checks are deposited in North Sound ACH bank account by the CEO or designee.

A copy of the bank deposit slip is retained in chronological order with copies of the deposited checks. All cash and checks shall be deposited within 5 days of receipt.

Deposit tickets endorsed by the bank are forwarded to the finance team who records these transactions in the General Ledger. The finance team shall reconcile all logs of incoming cash/checks with the deposit slips to ensure that all cash has been deposited.

The same procedures followed for cash receipts shall be followed when monies are received by staff as contributions during Special Events.

Receipts to Donors

All donors and contributors shall be properly acknowledged for their contributions in accordance with IRS Guidelines. If funds received are intended to be restricted, documentation providing details from the donor will be requested and kept on file. The CEO shall ensure proper recognition of contributors and grantors, utilizing the financial reporting systems.

CASH DISBURSEMENTS

Approval Process

All expenditures shall be approved by a supervisor, and a member of the C Suite for final approval. The Board has delegated authority to the CEO to make whatever purchases are needed for the day-to-day operation of North Sound ACH and in accordance with the approved annual organization budget. All authorized expenditures shall be coded by account number using North Sound ACH's Chart of Accounts.

Any non-routine expenditure in excess of \$10,000.00 for the purchase of a single item should have bids from three (3) suppliers if possible. For all fixed asset purchases, reasonable diligence should be exercised to comparatively shop for available sources.

Invoices shall be received by designated North Sound ACH finance team, who will complete an Expense Report form, review and forward to the CEO or their designee for final approval. Following this review and approval, the finance team will prepare checks and forward them to the CEO for check signing, or prepare electronic form for approval prior to putting an ACH transaction in the queue for payment. Upon payment of a bill, a copy of the check or duplicate of stub shall be stapled onto the bill. The paid invoices and check stubs shall be filed alphabetically by vendor name and kept in monthly folders. These folders are for use in preparing the monthly financial reports and will provide support when audited. Voided checks shall be marked "VOID" boldly written in ink across the face of the check and the signature portion of the check will be torn off. The voided check shall be filed with other canceled checks upon review of documentation by the CFO.

North Sound ACH staff must collect and submit to the finance team a properly filled out W9 form from any vendor/contractor prior to payment of any invoices to ensure reporting requirements are met for the agency at year end.

Invoices must be received from all vendors/contractors/payees and approved by staff prior to North Sound processing a payment.

Reimbursements

Expenses directly related to North Sound ACH business activities (mileage, meals, hotel, supplies, etc.) which are pre-approved and paid for by an employee, will be reimbursed to staff upon submission of an Expense Reimbursement Form to designated North Sound ACH supervisor, who will review, approve and forward to the designated C Suite member for final approval. Approval from a designated supervisor will be kept on file with the Expense Reimbursement Form.

Credit Card

North Sound ACH will issue company credit cards to staff at the CEO's discretion. Credit card holders will be approved by the CEO and credit limits on all cards will be set based on the intended purchasing responsibilities of the employee at the time of approval. Determined credit limits will be auto enacted and enforced on cards. The CEO will identify eligible staff and initiate the process of issuing company credit cards directly with CitiBank. Credit cards can be revoked at any time by the CEO.

All expenses charged on company cards must be business related. Credit Card holders are responsible for tracking their spending and ensuring they do not go over their limit in any given month. All cardholders shall turn in receipts/support for each expense charged on their card in a timely manner.

Appropriate support/receipts to include as backup for expenses must include detail from the vendor clearly stating the following transaction details:

- Amount
- Date
- Description
- Vendor

If a receipt is missing, a written and signed statement of what the expense was for, how much, and why a receipt was missing should be submitted to support the expense prior to approval. The designated supervisor is responsible for approving or denying any expense reimbursement request.

The Finance Committee may request credit card statements and supporting back-up of the any credit card account at any time.

Violation of any of the above policy details can result in immediate revocation of a company card. If a card is ever accidentally used for personal use, the staff member will immediately reimburse the agency. If reimbursement is not made timely, North Sound ACH may deduct the expense portion from the staff members following paycheck with a signed deduction approval form supporting the reason for deduction.

Petty Cash

North Sound ACH will not maintain any petty cash funds.

Bank Reconciliations

Bank reconciliations shall be completed monthly by the finance team. In addition, all bank statements, credit card statements, and other required statements are reconciled every month by the finance team, and electronic records will be kept securely on the North Sound ACH shared drive. These monthly checking accounts statement reconciliations serve as an internal control to assure all entries have been made to the general ledger system and possibly discover bank errors or theft.

A check outstanding for more than six (6) months will be voided with a possible stop payment request to the bank upon approval of the CEO. Additionally, vendor checks may be voided and reissued if reported as lost. All voided checks will be kept on file whenever possible.

Capitalization

North Sound ACH establishes \$2,500 as the threshold amount for minimum capitalization. A "Capital Asset" is defined as a unit of property that: (1) has an economic useful life that extends beyond 12 months; and (2) was acquired or produced for a cost of greater than \$2,500. Capital Assets must be capitalized and depreciated for financial statement purposes.

Any items costing below this amount should be expensed in North Sound ACH's financial statements.

All Capital Assets are recorded at historical cost as of the date acquired.

Tangible assets costing below the aforementioned threshold amount are recorded as an expense for North Sound ACH's annual financial statements. Alternatively, assets with an economic useful life of 12 months are required to be expensed for financial statement purposes, regardless of the acquisition or production cost.

Invoice substantiating an acquisition cost of each unit of property shall be retained for a minimum of four years.

Property and equipment shall be stated at historical cost. Depreciation is computed over the estimated useful lives of the assets in accordance with IRS determined useful life for relevant asset classes. A Depreciation schedule shall be prepared and implemented by CFO on an annual basis, taking into consideration the annual equipment inventory.

Property Disposals

North Sound ACH may choose to dispose of property held through sale or other means, such as donation. North Sound ACH reserves the right to set the terms of disposal including timing, price, and recipients. Property disposed of is relinquished 'as is' and North Sound ACH will not be held liable for any support, maintenance, or improvements to the assets including IT assistance, or replacing/updating the property. Items such as computer equipment will be wiped by IT prior to disposal. All property disposals will be approved by the CEO or designee. Items with a cost greater than \$10,000 must be approved by the board prior to disposal.

OTHER POLICIES & PROCEDURES

Confidentiality and Records Safety

Financial records are restricted materials with limited access. Only the CEO or their designee, the finance team, and the Board Treasurer (or other Board members so authorized by the Board) shall have access to financial records (vendor files, checks, journals, payroll, etc.). All payments, transactions and invoices shall be filed with supporting documentation, and files should be kept confidential.

Deeds, Conveyances, Leases & Contracts

North Sound ACH occupies one leased space at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226.

- Leases will correspond to the fiscal year whenever possible.
- Copies of all leases will be maintained in the North Sound ACH office.

Donated Materials and Services

Donated materials and equipment shall be reflected in the Financial Statements at their fair market values measured on the date of receipt. If a packing slip is available that will be used as documentation of receipt. If the packing is not available the COO will sign a document to acknowledge receipt. If the donor does not identify the value of the item(s) the finance team will research and note dollar amounts for individual items donated.

The staff accountant reviews and documents several comparable items along with stated resale values to determine valuation. The proposed valuation is then reviewed and approved by the CFO and CEO. Market values are periodically reassessed to ensure pricing accuracy of the goods on hand.

North Sound ACH maintains documentation of donated goods and services received during the year including name of donor, date and location of the donation, description of donated items or services and donor's estimated fair market value if known.

Donated goods and services are recorded as in-kind revenue with a debit to the proper expense account that reflects the type of donation (materials, professional services). Determination of expense versus asset status is based on materiality of donation activity in the year. For donations over \$50,000 we will check with the audit team about materiality. If donated goods are not immediately expensed, they are classified as an asset and recognized as inventory.

The North Sound ACH finance team will keep scanned copies of packing slips on the shared drive. In-kind contributions are kept off site in a secured location accessible only by onsite security staff. CEO and COO will designate specific staff members to communicate with onsite security when access to the warehouse is needed.

Inventory management

North Sound ACH recognizes inventory of donated and purchased goods held on a short-term basis (less than 1 year), that are going to be distributed to its partner organizations and/or the general public. If the value of inventory is not otherwise stated, inventory is valued at the time of receipt at fair market value. Inventory is rotated on a first in, first out basis.

Access to inventory is restricted to designated staff by the CEO. Inventory is held in a secure location only accessible by designated staff. Inventory with any sensitivities to the elements is kept in a regulated environment.

On an annual basis at year's end, North Sound ACH completes a physical inventory count. The CEO coordinates the count with the CFO and COO. The CFO oversees the count, and North Sound ACH staff involved in the accounting function or who have been responsible for overseeing inventory help to perform the count.

When assigning value(s) to inventory on hand, North Sound ACH uses first in, first out method (first items to increase the inventory are the first ones to be used). Adjustments to inventory occur after subsequent physical counts are completed. Adjusting entries are prepared and reviewed by the CFO & CEO. The CFO is responsible for entering the proposed adjusting entry via journal entry into the accounting software. In-kind contribution activity is updated in

the accounting system on a quarterly basis and reviewed by the Finance Committee via the financial statements.

Donor-Imposed Conditions

Transfers of assets and promises to give with donor-imposed conditions should be recognized as contribution revenue when the conditions have been substantially met or when the conditions have been explicitly waived by the donor, i.e. a contribution of cash or a promise to give cash in support of a proposed program should be recognized when the program is undertaken. Transfers of assets with donor-imposed conditions should be reported as refundable advances until the conditions have been substantially met. Transfers of assets on which resource providers have imposed conditions should be recognized as contributions if the likelihood of not meeting the conditions is remote.

Donor-Imposed Restrictions

Contributions may be received with donor-imposed restrictions. Some restrictions may permanently limit North Sound ACH's use of contributed assets. Other restrictions are temporary in nature, limiting North Sound ACH's use of contributed assets to (a) a later period or after a specific date (a time restriction), (b) a specific purpose (a purpose restriction), or (c) both.

Restrictions may (a) be stipulated explicitly by the donor in a written communication accompanying the contribution or (b) result implicitly from the circumstances surrounding receipt of the contributed asset – i.e. making a gift to a capital campaign. Contributions of unconditional promises to give with payments due in future periods should be reported as restricted contributions unless the donor expressly stipulated or circumstances surrounding the receipt of the promise make clear that the donor intended it to be used to support activities of the current period.

Unconditional contributions received without donor-imposed restrictions should be reported as net assets without donor restrictions that increases unrestricted net assets. Unconditional contributions received with donor-imposed restrictions should be reported as net assets with donor restrictions that increases restricted net assets.

Grant Contingencies

Grants often require the fulfillment of certain conditions as set forth in the related instrument. Failure to fulfill the conditions could result in the return of funds to the grantors. It is the responsibility of the CEO to oversee the fulfillment of grant conditions. All grants shall be properly acknowledged in accordance to IRS regulations and all grantors shall be properly recognized.

Income Taxes

North Sound ACH is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code as amended. Accordingly, no provision for income taxes shall be reflected in the financial statements. North Sound ACH EIN is: 81-4680689.

Independent Audit

North Sound ACH will have an external audit of its financial statements annually.

The CEO or their designee shall recommend to the Finance Committee a firm to conduct the annual North Sound ACH audit. In addition, the Finance Committee shall assist when necessary in the audit preparation and report the final results to the Board of Directors. After audit finalization, a representative of the audit firm will be invited to attend the Board Meeting to present the audit summary and answer any questions. All reports which result from reviews of audits of the accounting and other financial systems will be routed immediately to the CEO and Finance Committee, who will then share this information with the Board of Directors. The CEO will be responsible for preparing any needed written response to the review or audit recommendations. The CEO will be responsible for providing any necessary corrective action. The auditor or other reviewing agency will be notified within three months of the issuance of the recommendations of the actions that will be taken by the agency and the projected timetable for these actions.

Insurance and Bonding

Reasonable and adequate coverage is maintained to protect North Sound ACH's interests as well as the Board of Directors. The following insurance policies shall be kept current: General Liability Insurance, Directors and Officers Liability Insurance, Workers Compensation Insurance, Staff Health Insurance and Dental Insurance and Staff Short-term and long-term disability. North Sound ACH will make sure agency coverage is in compliance with any funding contract/grant as required.

Insurance policies shall be maintained with the insurance files by North Sound ACH's designated staff. Insurance policies shall correspond to the fiscal year whenever possible. Insurance Policies shall be reviewed by North Sound ACH's CEO before renewal

Payroll Related Transactions

Payroll is executed monthly (on the last working day of the month). Time worked will be submitted for approval to designated supervisors weekly, then reported to the payroll service provider for payment to individual staff. The CEO's hours and reimbursable expenses will be reported quarterly to the Board Chair for approval. Direct deposit of payroll to individual staff bank accounts is the preferred method of payment, but the option of a printed check is available with approval of the CEO. The payroll service provider provides online

payroll reports and direct deposit reports that are in turn reconciled with checking account reports by North Sound ACH's finance team.

It shall be the responsibility of the CEO to ensure that existing staff who resign, are terminated or who are retiring pay any amounts due to North Sound ACH and return all North Sound ACH property before a final paycheck is issued.

Each North Sound ACH staff person completes a timesheet documenting hours worked on each assigned project and these on-line timesheets are used to submit hours per project to the payroll service provider. Reports provided from the payroll service provider are then used to assist in preparing the monthly financial statements and grant reporting requirements.

Travel

Travel expense reports for authorized local and out of state travel are completed by each employee, as appropriate and then submitted to their designated supervisor for approval by the 5th of each month for payment. North Sound ACH encourages non-auto transportation and provides reimbursement for a monthly bus pass or individual books of tickets to permanent staff to encourage use of public transportation. Parking expenses, other than parking at North Sound ACH-leased office spaces are reimbursable if travel is for a work-related reason. Travel to out of state trainings, conferences and meetings must have prior approval by the employee's designated supervisor. At the conclusion of approved travel, staff must attach expenditure receipts to the reimbursement request as a condition of reimbursement.

A Board or Board Committee Member traveling to represent North Sound ACH will be reimbursed for travel and expenses in the same manner as staff members are reimbursed.

Mileage

Staff will not be reimbursed for routine mileage between the employee's residence and North Sound ACH leased spaces without prior approval of their supervisor. Recognizing that remote work spaces are common, all staff must have a work schedule agreement with their supervisor on file, indicating Remote days and In-Office days. Mileage reimbursement will be based on the travel rate established annually by the IRS.

- Remote days: Staff who are requested by their supervisor to come to an ACH physical office on their regularly scheduled remote day, will be paid for their time spent traveling from their home to a North Sound ACH worksite and may claim the mileage traveling from their home, up to the number of miles that a GPS system deems as the direct route for estimating number of miles.

- In-Office days: If an employee is scheduled to work from one of North Sound ACH's offices, normal commute time is not paid for, and mileage to and from the office is not to be claimed.
- The employee is considered to be on travel time if traveling between ACH worksites and meetings on in-office days, and may claim the mileage traveling between ACH worksites and to meetings.
- Staff are considered to be on travel time between their remote office and meetings on Remote days and may claim the mileage traveling from their Remote worksite to and from meetings.
- Staff are considered to be on travel time if traveling between two ACH office locations during the day and may claim the mileage traveling between ACH sites.

Records Retention

The following fiscal and personnel records shall be retained in North Sound ACH office files for a minimum of three years following the end of a fiscal year (December 31st) unless otherwise required by funding sources or government entities:

- Check registers, warrants or vouchers accounting for payments/expenses. Supporting documentation including original invoices and receipts
- Cash reconciliations for bank accounts from the bank statement to general ledger
- Any Investment reports
- Personnel files including required proof of citizenship or resident status, IRS withholding forms, emergency contact information
- Travel and other authorized expenses
- Payroll records
- Monthly and YTD budget, expense and revenue reports
- Copies of Bank deposit slips with copies of checks
- Monthly expense reports and copies of invoices submitted to funders
- Accounts payable and accounts receivable, including aging reports
- Capital Equipment inventory and depreciation schedules
- Contracts specifying services, duration and rate of compensation
- Annual Audited Financial Statements
- Annual 990 tax return

NORTH SOUND ACH FINANCE ROLES

North Sound ACH Finance Team

- Chief Executive Officer
- Chief Operations Officer
- Chief Financial Officer
- Finance Program Manager
- Finance Specialist
- Procurement Specialist
- Finance and Contracts Coordinator

North Sound ACH Signers

- Chief Executive Officer
- Board Chair
- Board Vice Chair
- Board Treasurer
- Board Secretary (at Board Chair's direction)

Payment Approval Process

- Payment information prepared by Finance Program Manager
- First Approval, CFO or CEO
- Second Approval, CEO or CFO

Access to Banking and Investment Accounts

- Chief Executive Officer
- Chief Financial Officer
- Finance Program Manager

CURRENT FINANCIAL INSTITUTIONS

North Sound ACH has funds held at:

- Peoples Bank
- Chase Bank
- US Bank
- Schwab
- Wells Fargo (Financial Executor)

North Sound ACH holds a contract with an investment advisor firm:

- Waycross

North Sound ACH has a VISA credit card account with CitiBank, with cards held in the following names:

- Elizabeth Baxter
- Tiffany Edlin
- Nicole Willis
- Kassidy Hayes
- Jaclyn Cervantes
- Hallie Pritchett
- Arlesia Bailey

North Sound ACH

Compare Income Statement by Grant Projects for the period of 07/01/2024 to 12/31/2024

Account Number	Account Name	Business Operations (HCA)	Admin Technology (HCA)	HUB Business Operations (HCA)	HUB Technology (HCA)	Workforce Development (HCA)	Engagement Outreach Convening (HCA)	Total
Expense								
5000	Payroll Expenses							
5010	Salaries	506,592.77	83,837.33	444,593.71	0.00	36,477.52	318,106.11	1,389,607.44
5015	Payroll Taxes	34,732.45	6,917.86	36,618.63	0.00	2,877.85	25,412.99	106,559.78
Total 5000 - Payroll Expenses		541,325.22	90,755.19	481,212.34	0.00	39,355.37	343,519.10	1,496,167.22
5030	Employee Benefits							
5012	Accrued Vacation							
5025	401K Contributions	16,697.60	3,353.50	10,270.62	0.00	1,751.24	10,389.82	42,462.78
5027	Employee Healthcare	30,285.22	10,875.77	41,692.89	0.00	6,942.97	39,281.64	129,078.49
Total 5030 - Employee Benefits		46,982.82	14,229.27	51,963.51	0.00	8,694.21	49,671.46	171,541.27
5050	Facility							
5055	Insurance	37,212.78	0.00	0.00	0.00	0.00	0.00	37,212.78
5060	Lease/Rent	13,806.44	0.00	0.00	0.00	0.00	0.00	13,806.44
5061	Furnishings	137.32	217.02	0.00	0.00	0.00	0.00	354.34
Total 5050 - Facility		51,156.54	217.02	0.00	0.00	0.00	0.00	51,373.56
5100	Travel							
5105	Mileage	3,989.46	651.71	3,635.42	0.00	343.65	3,697.89	12,318.13
5110	Transportation	1,783.72	0.00	353.16	0.00	121.00	221.90	2,479.78
5115	Lodging	34,084.76	0.00	4,338.68	0.00	1,225.11	820.32	40,468.87
5117	Airfare	13,791.19	0.00	3,409.27	0.00	0.00	1,503.35	18,703.81
5120	Meals	5,828.44	0.00	394.67	0.00	0.00	505.16	6,728.27
5130	Other	793.68	0.00	0.00	0.00	0.00	173.18	966.86
Total 5100 - Travel		60,271.25	651.71	12,131.20	0.00	1,689.76	6,921.80	81,665.72
5200	Professional Services							
5230	Other Professional Services	224,393.08	0.00	0.00	0.00	14,245.00	236,430.00	475,068.08
5261	Finance/Audit Services	76,790.44	0.00	0.00	0.00	0.00	0.00	76,790.44
Total 5200 - Professional Services		301,183.52	0.00	0.00	0.00	14,245.00	236,430.00	551,858.52
5320	Professional Dev/Training	19,242.21	486.39	6,679.58	0.00	975.00	5,782.86	33,166.04
5330	Meeting/Event Exp	1,753.67	0.00	296.36	0.00	477.62	48,844.20	51,371.85
5390	Opportunity Funds	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5393	Stipend and honorariums	0.00	0.00	0.00	0.00	1,750.00	13,100.00	14,850.00
5455	Payments to Partners	825,000.00	0.00	0.00	0.00	0.00	821,409.00	1,646,409.00
Total 5390 - Opportunity Funds		825,000.00	0.00	0.00	0.00	1,750.00	834,509.00	1,661,259.00
5400	Pass Through Funding	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5500	Other Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5075	Supplies	18,333.75	119.15	105.06	0.00	0.00	884.33	19,442.29
5305	Equip Rental/Lease	1,812.80	0.00	0.00	0.00	0.00	0.00	1,812.80
5310	Dues/Subscriptions	1,054.16	0.00	0.00	0.00	0.00	0.00	1,054.16
5311	Software as a Service	0.00	0.00	0.00	9,447.51	0.00	0.00	9,447.51
5315	Bank Fees	363.50	0.00	0.00	0.00	0.00	0.00	363.50
5340	Printing/Copying	244.52	0.00	168.46	0.00	4,708.47	3,517.84	8,639.29
5350	Postage/Delivery	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5370	Repairs/Maintenance	581.16	0.00	0.00	0.00	0.00	0.00	581.16
5380	Taxes/Licenses	400.68	0.00	0.00	0.00	0.00	0.00	400.68
Total 5500 - Other Expenses		22,790.57	119.15	273.52	9,447.51	4,708.47	4,402.17	41,741.39
Total Expense		1,869,705.80	106,458.73	552,556.51	9,447.51	71,895.43	1,530,080.59	4,140,144.57

Governance Policy 7: Support for Board Member Capacity Building

To optimize board member skills, methods and support systems, the Board will create opportunities to expand the capacity of board and board committee members.

Accordingly:

- a) Training will be used to orient new and current members to governance and board processes, and to maintain and increase existing member skills and understandings.
- b) Board members will be invited to North Sound ACH and partner events.
- 2) Board development will include periodic review and refinement of Board processes.
- 3) Expenses associated with Board member learning, will be included in the annual budget approval process, to support engagement of Board and Board Committee members.
 - a) Board members will use the approved expense reimbursement procedures to ensure timely reimbursement.
- 4) The Board will provide a slate of annual educational options for Board and Board Committee members on topics prioritized during the Annual Board Retreat.

Revision History

Date	Reviewed/Revised by	New Changes	No Changes
10/26/2018	Board of Directors	X	
12/17/2021	Board of Directors	X	
10/28/2022	Board of Directors	X	
12/15/2023	Board of Directors	X	
10/25/2024	Board of Directors	X	
08/22/2025	Board of Directors		X

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Board-Management Delegation Policy 3: Delegation to the CEO

The Board will instruct the CEO through written policies [and Executive Limitations in this Board Policy Manual](#), and allow the CEO to use any reasonable interpretation of these policies [to guide operational decisions of the organization](#).

Accordingly:

- 1) The Board will develop policies [at the broadest, most general level, and Executive Limitations at a more specific level. All issues that are not identified in the Board Goals or Executive Limitations are left to the full discretion of the CEO.](#) The Board will never prescribe organizational means. Means have been delegated to the CEO.
- 2) As long as the CEO uses any reasonable interpretation of the Board's Goals and Executive Limitations policies, the CEO is authorized to establish all further policies, make all decisions, take all actions, establish all practices, and pursue all activities. Such decisions of the CEO shall have full force and authority as if decided by the Board.
- 3) The Board may change its Goals and Executive Limitations policies, thereby shifting the boundary between Board and CEO domains [by adopting a change at a scheduled board meeting](#). By doing so, the Board changes the latitude of choice given to the CEO. But as long as any particular delegation is in place, the Board will respect and support the CEO's choices.

Revision History

Date	Reviewed/Revised by	New Changes	No Changes
10/26/2018	Board of Directors	X	
10/3/2021	Board of Directors		X
10/28/2022	Board of Directors		X
04/28/2023	Board of Directors	X	
06/28/2024	Board of Directors		X
04/25/2025	Board of Directors	X	

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Executive Limitation 3: Programmatic Expectations

The CEO shall ensure that:

- 1) North Sound ACH models approaches that advance equity, reduce disparities, and address racism.
- 2) Community, provider, tribal and stakeholder input are incorporated into the development and implementation of organizational and operational strategies.
- 3) The Organization adheres to and completes deliverables of all contracts, optimizing positive impact on community and providers.
- 4) Contracts that are accepted and initiated will be in alignment with the Board Goals.
- 5) Opportunities for partnership and collaboration among governmental and private organizations increase across the region.
- 6) Opportunities for collaborative investments in communities and organizations are identified, using the frameworks adopted by the organization.
- 7) The organization utilizes strategies that remain dynamic, nimble, clearly articulated and transparent to the team, board, and community.

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Revision History

Date	Reviewed/Revised by	New Changes	No Changes
10/26/2018	Board of Directors	X	
12/11/2020	Board of Directors	X	
12/13/2024	Board of Directors	X	
04/25/2025	Board of Directors		X

Executive Limitation 4: Financial Planning and Budgeting

The CEO shall ensure financial planning **based on** an annual **budget that aligns the Board defined Goals**.

- 1) The CEO will **present and monitor a** budget that:
 - a) Ensures the organization is lean and efficient.
 - b) Has credible projections of revenues, expenses and cash flow, separation of capital and operational items, and disclosure of planning assumptions.
 - c) **Is based on critically evaluated assumptions.**
 - d) Provides required operational resources.
- 2) The CEO shall encourage contracting opportunities for minority and women-owned small businesses with the organization.
- 3) The CEO shall have written fiscal policies and procedures that have been approved by the Finance Committee.

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Revision History

Date	Reviewed/Revised by	New Changes	No Changes
10/26/2018	Board of Directors	X	
04/25/2025	Board of Directors	X	

Executive Limitation 5: ~~Continuity of Operation Plan (COOP)~~

Deleted: Emergency CEO Succession

In order to protect North Sound ACH and the Board from the disruption that could result from sudden loss of CEO services, the CEO shall designate a person capable of managing ACH operations during periods in which the CEO is not available, complying with Board Goals and Executive Limitations policies, and familiar with Board and CEO issues and processes to enable them to take over with reasonable proficiency as an interim successor.

The CEO shall ensure that the ACH operates with written instructions that direct the staff on when, how, and for what reasons the emergency CEO interim plan is enacted.

Revision History

Date	Reviewed/Revised by	New Changes	No Changes
10/26/2018	Board of Directors	X	
04/28/2023	Board of Directors	X	
12/13/2024	Board of Directors	X	
04/25/2025	Board of Directors		X



North Sound ACH

CEO Report:

Policy 4.0

Financial Planning and Budgeting

Liz Baxter, CEO
Board Meeting, June 26, 2026



Executive Limitation 4:

Financial Planning and Budgeting

The CEO shall ensure that financial planning for any fiscal year or the remaining part of any fiscal year materially aligns with the Board's Goals and priorities, minimizes or mitigates financial risk or jeopardy, or remains aligned with the Board's annual plan.

- 1) The CEO will maintain a budgeting development and monitoring process that:
 - a) Ensures the organization is lean and efficient.
 - b) Demonstrates credible projection of revenues, expenses and cash flow, separation of capital and operational items, and disclosure of planning assumptions.
- 2) The CEO shall present to the Board an annual plan that:
 - a) Is based on critically evaluated assumptions.
 - b) Provides for required operational resources.
 - c) Contains projected budgets that are sufficient to achieve the Board-defined Ends.
- 3) The CEO shall encourage contracting opportunities for minority and women-owned small businesses with the organization where possible.
- 4) The CEO shall have written fiscal policies and procedures that have been approved by the Finance Committee.

Executive Limitation 4: Financial Planning and Budgeting (CEO Interpretation)

- The organization has strong budget planning, stays within budget and acts as good stewards of ACH earned, contracted and awarded funds.
- The CEO will submit an annual budget for board approval that includes operational assumptions, projected revenue and available resources.
- CEO and CFO keep a realistic and current projection of cash flow, including funds invested locally, drawing down any available funds from the Financial Executor account.
- The organization will recruit minority and women-owned businesses as vendors and consultants.
- Organization will maintain written fiscal policies and procedures reviewed and approved by the Finance Committee.
- If the Board sets funds as restricted, those funds cannot be utilized without Board approval to lift the restriction.



Discussion, suggestions or questions?



Draft Motion:

The Board approves the CEO interpretation of
Executive Limitation 4: Financial Planning and
Budgeting

Executive Limitation 4:

Documentation and Supporting Information

- Monthly detailed financial report shared by the Finance Committee showing Budget to Actuals comparison, along with cash and investment positions. (These are included in each Board Packet and shared with the Tribal Alignment Committee).
- Current Fiscal Policies.
- Agreement in place with Waycross Investment Management Company as investment management firm.
- Clean annual audit with no findings through 2024; we are awaiting the final report for 2025 audit.
- Finance Committee sees first draft of budget in September, reviews and revises in September and October. The board sees the first draft of the budget assumptions in October, with review of budget for approval at December Board meeting.



Draft Motion:

The Board approves motion that CEO is in compliance with Executive Limitation 4: Financial Planning and Budgeting



North Sound ACH

CEO Report: Executive Limitation #5 Emergency CEO Succession

Liz Baxter, CEO
Board Meeting, June 26, 2026



Executive Limitation #5: Emergency CEO Succession

In order to protect the North Sound ACH and the Board from disruption that could result from sudden loss of CEO services, the CEO shall designate a person capable of managing ACH operations during periods in which the CEO is not available, complying with Board goals and Executive Limitations policies, and familiar with Board and CEO issues and processes to enable them to take over with reasonable proficiency as interim successor.

The CEO shall ensure that the ACH operates with written instructions that direct the staff on when, how, and for what reasons the emergency CEO interim plan is enacted.

Executive Limitation #5: CEO Interpretation

- This EL takes effect when the CEO cannot fulfil their role for a period of time.
- The CEO will assure that at least one person is prepared to serve as interim CEO while the Board deliberates any needed changes or appointment.
- The CEO or another member of the C Suite will report to the Board Chair if there is a need to activate the emergency succession.
- The designated person(s) will be familiar with Board policies, general governance, internal operating policies and procedures.
- The Board Chair will announce the unexpected absence of the CEO to the Board, and who has been appointed to step in during the emergency period.
- The Board Chair will send a message via the COO to inform the full ACH team that the emergency succession plan has been put into place and its anticipated duration, naming the acting/interim CEO.



Discussion, suggestions or questions?



Draft Motion:

The Board approves the CEO interpretation of
Executive Limitation 5: Emergency CEO
Succession

EL 5: Documentation

Current C-Suite members

- Liz Baxter, CEO
- Nicole Willis, COO
- Petra Karpsteinova, CFO
- Arlesia Bailey, Chief Transformation Officer
- Hallie Pritchett, Chief Equity Officer

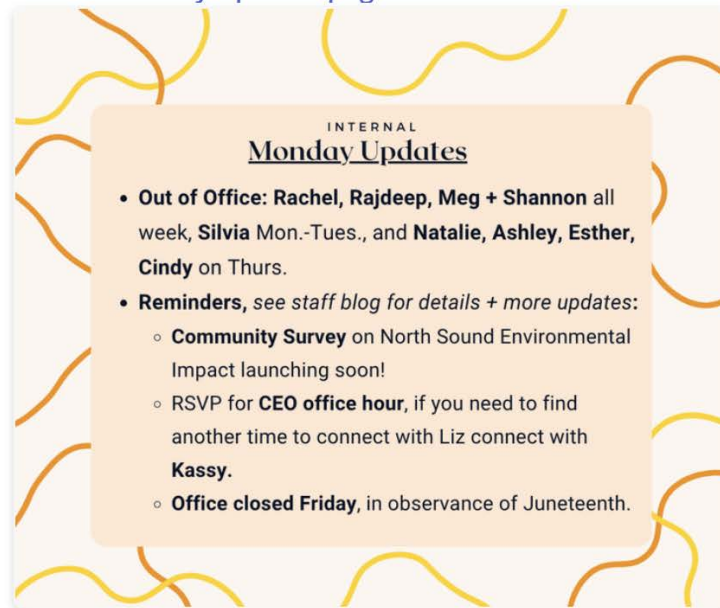


 Happy Monday team, hope you had a lovely weekend enjoying the sun. This week will be a short one so make sure check out some updates below and the staff blog for other reminders, have a great week!

- Staff blog: <https://rb.gy/t00i3b>
- *Daniel will also be out on Thursday*

(edited)

6.15.26 Monday Updates.png 101 kB ▲





Internal Staff Blog

This page is a North Sound ACH staff only space, to share team updates, upcoming events, celebrations and more, with the intention to build community and knowledge from within!

Monday Updates

Click on each update to view in full.



June 16



June 9



June 2

More Internal Reminders

Communications Updates

- Thank you to everyone who attended and participated in our Branding Training last Tuesday with our consultants Paj & Nico from DH, slides and handout from the day can be found in the ["Resources Shared During Meetings"](#) folder in our Main Drive (Location: North Sound Main Drive → North Sound Team Folders → All Staff meetings → Resources Shared During Meetings)
- Share your event/site visit photos with us! We've put together a [guide with photo tips](#) to help capture the best shots and it includes where to upload photos and media release forms! Chat Natalie/Meg with any questions.

Learning & Development Updates

- STAYING IN THE KNOW - We're just over a week away from our upcoming all-staff training! You can now find the full agenda along with details on travel, parking, food, and accessibility on the [Learning Toolbox page](#) of our blog. There's also a link to the carpool sign-up if you're looking



Draft Motion:

The Board approves a motion that the CEO is in compliance with Executive Limitation 5: Emergency Succession



North Sound ACH

CEO Report: Executive Limitation #6 Asset Protection

Liz Baxter, CEO
Board Meeting, June 26, 2026



Executive Limitation 6: Asset Protection

The CEO shall ensure that ACH assets are protected, and adequately maintained and managed.

The CEO shall ensure that:

1. The organization is insured against theft and casualty losses to at least 80 percent of replacement value and against liability losses to Board members, staff and the organization itself in an amount greater than the average for comparable organizations.
2. The organization's intellectual property, information and files are protected from loss, significant damage or inappropriate access.
3. The organization uses controls when receiving, processing, or disbursing funds that are sufficient to meet generally accepted accounting principles.
4. The organization invests or holds operating capital in secure instruments, including insured checking accounts and bonds of at least AA rating, or in interest-bearing accounts, except where necessary to facilitate operational transactions.
5. There is Board approval before attempting a change to the organization's name or identify in the community.
6. There is Board approval before creating or purchasing any subsidiary organization.
7. There is a periodic physical inventory of all fixed assets.
8. CEO adheres to currently approved Delegation of Authority Policy.

Executive Limitation 6: Asset Protection CEO Interpretation

CEO will assure that:

- All assets, including banking, investments, fixed, and information/data are protected, periodically monitored and audited as required.
- Follow GAAP
- North Sound ACH undergoes an external audit annually
- Have D&O and appropriate levels of insurance of liability and malpractice insurance
- Controls are in place to assure that no single person can move funds from or between accounts.
- No one can change the name, purchase another business without board approval.



Discussion, suggestions or questions?



Draft Motion:

The Board approves the CEO interpretation of
Executive Limitation 6: Asset Protection

Executive Limitation 6: Asset Protection Documentation

- NPIP Insurance Declarations
- Fiscal Policies rev. 2024
- Secretary of State Report (active status, available online)
- Completed 2024 audit (clean, no findings)
- Funds held are in protected accounts, either FDIC-insured or government backed securities (see Financial deck in board packet)



Suggested Motion:

The Board approves motion that CEO is in compliance with Executive Limitation 6: Asset Protection



North
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NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

Financial Statements

December 31, 2025 and 2024

DRAFT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Sound Accountable Community of Health
Bellingham, Washington

Opinion

We have audited the accompanying financial statements of North Sound Accountable Community of Health (the Organization, a nonprofit organization), which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Greenwood Ohlund

Seattle, Washington


NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

STATEMENTS OF FINANCIAL POSITION December 31, 2025 and 2024

ASSETS	2025	2024
Current Assets		
Cash and cash equivalents	\$ 1,569,426	\$ 4,848,433
Cash and cash equivalents held in escrow by fiduciary of Washington State Health Care Authority	-	3,386
Investments	68,732,332	54,333,080
Grants and contributions receivable	65,068	5,311,080
Prepaid expenses and other assets	263,704	258,060
Total assets	<u>\$ 70,630,530</u>	<u>\$ 64,754,039</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 573,292	\$ 400,837
Partner assistance grants payable	-	662,518
Grants received in advance	4,406,869	4,056,716
Passthrough funds held as agent	36,079	61,848
Total liabilities	5,016,240	5,181,919
Net Assets Without Donor Restrictions	<u>65,614,290</u>	<u>59,572,120</u>
Total liabilities and net assets	<u>\$ 70,630,530</u>	<u>\$ 64,754,039</u>

See accompanying notes to financial statements.

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

STATEMENTS OF ACTIVITIES

For the Years Ended December 31, 2025 and 2024

	2025	2024
Support and Revenue		
Government grants	\$ 17,812,335	\$ 13,461,540
Government contracts	-	10,846,331
Contributions	59,490	81,308
Investment return	3,397,077	2,198,057
Total support and revenue	21,268,902	26,587,236
Expenses		
Program services	12,780,508	10,348,003
Management and general	2,446,224	2,193,865
Total expenses	15,226,732	12,541,868
Change in net assets	6,042,170	14,045,368
Net Assets Without Donor Restrictions, beginning of year	59,572,120	45,526,752
Net Assets Without Donor Restrictions, end of year	\$ 65,614,290	\$ 59,572,120

See accompanying notes to financial statements.

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

STATEMENTS OF FUNCTIONAL EXPENSES For the Years Ended December 31, 2025 and 2024

	2025			2024		
	Program	Management and General	Total	Program	Management and General	Total
Salaries and wages	\$ 2,372,363	\$ 1,511,837	\$ 3,884,200	\$ 1,834,885	\$ 1,493,202	\$ 3,328,087
Employee benefits	318,576	182,087	500,663	264,401	175,648	440,049
Payroll taxes	203,526	119,531	323,057	153,381	118,031	271,412
Total payroll and related	2,894,465	1,813,455	4,707,920	2,252,667	1,786,881	4,039,548
Partner assistance grants	7,220,110	-	7,220,110	4,371,668	-	4,371,668
Professional services	1,594,063	301,922	1,895,985	2,861,811	187,426	3,049,237
Office expense	588,504	22,387	610,891	397,642	67,198	464,840
Travel	264,246	28,876	293,122	94,491	73,926	168,417
Miscellaneous	93,186	190,120	283,306	188,517	31,935	220,452
Professional development	67,984	54,975	122,959	42,482	29,366	71,848
Supplies	30,894	20,756	51,650	21,116	4,946	26,062
Occupancy	27,056	13,733	40,789	17,609	12,187	29,796
Other grants and assistance	-	-	-	100,000	-	100,000
Total expenses	<u>\$ 12,780,508</u>	<u>\$ 2,446,224</u>	<u>\$ 15,226,732</u>	<u>\$ 10,348,003</u>	<u>\$ 2,193,865</u>	<u>\$ 12,541,868</u>

See accompanying notes to financial statements.

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from donors and grantors	\$ 23,467,990	\$ 14,774,787
Cash received from customers (government agencies)	-	10,846,331
Cash received from interest and other	2,318,699	1,572,158
Cash paid to employees	(4,707,920)	(4,039,548)
Cash paid to grantees	(7,908,397)	(5,454,648)
Cash paid to vendors	(3,131,891)	(4,009,936)
Net cash flows from operating activities	10,038,481	13,689,144
Cash Flows from Investing Activities		
Proceeds from sales of investments	21,328,291	4,430,000
Purchases of investments	(34,649,165)	(17,306,530)
Net cash flows from investing activities	(13,320,874)	(12,876,530)
Net change in cash and cash equivalents	(3,282,393)	812,614
Cash and Cash Equivalents, beginning of year	4,851,819	4,039,205
Cash and Cash Equivalents, end of year	<u>\$ 1,569,426</u>	<u>\$ 4,851,819</u>
Cash and Cash Equivalents, as Presented on the Statements of Financial Position		
Cash and cash equivalents	\$ 1,569,426	\$ 4,848,433
Cash and cash equivalents held in escrow by fiduciary of Washington State Health Care Authority	-	3,386
	<u>\$ 1,569,426</u>	<u>\$ 4,851,819</u>

See accompanying notes to financial statements.

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

NOTES TO FINANCIAL STATEMENTS

Note 1 – Organization and Summary of Significant Accounting Policies

Organization

North Sound Accountable Community of Health (the Organization) located in Bellingham, Washington, is a Washington State nonprofit corporation formed in 2016. The Organization exists to create a just and inclusive culture and the necessary conditions for all community members to thrive.

The Organization is one of nine Accountable Communities of Health (ACHs) in Washington State (the State). The ACHs are critical partners with the Washington State Health Care Authority in the Medicaid Transformation Demonstration Project, focused on improving health for people on Medicaid across the State. The ACHs bring together leaders from multiple health sectors with a common interest in improving health and health equity. The operational model is based on emerging evidence that addressing health related social needs through enhanced clinical community linkages can improve health outcomes and reduce costs.

The Organization's North Sound region includes Snohomish, Skagit, Island, San Juan and Whatcom counties. Our region is also home of eight Tribal nations: Lummi Nation, Nooksack Tribe, Upper Skagit Tribe, Samish Indian Nation, Swinomish Indian Tribal Community, Stillaguamish Tribe of Indians, Tulalip Tribes, and Sauk-Suiattle Indian Tribe

The Organization's work is rooted in the community. Together with over 200 partner organizations, the Organization established the Collaborative Action Network, a diverse coalition spanning clinical and social services, transformative justice, food systems, education, refugee and immigrant services, animal welfare, faith-based communities, LGBTQ+ advocacy groups, and more. Through this Network, the Organization cultivates cross-sector collaborations, promotes resource sharing, and creates ongoing learning opportunities to strengthen health and wellbeing across the five-county region.

In 2020, the Organization launched a Care Coordination Hub that focuses on community-based care coordination, including screening clients, determining their needs, and connecting them to local organizations in the region that can provide those needs, and more. There are thirteen care coordination agencies participating in the Hub as of December 31, 2025.

Financial Statement Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Contributions and grants are recognized as increases in one of these two categories depending on the existence and/or nature of any donor restrictions. The Organization does not have any net assets with donor restrictions at December 31, 2025 or 2024, and therefore, this class of net assets is presented in the financial statements.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from the estimated amounts.

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

NOTES TO FINANCIAL STATEMENTS

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents. The Organization maintains its cash in bank accounts that may exceed federally insured limits at times during the year. The Organization has not experienced any losses in these accounts, and management does not believe it is exposed to any significant credit risk.

The Organization is a named beneficiary of funds held in escrow by fiduciary of the Washington State Health Care Authority. The balance is comprised of funds received by the Organization based on earned incentives from contracts under the Healthier Washington Medicaid Transformation Delivery System Reform Incentive Payment (DSRIP). The Organization maintains variance power over this cash and may draw down funds at its discretion.

Fair Value Measurements

Fair value is a market-based measurement determined based on assumptions that market participants would use in pricing an asset or liability. There are three levels that prioritize the inputs used in measuring fair value as follows:

- Level 1: Observable market inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Observable market inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and
- Level 3: Unobservable inputs where there is little or no market data, which require the reporting entity to develop its own assumptions.

Investments

Investments are reported in the statements of financial position at fair value as determined using Level 1 observable market inputs within the fair value hierarchy, consisting of quoted prices in active markets (such as national exchanges) for identical assets.

Investments consist of the following at December 31:

	2025	2024
Cash and cash equivalents	\$ 36,271,500	\$ 31,987,553
United States Treasury securities	15,035,132	10,557,854
Exchange-traded funds	11,265,788	7,084,221
Equity mutual funds	3,634,637	2,220,486
Domestic common stock	2,525,275	2,482,966
	<u>\$ 68,732,332</u>	<u>\$ 54,333,080</u>

Investment return consists of interest and dividends and realized and unrealized gains or losses, net of external investment fees.

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

NOTES TO FINANCIAL STATEMENTS

Grants and Contributions Receivable

Grants and contributions receivable are recorded at their net realizable value, which is equal to the gross amount of receivables less an estimated allowance for doubtful accounts. Management bases its estimate of doubtful accounts on several factors, including the Organization's prior experience collecting receivables, the aging of the balances, and management's evaluation of current economic conditions. Based on the above factors, management considers all receivables to be fully collectible and therefore has not recognized an allowance for uncollectible receivables as of December 31, 2025 or 2024.

At December 31, 2024, 89% of grants and contributions receivable were due from one government agency. There were no such concentrations of grants and contributions receivable at December 31, 2025.

Revenue Recognition

Government Grants and Contributions

Government grants and contributions are recognized as increases in net assets with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. Government grants and contributions with donor restrictions that are met within the same reporting period the award is received are recognized as increases in net assets without donor restrictions.

Government grants and contributions are recognized as revenue when the award becomes unconditional, that is, when the performance-related or other measurable barrier is met and the right of return is released. Government grants that are received before the underlying conditions are met are recognized as grants received in advance (a liability) in the statement of financial position.

Revenue from government grants is subject to audit, which could result in adjustments to revenue. The adjustments are recorded at the time that such amounts can be first reasonably determined, normally upon notification by the government agency. There were no such adjustments during the years ended December 31, 2025 or 2024.

As of December 31, 2025, the Organization had approximately \$4,000,000 of unpaid awards conditional upon meeting certain performance benchmarks related to its programs. Revenues for these awards are not recognized in these financial statements as the conditions upon which they depend have not been met.

Government Contracts

The Organization recognizes government contract revenue in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification 606, *Revenue from Contracts with Customers* (Topic 606). The core principle of Topic 606 is that an organization should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the company satisfies a performance obligation

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

NOTES TO FINANCIAL STATEMENTS

The Organization only applies the five-step model to contracts with customers when it is probable that the Organization will collect the consideration it is entitled to in exchange for the goods and services transferred to the customer.

Contract revenue is recognized over time using the output method as contractual requirements are met (the performance obligation), such as achieving performance milestones or incurring expenditures toward the completion of deliverables. The transaction price is determined based on stated rates, and payments are typically received after performance obligations have been met. There are no significant judgments in the determination of the amount and timing of revenue recognition.

Government contract revenue generally requires compliance with terms and conditions specified in state regulations and are subject to audit and possible disallowance of certain expenditures. The disallowance is recorded at the time that such amounts can first be reasonably determined, normally upon notification by the government agency. The Organization has not had any disallowance of financial awards in the past, and management expects such future amounts, if any, to be immaterial.

During the years ended December 31, 2025 and 2024, grants and contracts from one government agency comprised 83% and 84%, respectively, of total support and revenue.

Revenue from government contracts and grants consists of the following for the years ended December 31:

	2025	2024
Government Grants		
Washington State Health Care Authority		
Health-Related Social Needs	\$ 17,684,319	\$ 11,435,042
Washington State Department of Commerce	106,592	95,330
Washington State Department of Health	2,500	1,931,168
Others	18,924	-
Government Contracts		
Washington State Health Care Authority		
Pay-for-performance	-	10,846,331
Total revenue from government grants and government contracts	<u>\$ 17,812,335</u>	<u>\$ 24,307,871</u>

Partner Assistance Grants Payable

The Organization collaborates with partner organizations in the North Sound region to transform the regional health system via Healthier Washington under the Medicaid Transformation Project. Partner assistance grants payable (and related expenses) are recognized by the Organization as the partner organizations meet the conditions of the awards.

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

NOTES TO FINANCIAL STATEMENTS

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Expenses directly identifiable with specific program or support functions are charged to the related programs or supporting services. Expenses related to more than one function are allocated among the programs and supporting services benefited based on estimates of time and effort.

The Organization did not incur any significant fundraising expenses during the years ended December 31, 2025 or 2024, and therefore, this classification of expenses is not presented in the statements of functional expenses.

Income Taxes

The Organization is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3).

Subsequent Events

Management of the Organization has evaluated subsequent events through the date these financial statements were available to be issued, which was [REDACTED].

Note 2 – Liquidity and Availability of Resources

As part of the Organization's liquidity management plan, operating cash and short-term cash (Operational Funds) are maintained in a combination of cash and cash equivalents and United States Treasury securities. The goal of the Operational Funds is to preserve capital and provide liquidity. The Organization maintains all available resources in excess of these amounts (Investment Funds) in fixed-income and equity securities. The goal of the Investment Funds is to ensure long-term growth and provision of future cash flows to support the Organization's programs.

The following table reflects the Organization's financial assets held at December 31, 2025 and 2024, available to meet general expenditure within one year of the statement of financial position date:

	2025	2024
Financial Assets		
Cash and cash equivalents	\$ 1,569,426	\$ 4,848,433
Cash and cash equivalents held in escrow by fiduciary of Washington State Health Care Authority	-	3,386
Investments	68,732,332	54,333,080
Grants and contributions receivable	65,068	5,311,080
	70,366,826	64,495,979
Amounts Not Available for General Use within One Year		
Passthrough funds held as agent	(36,079)	(61,848)
	<u>\$ 70,330,747</u>	<u>\$ 64,434,131</u>

NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

NOTES TO FINANCIAL STATEMENTS

Note 3 – Employee Retirement Plan

The Organization sponsors a defined contribution plan, qualified under Section 401(k) of the Internal Revenue Code, for all eligible employees. To be eligible to participate in the plan, employees must be age 21 and complete a year of service of at least 1,000 hours. Participation in the plan is voluntary. For participating employees, the Organization provides a 100% employer match of the first 4% of employee elective deferrals of their compensation for the plan year. Employer matching contributions totaled \$120,129 and \$104,800 for the years ended December 31, 2025 and 2024, respectively.

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NORTH SOUND ACCOUNTABLE COMMUNITY OF HEALTH

For the Year Ended
December 31, 2025

ABOUT US

- A single office CPA firm in Seattle near Fisherman's Terminal in Ballard
- Recognized as one of Washington's Best Workplaces in 2025 by the Puget Sound Business Journal
- Approximately 35 professional staff, with a focus on assurance, tax, and client accounting services
- Our clients include a wide range of industries, with a large focus on nonprofit organizations
- To learn more about us and the services we offer, and to sign up for our monthly newsletter, see our website at www.greenwoodcpa.com



CLIENT SERVICE TEAM



Amanda O'Rourke, CPA
Managing Partner



Matt Smith, CPA
Partner



Andrew Van Ness, CPA
Partner



Elizabeth Holtfreter, CPA
Director



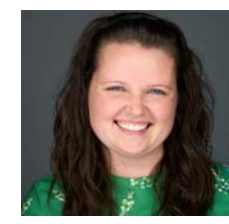
Jordan Dale, CPA
Director



Kellyn Walker, CPA
Director



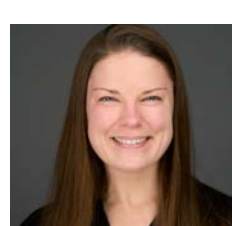
Doug Brownlow, CPA
Director



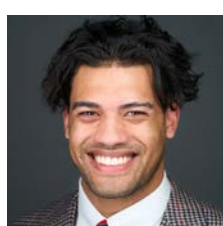
Kaelyn Walker
Manager



Liza Saldares, CPA
Manager



Kelsey Mann
Senior



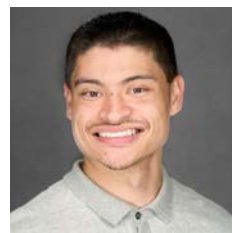
Eric Hernandez-
Briscoe, CPA
Senior



Arif Hisham, CPA
Senior



Jacob Finley
Senior



Holden Liu
Associate



HIGHLIGHTS

- Financial Statement Audit
 - Unmodified Opinion
 - No indication of fraud, illegal acts, or noncompliance with laws and regulations
 - Completed timely (draft provided within two weeks of fieldwork completion)
- Internal Control over Financial Reporting
 - Material Weaknesses – None
 - Significant Deficiencies – None
 - Other Matters
 - Investment holdings not in line with internal policy
- Form 990
 - Questionnaire in process with management
 - Extended deadline of November 15, 2026

REQUIRED COMMUNICATIONS

- Our responsibility under generally accepted auditing standards
- Significant accounting policies, and the quality of those policies
 - No improper, unusual, or inconsistent policies identified
 - No new accounting policies adopted during the year (and none expected in 2026)
 - The most significant accounting policies include:
 - Investments at fair value
 - Revenue recognition (contributions and grants and contract revenue)
- Management's judgments and accounting estimates
 - Recognition of revenues from WA HCA agreements
 - Allocations of functional expenses

REQUIRED COMMUNICATIONS, CONT.

- Audit adjustments (none)
- Immaterial errors discovered and not corrected (none)
- Disagreements or difficulties with management (none)
- Consultations with other accountants (none)
- Independence (no independence conflicts)
- Final steps to complete the audit:
 - Board approval for issuance
 - Update subsequent events consideration through approval date
 - Management representations (a separate letter)

FINANCIAL STATEMENT METRICS

Metric	Benchmark	2025	2024	2023
Working Capital	N/A	\$ 65,614,290	\$ 59,672,120	\$ 45,526,752
Current Ratio	2 - 3 to 1	14.1	12.5	22.6
Months Expenses in Working Capital*	3 to 6	51.7	57.6	42.2
Functional Expense Allocations				
Partner Assistance	N/A	47%	35%	49%
Program	70-85%	84%	82%	88%
Management and General	10-15%	16%	18%	12%

Working Capital - Current assets less current liabilities

Current Ratio - Current assets divided by current liabilities

* Working capital divided by 1/12th of expenses (excluding depreciation and amortization)

Note: Benchmarks are generic to nonprofit organizations and have been derived from benchmarking organizations United Way of King County and Charity Navigator.

IN CLOSING

- We want to give a special thank your team (Petra and Liz) who assisted us with the audit.
- While you see us most in a short period of the year, we are available always to help with any accounting or tax issues that arise.
- Thank you for your business!

ANY QUESTIONS OR COMMENTS?



Officer Nomination

1.5 - Year Term Effective July 1, 2026

Treasurer – Chris Chord

Red Line edits of proposed changes below

Purpose and Board Goals

Purpose: North Sound ACH exists to create a just and inclusive culture and the necessary conditions required for all community members to thrive, reflecting ~~the communities we serve with a shared vision of diverse partners and collaborators~~

Goals/Ends:

1. North Sound ACH will ~~invest in~~ programs and initiatives that lead to community members gaining access to what they need.
2. North Sound ACH ~~will ensure~~ ~~identify ways~~ that its leadership, partnerships, and collaborators ~~are to take part of~~ in the decision-making processes around use of resources and direction of the organization.
3. North Sound ACH's decisions and direction ~~will reflect the rich diversity, lived experiences, cultures, and complexities of the communities throughout the region.~~
4. ~~The work of North Sound ACH, is as expansive as the communities we serve with a shared vision of diverse partners and collaborators by using shared frameworks and around the vital conditions to improve well-being at a population-wide level, and will emphasize the needs of groups who face systemic inequities.~~
5. North Sound ACH will invest in creating a region of belonging, a sense of community, ~~and the well-being of current and future generations~~

****Clean version of the above proposed changes ****

Purpose and Board Goals

Purpose: North Sound ACH exists to create a just and inclusive culture and the necessary conditions required for all community members to thrive, reflecting the communities we serve with a shared vision of diverse partners and collaborators

Goals/Ends:

1. North Sound ACH will invest in programs and initiatives that lead to community members gaining access to what they need.
2. North Sound ACH will identify ways that its leaders, partners, and collaborators to take part in the decision-making processes around use of resources and direction of the organization.
3. North Sound ACH's decisions and direction will reflect the rich diversity, lived experiences, cultures, and complexities of the communities throughout the region.
4. North Sound ACH, is using shared frameworks around the vital conditions to improve well-being at a population-wide level, will emphasize the needs of groups who face systemic inequities.

5. North Sound ACH will invest in creating a region of belonging, a sense of community, and the well-being of current and future generations

Current Goals

Purpose and Board Goals

Purpose: North Sound ACH exists to create a just and inclusive culture and the necessary conditions required for all community members to thrive.

Goals/Ends:

1. North Sound ACH **reduces barriers** to well-being for individuals and groups who face systemic inequities by investing in policies and programs that address and dismantle the historic and systemic barriers to equitable well-being
2. North Sound ACH cultivates a just, inclusive and collaborative culture, taking into consideration the well-being of current and future generations.
 - a. North Sound ACH partners with a network of regional and local organizations, networks and leaders who share a common narrative, vision and framework for working together on the vital conditions necessary for individual and collective well-being
 - b. Regional investments ensure measurable improvement in well-being—at a population-wide level, and for historically marginalized groups.
 - c. Civic capacity or muscle (ability to solve collective problems, share power and adapt to unforeseen challenges) is intentionally built, supported and maintained
3. North Sound ACH advances emotional, social, physical, economic and spiritual well-being for all people and places across the region.

Revision History

Date	Reviewed/Revised by	New Changes	No Changes
06/29/2018	Board Approved Goals	X	
09/2020	Board of Directors	X	
12/11/2020	Board of Directors	X	
12/17/2021	Board of Directors		X
06/30/2023	Board of Directors	X	
04/25/2025	Board of Directors		X

Board-Management Delegation Policy 4: Monitoring CEO Performance

The CEO is the Board's only link to operational achievement and conduct. All authority and accountability of employees, as far as the Board is concerned, is considered the authority and accountability of the CEO.

Monitoring of CEO job performance will be ~~done~~ completed through Board discussion and votes on regarding the CEO's interpretation of specific Board policies (Board goals and Executive Limitations) and CEO's documentation of compliance with those policies ~~solely against the CEO job outputs:~~

- 1) Organizational progress and accomplishments ~~on related to Board's stated purpose and goals (Page 1 of the Board Policy manual) Goals~~
- 2) Organizational operation with the ~~boundaries~~ Executive Limitations as established in Board Policy Manual ~~policies on Executive Limitations.~~

Accordingly:

- 1) The Board will monitor performance of the CEO ~~acquire monitoring information~~ by direct observation and voting on interpretation and compliance after receiving reports from the CEO.
- 2) In every case, the Board will vote on a) the reasonableness of the CEO's interpretation; and b) whether supporting documentation demonstrates accomplishment of the interpretation.
- 3) In every case, the standard for compliance shall be reasonable CEO interpretation of the Board policy being monitored. The Board is the final arbiter of reasonableness but will always ~~judge with~~ use a "reasonable person" test rather than with interpretation favored by individual Board members.
- 4) All policies that instruct the CEO will be monitored based on a schedule established by the Board. The Board can monitor any policy at any time but will ordinarily depend on a routine schedule established by the Governance Committee and accepted by the Board.
- 5) If questions arise around CEO performance or the CEO's contract, the Board Chair can reach directly to the outsourced legal counsel for consultation.

Revision History

Date	Reviewed/Revised by	New Changes	No Changes
10/26/2018	Board of Directors	X	
04/30/2021	Board of Directors	X	
04/28/2023	Board of Directors		X
06/28/2024	Board of Directors	X	
08/22/2025	Board of Directors	X	

Executive Limitation 2: Treatment of Staff

The CEO shall ensure that:

- 1) Conditions that are unfair, disrespectful, disorganized, unclear or unsafe are prevented and if they occur, are mitigated in a timely manner.
- 2) The organization operates with written personnel policies that clarify personnel rules for staff, employment practices and employee benefits (including job descriptions and salary schedules), provides for effective handling of grievances, enables staff members to express an ethical dissent, and protects against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
- 3) Consults with legal counsel, human resource experts or other advisors as appropriate in the development and implementation of personnel policies.
- 4) Rights under this policy are shared with staff, including informing staff how to notify the board when internal procedures have been exhausted, or the employee alleges that: (a) board policy has been violated to their detriment or (b) board policy does not adequately protect their human rights.
- 5) The CEO notifies the board chair immediately of any legal action, proceedings of an administrative body, or criminal charges filed against the organization or against an employee related to any employee’s work or conditions of the workplace.
- 6) If HR support is determined to be needed by the Board, it will be done by a third-party HR consultant, and not by internal staff.

Revision History

Date	Reviewed/Revised by	New Changes	No Changes
10/26/2018	Board of Directors	X	
08/25/2023	Board of Directors		X
12/13/2024	Board of Directors	X	
08/22/2025	Board of Directors		X