

**Understanding and Implementation of the
Wyoming Critical Access/Rural Hospital Endowment Challenge Program
Under Wyoming Session Laws, Chapter 217,
W.S. 35-1-1001**

A. Appropriation

- The 59th Legislature of the State of Wyoming appropriated four million dollars (\$4,000,000) from the general fund to the critical access or rural hospital endowment challenge fund. Of this appropriation, not more than two million dollars (\$2,000,000) will be transferred to the challenge account for July 1, 2007 through June 30, 2008 and the remaining amount of \$2,000,000 for the fiscal year July 1, 2008 through June 30, 2009.
- The amount appropriated in the critical access or rural hospital endowment fund shall be divided between the qualified critical access or rural hospitals, at this time there are sixteen (16). Each critical access or rural hospital will have an equal share of the \$2,000,000, or \$125,000 each fiscal year for each critical access or rural hospital.

B. Eligibility

The legislation sets the following criteria for criteria for eligibility:

1. The gift must be for endowment to a Wyoming critical access or rural hospital foundation.
2. Endowment funds to be invested and managed by Wyoming critical access or rural hospital foundation.
3. A pledge/commitment to make the gift or transfer must be made in writing during the period July 1, 2007 through June 30, 2012 and must be paid by June 30, 2013

OR,

an outright gift is to be received or the transfer occurred during the period July 1, 2007 through June 30, 2012.

We agree to the following interpretations of the eligibility criteria:

1. There is no minimum gift level.
2. A signed pledge form, endowment agreement, letter (memo, email) of intent, check or evidence of a transfer or funds or securities all constitute a written commitment.
3. In keeping with the IRS guidelines for gifts of negotiable securities, such gifts will be valued by averaging the high and low value of the security on the day the gift is received by the foundation.
4. Gifts of property will also be eligible as long as the property that is given is to be converted to cash for endowment purposes. The donor will be responsible for providing evidence of the fair market value of the donated property. For purposes of the match, gifts of property will be valued based on the sale income.
5. A donor may split his or her commitment between one or more endowment purpose.

6. Gifts with a life income agreement associated with them will be eligible at the time of the gift if the Wyoming critical access or rural hospital foundation is both the irrevocable trustee and irrevocable beneficiary of the trust or annuity. The legislation indicates that an endowment gift means an irrevocable gift or transfer to a Wyoming critical access or rural hospital foundation of money or other property, whether real, personal, tangible or intangible, and whether or not the donor or transferor retains an interest in the property, where the gift or foundation's interest in the property is required to be used by the foundation exclusively for endowment purposes.

C. Administration

1. Each critical access or rural hospital will enter into an agreement with its foundation under which the foundation will manage the matching funds in the same manner as the permanent endowment funds. This agreement will include language that refers to the permanent investment of the funds, the maintenance of the fund corpus as inviolate and the expenditure of fund earnings for endowment purposes only.
2. The match program will be administered on a first-come, first-served basis. Funds will be reserved based on a written commitment from the donor.
3. The Wyoming critical access or rural hospital foundations will keep a file of all documentation relative to the match. This file is available for review by the State Treasurer's office at any time. Also, all gifts, pledges and pledge payments received by each Wyoming critical access or rural hospital foundation will be entered into their own development database.
4. The Wyoming critical access or rural hospital foundations will submit a list certifying new eligible commitments for the State Treasurer's review and approval at least once per quarter (**Commitment List**). The list should be electronically submitted to the Treasurer's office. A hard copy (in duplicate) needs to also be mailed with original signatures of the Executive Director of the Foundation and the Critical Access or Rural Hospital's Director. The State Treasurer will review and approve the encumbrance. The approval copy as signed by the State Treasurer will be sent back to the Foundation.
5. **Request** for payments from the State will generally be made quarterly, but only if the accumulated amount actually received by a Wyoming critical access or rural hospital foundation totals ten thousand dollars (\$10,000) or more,

OR,

If the critical access or rural hospital was eligible for a tax benefit under W.S. 35-2-414 (b) and (c) and a tax was not levied or was levied pursuant to one (1) but not both of those subsections, an amount equal to fifty percent (50%) of the amount accumulated by the foundation will be paid as match.

If in a quarter the funds eligible for the match accumulate quickly (to a least \$10,000) the Foundation and the critical access or rural hospital may apply for a transfer out of the usual quarterly sequence. This request for payment form should accompany the Commitment List.

6. The transfer request (match) will be made by transferring funds from the separate challenge fund account to the appropriate critical access or rural hospital via ACH (electronic transfer). The recipient critical access or rural hospital shall immediately transfer matching funds received to the foundation. The processing time for transfer is generally 1-2 weeks.
7. If a donor requests anonymity for their gift, the gift will be treated as such on lists submitted to the State (documentation of the gift will be on file at the Wyoming critical access or rural hospital foundation office). Once submitted to the State Treasurer's office, this documentation becomes public information.

8. At the June 30, 2012 deadline for commitments, the Wyoming critical access or rural hospital foundations may submit a waiting list of commitments received beyond the \$125,00 so that if an early donor defaults on his/her pledge, it can replace that pledge with the next donor on the list.
9. On or before October 1 of each year, each Wyoming critical access or rural hospital through its foundation will submit a report to the State Treasurer on the endowment matching program for the preceding fiscal year. The report will include a financial summary and a review of the accomplishments resulting from endowment program expenditures. This will be applicable for each fiscal year through June 30, 2014.

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State Treasurer's Office Contact List

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Fax: 307-777-5411
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- ❖ Quarterly ó **Email** Encumbrance List and Request for Payment List to (or Request only-with signature lines): Fran Hawkins and Darla Conn
- ❖ Quarterly ó **Mail** Encumbrance List (in duplicate) and a Request for Payment List to (or Request only-with signature lines): Addressed to Fran Hawkins or Darla Conn for Joseph Meyer
- ❖ Annually ó **Mail** an annual report to: Addressed to Fran Hawkins or Darla Conn for Joseph Meyer

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_____ Critical Access or Rural Hospital

Contact List for the State Treasurer's Office

Director: _____

Critical Access or Rural Hospital: _____

Address: _____

City, State, Zip: _____

Fax and/or Email: _____

Executive Director: _____

Critical Access or Rural Hospital: _____

Address: _____

City, State, Zip: _____

Fax and/or Email: _____

Director of Accounting Services: _____

Critical Access or Rural Hospital: _____

Address: _____

City, State, Zip: _____

Fax and/or Email: _____

Remember you must be on file at the State of Wyoming State Auditor's Office in order to receive payments of any kind.