

**Hackensack University Health Network
Governance Policy Manual**

**Entertainment, Charitable Contributions, Education
and Fundraising Reimbursement**

Policy # 0008

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Purpose: In the furtherance of its purposes it is necessary for the Hackensack University Health Network and its Subsidiaries (the "Corporation") to incur ordinary and necessary expenses related to entertainment, charitable contributions, fundraising, continuing education and similar activities. The purpose of this Policy is to (a) establish general guidelines regarding the expenditure of corporate funds for such activities; (b) assure that such expenditures are appropriate and consistent with the purposes of the Corporation as set forth in its Bylaws; and (c) assure that adequate cost controls are in place.

General Principles

Subject to the provisions of Section III, below, the following general principles apply to incurrence or reimbursement of expenses by the Corporation:

- The expenses must be incurred in furtherance of the purposes of the Corporation and not as part of the personal activities of the individual who incurred them.
- The expenses must be reasonable and not lavish or extravagant under the circumstances.
- The expenses must be actually incurred.
- Discretion and good business judgment must be exercised with respect to all expenses.
- The incurrence of expenses must be consistent with the Corporate Compliance Plan, and other policies of the Corporation.
- All requests for reimbursement must be made on forms provided by the Corporation supported by required documentation.
- A report on activity supported by the expenditures must be provided.
- All requests for significant reimbursement, including out-of-town travel expenses, must be approved in advance by the Chairman of the Board or the President and Chief Executive Officer.

Specific Policy Provisions

Reimbursement of personal expenses for fundraising activity. expenditures incurred by senior executive leadership, officers, directors and other corporate personnel in support of bona fide charitable solicitation activity shall be reimbursed, subject to the following:

1. The solicitation activity must be approved in advance by the Chief Executive Officer (or if the activity is to be conducted by the Chief Executive Officer, the activity shall be approved by the Chairman of the Board); and

2. Use of a personal residence as an alternative to hotel lodging to conduct any solicitation activity is authorized, subject to advance notice and approval.

Participation in Seminars, Conventions and Conferences

The Corporation will reimburse costs of participation in continuing education that is for the purpose of improving skills or knowledge in relation to Corporation responsibilities.

General Entertainment Expenses

Entertainment expenses should at all times be reasonable and proper and be for the purpose of establishing, enhancing, or preserving constructive business relationships. To be reimbursable, entertainment expenses must be directly related to the active conduct of Corporation business.

Participation in Outside Charitable Activities.

The Corporation encourages participation by its corporate officers in outside charitable activities when doing so is supportive of the purposes of the Corporation, does not interfere with the officer's regular corporate duties and does not create an irresolvable conflict of interest (as provided for in the Corporation's Conflict of Interest Policy).

An officer may participate in an outside charitable activity with the approval of the Chief Executive Officer, or the Chairman or the Board. Any compensation payable to the officer in connection with an approved outside activity shall belong to the officer.

In evaluating a request to participate in an outside activity, the President & Chief Executive Officer (or Board Chairman, as the case may be) may consider, among others, any of the following factors:

- The specific nature, terms and conditions of the proposed activity;
- The anticipated time commitment and whether it creates the potential to interfere with the regular duties of the officer;
- The nature of any compensation payable
- Whether the outside activity, if approved, would create a potential Conflict of Interest for the officer; and
- Whether the outside activity, if approved, would require that the officer use corporate materials, facilities or resources in the performance thereof.

Officer and Board Members Participation at Fundraising and Gala Events

The Corporation encourages officers and Board members to give to philanthropic causes and attend fundraising events of the Corporation. The following documents the reimbursement of expenses incurred to attend such social events:

Entertainment, Charitable Contributions, Education and Fundraising Reimbursement

1. Events in Support of the Corporation. Tickets for the attendance by the Chief Executive Officer and Executive Vice Presidents at Corporation-sponsored fundraising and gala-type events will be reimbursed. Tickets for the attendance by other vice presidents at such events will be reimbursed when approved by the immediate supervisor. Tickets for the attendance of the spouse or other guest of the Chief Executive Officer, and Executive Vice President or another vice president will be reimbursed where the attendance of the spouse or other guest furthers the purposes of the Corporation.

Events in Support of Other Charitable Causes

The Corporation shall reimburse officers and Board members for participation in fundraising and gala-type events for other not-for-profit tax-exempt organizations under the following circumstances:

- a. The cost of participation is reasonable and consistent with appropriate corporate budgets; and
- b. Participation is approved by the President and Chief Executive Officer and/or the Chairman of the Board.

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