5.13 SIERRA KINGS HEALTH CARE DISTRICT
GRANTS MANAGEMENT
POLICIES AND PROCEDURES

NON-SUPPLANTATION POLICY – prohibiting use of District funds to supplant federal, state, or local funds.

Purpose:
The purpose of the policy is to ensure maximum efficiency of District revenues and to ensure District funds shall be used only to *supplement* (or add to) existing levels of service and not to *supplant* (or replace) funding existing levels of service.

Policy:
It is the policy of the District that:

1. No District funds shall be used to supplant federal, state, or local money for any purpose. District funds shall be used only to supplement existing levels of service and not to fund existing levels of service.

2. To that end, no District funds shall be granted or used for any existing project or program funded by federal, state, local funds, or philanthropic organizations. This shall include "existing" levels of staffing, services, physical plant, etc.

3. The prohibition on supplantation is intended to prevent shifting fiscal responsibility for ongoing programs to the District. The prohibition includes private funding sources as well.

4. The prohibition on supplantation is not intended to prevent, stifle, or discourage pilot projects, which provide valuable innovations and formation. Therefore, the prohibition should not be interpreted to apply to pilot programs or services, as defined below.

Definitions:
Existing means, with respect to a level of service, a service that is in effect or operation at the time a request for funding is acted upon by the District, or any time within the 12-month period preceding the District's action.

Levels of Service includes both quality and quantity of services

Pilot with respect to programs or services means those that are implemented on a temporary and limited basis in order to test and evaluate the effectiveness of the program, develop new techniques, or gather information.

Procedures:

1. Every grant seeker must disclose in its application whether the program has received funding from other sources (whether local or state government, private, or federal) within the past twelve months.

2. When an applicant discloses that local or state government, private, or federal funding has been received for the proposed program or service within the last twelve months, the applicant must also demonstrate to the District's satisfaction:

    a. That the District's funds will be used to augment or improve the existing level of service, either in terms of quantity or quality, and that the existing level of service will be maintained for the duration of the District's action, or

    b. That the program or service was a pilot project that has reached the end of its pre-determined term for implementation, or

    c. That the program or service experienced drastic and unforeseen budgetary cuts due to extreme budgetary situations that prevent continued funding of the program/service.

3. The District may require the applicant to provide any additional information regarding sources and uses of funds at any time. Based upon all existing facts and circumstances, the District shall determine whether the proposal would violate policy. The District's determination will be made as of the time a contract is entered into. For multi-year contracts or commitments, the District reserves the right to re-examine its determination that its funds will not be used in violation of this policy.

Written: July 28, 2020