

Section 1 — Introduction

The intent of this document is to detail both the funding guidelines and the processes which Orcas Island Health Care District (“OIHCD”) will adhere to when acting as a grantor of its discretionary funds to qualified entities who are working “to ensure that island-appropriate, quality primary, acute, and after-hours medical care is available to all community members in a financially sustainable and cost-effective manner.” Grant awards shall only be used for the purposes awarded and use shall comply with all Washington State law.

Section 2 — Funding Priorities and Guidelines

OIHCD prioritizes funding programs that address unmet healthcare needs and that have a clear intended health benefit for the entire community. All grant applications must clearly articulate how these specific benchmarks will be met.

OIHCD will not fund political or religious activities. Grant funds may be used only for a secular, non-political, and non-discriminatory purpose.

Section 3 — Budgetary Considerations and OIHCD’s Funding Capacity

The total amount of discretionary funding that OIHCD can budget towards grant awards will be determined on an annual basis. This amount may vary from year to year. Given OIHCD’s diverse responsibilities and the current uncertainties associated with healthcare funding, it may be impossible to fully or partially fund every request that meets its funding criteria. In considering the grant applications that come before it, OIHCD is committed to optimizing resource allocation in the best interest of the entire community.

Section 4 — Eligibility Requirements for Grantees

OIHCD will only consider grant applications from 501(c)(3), governmental, or other medical entities within its geographic boundaries, although exceptions may be made for applications that support collaborative county-wide healthcare initiatives within San Juan County.

Applicants must have professional and general liability insurance.

Section 5 — Funding Administrative Expenses

OIHCD understands and supports the practice of funding administrative expenses as a portion of a grant award; provided, however, those expenses are consistent with the scope of the project or programming. An applicant that requests support for administrative expenses must provide an itemized estimate of those expenses with their

grant application. The decision to include funding for administrative support in a grant award will be made on a case-by-case basis.

Section 6 — Application Review Process

The President of OIHCD will appoint a committee to review all grant applications. That committee will be comprised of a minimum of three (3) individuals: (i) the Superintendent of OIHCD (ii) one (1) or two (2) active Commissioners; and (iii) (1) one community member (collectively referred to as the “Committee,” and individually, a “Member”).

Grant applications may be solicited through a Notice of Funding Opportunity (“NOFO”), which will include eligibility information, a program description, application procedures, evaluation criteria, and important deadlines.

The Committee will endeavor to review all applications within fourteen (14) days of submission and shall evaluate applications based on the NOFO or other criteria. The timeline for rendering a final decision regarding a grant award will depend on the complexity of the request, the need for full-Board approval, and the need to obtain supplementary information to fully evaluate the request.

A Member shall disclose in writing to the Superintendent or the OIHCD Board any and all interests or relationships that create, or have the appearance or potential of creating, a conflict of interest to a grant application or award. A “conflict of interest” as discussed in this Section shall refer to a conflict of interest for a Member, or a relative of a Member, with a legal interest in their earnings.

Pursuant to RCW 42.23.030, any Member who has a remote beneficial, financial interest, as defined in RCW 42.23.040, in a grant applicant or award must recuse themselves from consideration of that application. A grant shall not be awarded where a Member, any Commissioner, or the Superintendent has a direct or indirect beneficial or financial interest in a grant applicant or award.

The Committee shall comply with OIHCD’s conflicts of interest and code of ethics policy, as adopted June 19, 2018, or as hereafter amended.

Section 7 — Multi-Year Grant Requests

OIHCD will consider applications for multi-year grant requests to support programming that warrants this strategy. However, applicants should be advised that multi-year grant awards are subject to an annual reapproval process based on performance during the prior year, and that future budget uncertainties for OIHCD may limit or preclude the continuance of multi-year grant awards, as noted in Section 3.

Section 8 — Deadline for Grant Applications

For the purpose of assisting OIHCD with the creation of its annual budget, grant applications for programming that are to begin in a given year must be submitted to OIHCD no later than the fifteenth (15th) day of August of the prior year (the “Application Deadline”).

Section 9 — Funding Urgent and Emergent Projects

An urgent or emergent situation may arise that would result in the submission of a grant application after the Application Deadline. OIHCD will consider such submissions. In addition to the details of the proposed program, approval of out-of-cycle grant applications will be highly dependent on the facts related to the project’s urgent or emergent nature and the balance of OIHCD’s residual discretionary funds.

Section 10 — Final Reports

It is imperative that OIHCD act as an excellent steward of its discretionary funds, assisting only programs and projects that will have a significant positive effect on the healthcare services available on Orcas Island. In order for OIHCD to substantiate outcomes and impact to the broader community, grantees may be required to submit a final report at the conclusion of the grant period that includes the number of individuals who were served by the program, outcomes that would not have occurred without the program, and an additional narrative detailing the perceived impact of the program on the participants or the community at-large.

Annual reports may be required for multi-year grant awards, and interim reports may be required for larger grant awards with complex programming.

Annual and interim reports, along with the corresponding grant application, will be posted on OIHCD’s Website for community review.

Section 11 — Contract Requirement

All grants awarded by OIHCD shall be subject to a written funding agreement, in a form provided by OIHCD. The funding agreement must include at least the following elements:

- The amount of funding being awarded;
- Requirement for reporting to OIHCD;
- Guidelines for how grant funds will be used; and
- A timeline for project completion.

Section 12 — Unspent Funds

At the conclusion of the stipulated grant period, or at the end of each year in a multi-year grant award, any unspent funds must be returned to OIHCD, unless the grantee formally requests OIHCD to roll that funding over to the following year and that request is approved by OIHCD.

OIHCD will consider the following criteria for a rollover of unspent funds to the following year, either at the end of the grant period or at the end of any year in a multi-year grant:

- The funded program remains active and aligned with the original grant award objectives;
- Delays or changes in implementation prevented the full expenditure of the grant award during the grant period; and
- The grantee demonstrates a continued need for the remaining grant award to complete the originally approved programming.

Grantees seeking to roll over unspent funds must submit a written request to OIHCD prior to the end of the grant period or within thirty (30) days following the close of their fiscal year. This request must include all of the following:

- The amount of unspent funds;
- A detailed explanation of the reason(s) for having unspent funds;
- A progress report on all activities completed to date;
- Justification for the rollover, including an updated budget that details how the remaining funds will be used; and
- A revised timeline for project completion.

Policy Adopted April 22, 2026