

9.0 FOUNDATION PARTNERED HEALTH CAPITAL INITIATIVES

The process and roles as outlined in this chapter will be piloted for an 18-month period effective April 1, 2021. Alberta Health Services (AHS), Alberta Health (HEALTH), and Alberta Infrastructure (INFRA) will assess the success of the pilot at the conclusion of the pilot period (September 30, 2022).

9.1 Overview

There are nearly 70 Health Foundations operating throughout the province under Alberta's health legislation. Health Foundations are non-profit charitable organizations and an important and valued partner in the health system. Their purpose is to raise funds for:

- a) Healthcare services in a particular geographic region (e.g. Peace River & District Health Foundation);*
- b) Specific healthcare facilities (e.g. Hinton Health Care Foundation);*
- c) Specific healthcare program (e.g. cancer, mental health, burn unit);*
- d) Healthcare research; and,*
- e) Healthcare education programs.*

This chapter describes the process and roles of Foundations, Alberta Health Services (AHS), Alberta Health (HEALTH), and Alberta Infrastructure (INFRA) for capital projects financially supported by a Foundation. The process includes initiating, planning, financing, approving, delivering, and communicating these capital projects. The objective of the process is to leverage healthcare philanthropy by facilitating a clear and mutually beneficial working relationship among Foundations, AHS, HEALTH, and INFRA to attract gifts and donors in support of priority capital projects. These projects can range from the construction of new facilities, additions or renovations of existing buildings, to the purchase of new equipment.

The strongest link between Foundations and Alberta's health system is the partnership they each have with AHS. On day-to-day, operational basis, Foundations and AHS leaders work

together to improve patient care in the province. Chapter 9 intends to support and leverage these partnerships.

Chapter 9 outlines the process for both Foundation-partnered Minor Projects (under \$5 million dollars – see [Chapter 5](#)) and Major Capital Projects (over \$5 million).

The following principles are the basis for successful conditions in capital projects supported by philanthropic dollars:

- Greater transparency – open communication and engagement throughout the process.
- Improved knowledge sharing – all stakeholders know what to expect and are connected with the resources they need in foundation-partnered capital projects.
- Clear process – this chapter clearly outlines the processes, roles, and responsibilities in foundation-partnered capital projects.

9.2 Relevant Legislation

9.2.1 Foundations Operating Under the Regional Health Authorities Foundations Regulation

There are two types of Health Foundations operating under the *Regional Health Authorities Foundations Regulation* in Alberta:

1. Established/Regional Foundations; and
2. Continued Foundations.

Established/Regional Foundations

Established/Regional Foundations are established by and have a direct reporting relationship to the Minister of Health and AHS, the regional health authority under the *Regional Health Authorities Foundations Regulation*. HEALTH refers to these Foundations as “regional foundations”, language mirroring that in the Regulation. AHS refers to these Foundations as “established foundations” to reflect their establishment under the regional health authority; differentiating them from continued Foundations.

Continued Foundations

Continued Foundations existed prior to the regionalization of Alberta's health system in 1995 and were established under a variety of legislations, but are now subject to the *Regional Health Authorities Foundations Regulation*. Continued Foundations have reporting obligations to the Minister of Health, but not the regional health authority.

9.2.2 Alberta Cancer Foundation

The Alberta Cancer Foundation previously operated under the *Cancer Programs Act*. Since 2009, when Alberta Health Services became responsible for cancer care, the Foundation has operated under the *Alberta Cancer Foundation Regulation*. Similar to Established/Regional foundations, the Alberta Cancer Foundation has a direct reporting relationship to the Minister of Health and the regional health authority.

9.2.3 Hospitals Act and Exempt Foundations

Hospitals Act foundations are Foundations established by hospital boards and governed by the *Hospitals Act* and *Hospitals Foundation Regulation*. They have a direct reporting relationship to the Minister of Health, but not the regional health authority.

Under the *Hospitals Act*, no person may operate a hospital foundation that has not been established in accordance with the *Hospitals Act*, unless exempted by the Minister of Health subject to any terms and conditions the Minister prescribes. Therefore, exempted Foundations are subject to the terms and conditions of the relevant Ministerial Order granting the particular Foundation exemption from the Act (e.g. Royal Alexandra Hospital Foundation).

9.2.4 Societies Act and Companies Act Foundations

Foundations created under the *Societies Act* or *Companies Act* are not subject to the *Regional Health Authorities Foundations Regulation*, the *Hospitals Act*, or the *Hospitals Foundation Regulation*. These Foundations do not have a direct formal reporting relationship to the Minister of Health or the regional health authority.

However, both the *Societies Regulation* (under the *Societies Act*) and the *Companies Act* prohibit these Foundations from having names that suggest or imply the Foundation is affiliated with or approved, authorized or controlled by government or a government agency, unless the Foundation obtains the written consent of the appropriate authority. Refer to the

section 13 of the *Societies Regulation* and section 11(1) (b) of the *Companies Act* for the precise wording of these provisions.

For example, consent is not given to proposed Foundation names that contain the words “Health” and “Foundation”. The rationale is that these words suggest or imply that the foundation is affiliated with or approved, authorized or controlled by government or the regional health authority, given the Minister of Health’s and AHS’ legislated relationship with Health Foundations under the *Regional Health Authorities Foundations Regulation* (see part 9.3.1, above).

9.3 Roles and Responsibilities

Refer to other Chapters and Appendix 3 (RASCI) of this Manual for project planning and delivery roles and responsibilities for the respective project partners.

Refer to Chapter 4.1.9 “Project Funding” for responsibilities associated with establishing funding commitments and agreements associated with charitable Foundation-partnered Capital Projects.

The following provides additional roles and responsibilities in support of Foundation-partnered capital projects:

AHS Site or Provincial Program Leadership:

- Best and initial point of contact for Foundations in all phases of capital planning;
- Leads communications with foundations regarding priority setting, project approval status, decisions, planning, and project delivery;
- Collaborates with Foundations to identify and plan potential Foundation-partnered projects;
- Submits potential Foundation-partnered projects to AHS Zone Executive Leadership;
- Ensures, in conjunction with AHS Capital Management, that Foundations are connected to Health and INFRA project planning and delivery teams, supporting donor stewardship through updates as needed;
- After project approval, supports and coordinates communications and coordination between Foundations and Project Teams;

- Ensures effective communication is maintained in consultation with AHS Capital Management; and,
- Supports project planning, initiation, design, and construction as needed.

AHS Zone and Provincial Program Executive Leadership:

- Is responsible for submitting zone major capital priorities to the Executive Leadership Team through AHS Capital Management's annual Multi-Year Health Facility Infrastructure Capital Submission process;
- Provides Site Leadership with reasoning for decisions regarding the submission; and,
- Supports Foundations in donor stewardship as appropriate (participating in fundraisers, attending recognition events, supporting public announcements).

AHS Executive Leadership Team:

- Receives Zone and Provincial Program priorities, discusses, reviews, and approves the final draft proposed project list that will be going into AHS Multi-Year Health Facility Infrastructure Capital Submission; and,
- Supports Foundations in donor stewardship.

AHS Foundation Relations:

- Supports the AHS Site Leadership-Foundation partnership as needed;
- Acts as a *navigator* as needed at any point in the process; and,
- Ensures AHS' Philanthropic and Honorific Naming policy is implemented.

AHS Capital Management:

- Coordinates AHS legal counsel in the development of financial agreements between Foundations and AHS, and between AHS and INFRA;
- Ensures cash flow requirements outlined in financial agreements are understood and met by AHS Site Leadership and Foundations throughout project delivery;
- After project approval and in consultation with AHS Site Leadership and Project Teams, documents all communication with Foundations that may impact Government project planning parameters and/or project delivery processes and outputs;
- Consults with AHS Site Leadership to ensure that meetings are held and effective communication with project teams is maintained for both INFRA and AHS-delivered projects; and,

- Delivers Foundation-partnered capital projects under \$5 million, or those over \$5M approved by the Joint Capital Steering Committee.

Alberta Health:

- Prioritises and approves health capital projects to be submitted for funding consideration;
- Provides policy direction, planning oversight, and strategic capital funding guidance for proposed major health capital projects supported by Foundations;
- For projects partially funded through a Foundation, works with AHS and INFRA to ensure an appropriate level of funding for potential Capital Plan approvals to fully support approved project scope;
- In consultation with INFRA, prepares the necessary correspondence and supporting material for approval of the project including all necessary terms and conditions; and,
- After consultation with Joint Capital Steering Committee, provides direction on project delivery.

Alberta Infrastructure:

- Leads planning and delivery of major capital projects over \$5 million;
- When leading delivery of an approved project, works closely with AHS Capital Management, Site Leadership, and HEALTH to create a Project Charter and ensure the maintenance of appropriate information sharing and communication with the Foundation throughout the project life cycle through the appropriate channels;
- For INFRA managed projects, leads the development of the entire project continuum (functional programming through to commissioning), as detailed in 4.0 Alberta Infrastructure Capital Project Delivery;
- When leading project delivery, manages the cash-flow requirements of a project, including communicating to AHS Capital Management and Site Leadership timing of required cash contributions from a Foundation as detailed in the Memorandum of Understanding (MOU); and,
- In collaboration with AHS Capital Management and Site Leadership, communicates project status.

Foundations:

- Collaborate with AHS Site Leadership to identify and plan potential Foundation-partnered projects;

- Ensure AHS Site Leadership understands the Foundation’s business cycles;
- Build a “case for support” for potential donors, with support from AHS Site Leadership as needed;
- Manage donor stewardship, involving AHS as appropriate by sharing donor stewardship needs with site, or in the case of mental health or cancer care, portfolio leadership throughout the process, including planning and delivery;
- Engage Foundation trustees and involve trustees throughout the process, including priority setting;
- Provide letters confirming Foundation commitment in principle to capital projects;
- Provide formal commitment letters outlining Foundation financial commitment to projects aligning with budgeting and planning;
- Sign funding agreements (Memorandums of Understanding) to formalize the specific dollar amount contributed to a project by the Foundation and timing for submission of associated funding;
- Are accountable for meeting fundraising targets and payment schedules outlined in funding agreements; and,
- For individual projects, assign a key point of contact to act as the main communication conduit between AHS Site Leadership and the Project Team.

Communication teams (All stakeholders):

- Communication teams from HEALTH, INFRA, AHS and Foundation partners will coordinate activities related to communications planning, media advisories, announcements or other celebratory events (such as opening) for approved projects.

9.4 Initiating a Foundation Partnered Project

The relationship between AHS site or portfolio leadership and the Foundation affiliated with that site or portfolio is key to leveraging philanthropy for a capital project start.

A Foundation-partnered capital project may be initiated in a number of ways, including but not limited to the following:

- A Foundation may identify an opportunity through existing relationships with clinical staff on site.

Example: An emergency department physician suggests a Foundation to fund an expansion of the emergency unit in the hospital where she practices. The Foundation then discusses the need with site leadership to determine viability and level of priority.

- Site/Zone or provincial program leadership may present a Foundation with a list of capital priorities for consideration as part of the annual capital planning cycle.

Example: A site manager and a regional senior operating officer for a mid-sized hospital in the North Zone meet with the affiliated Health Foundation on a regular interval to present the site's capital priorities. The site manager and the Foundation collaborate to identify philanthropic opportunities and highlight these in the site's capital submission to zone leadership.

- Community member(s) may approach a Foundation about a funding request related to healthcare services. If this request aligns with its mandate, the Foundation may choose to fund that need and/or bring that opportunity forth to the site lead for consideration within the list of capital priorities.

Example: After speaking with fellow community members, an individual approaches a Foundation about funding an expansion of the ambulatory care unit at the local hospital. The Foundation often hears community members speak about these services and decides to present this request to the site lead. The site lead then determines whether this request is an AHS priority and may put it forth for funding consideration.

Once a Foundation has indicated its support in principle for a potential AHS-priority major Capital Project, the CEO of AHS will write to the Deputy Ministers of HEALTH and INFRA to provide this information. AHS will then request a "comfort letter" confirming the Foundation's commitment in principle to a project. The "comfort letter" will be included by AHS to substantiate and initiate the development of a Business Case. In addition, AHS shall identify this project in its annual Infrastructure Capital Submission to government as a top priority or as a future project.

It is important for the Foundation to understand project cash flow requirements in advance of project approval and commencement of project implementation.

AHS and the Foundation will then establish an MOU after a Foundation-partnered capital project is approved, and prior to the execution of the Foundation Funding Contribution Agreement (see Appendix 8). [A Foundation Funding Contribution Agreement](#) between AHS and INFRA is required for funding to be provided for the delivery of a major capital project.

9.5 Capital Planning, Project Approval, and Delivery Processes

In general, major Foundation-partnered Capital Projects follow the same process as other capital projects ([outlined in Chapter 3 of this manual](#)), but with additional actions supporting government and AHS' partnership with Foundations, and Foundations' relationships with donors. AHS will include Foundations throughout the typical stages of a project such as Major Capital Needs Assessment, Major Capital Business Case and Functional Program development. This process follows the guiding principles listed in Section 9.2, supporting early and ongoing engagement between AHS and health foundations.

The following section provides additional planning, approval, and delivery procedures in support of foundation-partnered capital projects:

9.5.1 Major Capital Projects

AHS led Foundation engagement during project delivery should be determined as early as possible and outlined as necessary in project planning and initiation documentation such as Project Charters.

AHS will ensure the Project Steering Committee understands and supports the Foundation reporting and communication requirements, which will be defined in the Project Charter.

INFRA will work collaboratively with Foundation partners, AHS, and Health to resolve project challenges. When a project issue is identified, INFRA will communicate the associated impacts to AHS and HEALTH, in order to manage the potential project impacts. If the project experiences budget challenges and, subject to the terms outlined in the Foundation Funding Agreement, various options may be considered including but not limited to the following:

- project scope is adjusted to meet available project budget funding;

- the Foundation increases the associated funding commitment; or,
- additional capital project funding is requested through government.

During project delivery, AHS will provide (with assistance from INFRA) Foundations with information and solicit Foundation feedback regarding project planning and delivery (design and construction). AHS Site Leadership and Capital Management leads on a project will ensure Foundations are advised of project milestones (e.g. completion of a Major Capital Business Case, groundbreaking, procurement, etc.) and receive opportunities to provide input and sign-off of project deliverables, where appropriate.

AHS Site Leadership or Provincial Program Leadership should engage Foundations early in the project delivery phase to identify their needs related to donor stewardship and recognition. Foundation needs may include:

- Timely project updates, including changes to the estimated scope, budget or timeline;
- Opportunities to lead or participate in media events related to the project;
- Access to collateral materials for purposes of donor engagement;
- Incorporation into the design donor recognition (i.e. donor wall), if appropriate; and,
- Identifying and receiving approval for philanthropic naming opportunities ([see related AHS policy #1147 PHILANTHROPIC AND HONORIFIC NAMING AND RECOGNITION](#)).

While project site tours during construction may be an important communication tool for various stakeholders, tours are facilitated and scheduled only through INFRA's project team. Tours may be subject to construction activities and project timelines.

It is recognized that occasionally an approved health capital project supported by foundation funding may be deferred or canceled. Memorandums or Agreement between AHS and Foundation will include conditions should the health capital project be deferred or canceled. The conditions will be tailored to a specific project, specific Foundation and other aspects of contribution or partnership.

9.5.2 Minor Capital Projects and Infrastructure Maintenance Program

Foundation engagement in minor project delivery must be determined as early as possible and outlined as necessary in project planning and initiation documentation. Foundation support for minor projects is addressed in [Chapter 5](#) of this manual.

As with major projects, during minor project planning and delivery phases, AHS is responsible for connecting with Foundations to inform and present feedback regarding project planning and delivery (design and construction). AHS Site Leadership or provincial program leaders and Capital Management leads on a project will ensure Foundations are advised of project milestones (e.g. completion of a feasibility studies, project scoping, groundbreaking, procurement, etc.) and receive opportunities to provide input where appropriate.

AHS Site Leadership should engage Foundations early in the project to identify their needs related to donor stewardship and recognition. Foundation needs may include:

- Timely project updates, including changes to the estimated scope, budget or timelines;
- Opportunities to lead or participate in media events related to the project;
- Access to collateral materials for purposes of donor engagement;
- Incorporation into the design donor recognition (i.e. donor wall), if appropriate; and,
- Identifying and receiving approval for philanthropic naming opportunities ([see related AHS policy #1147 PHILANTHROPIC AND HONORIFIC NAMING AND RECOGNITION](#)).

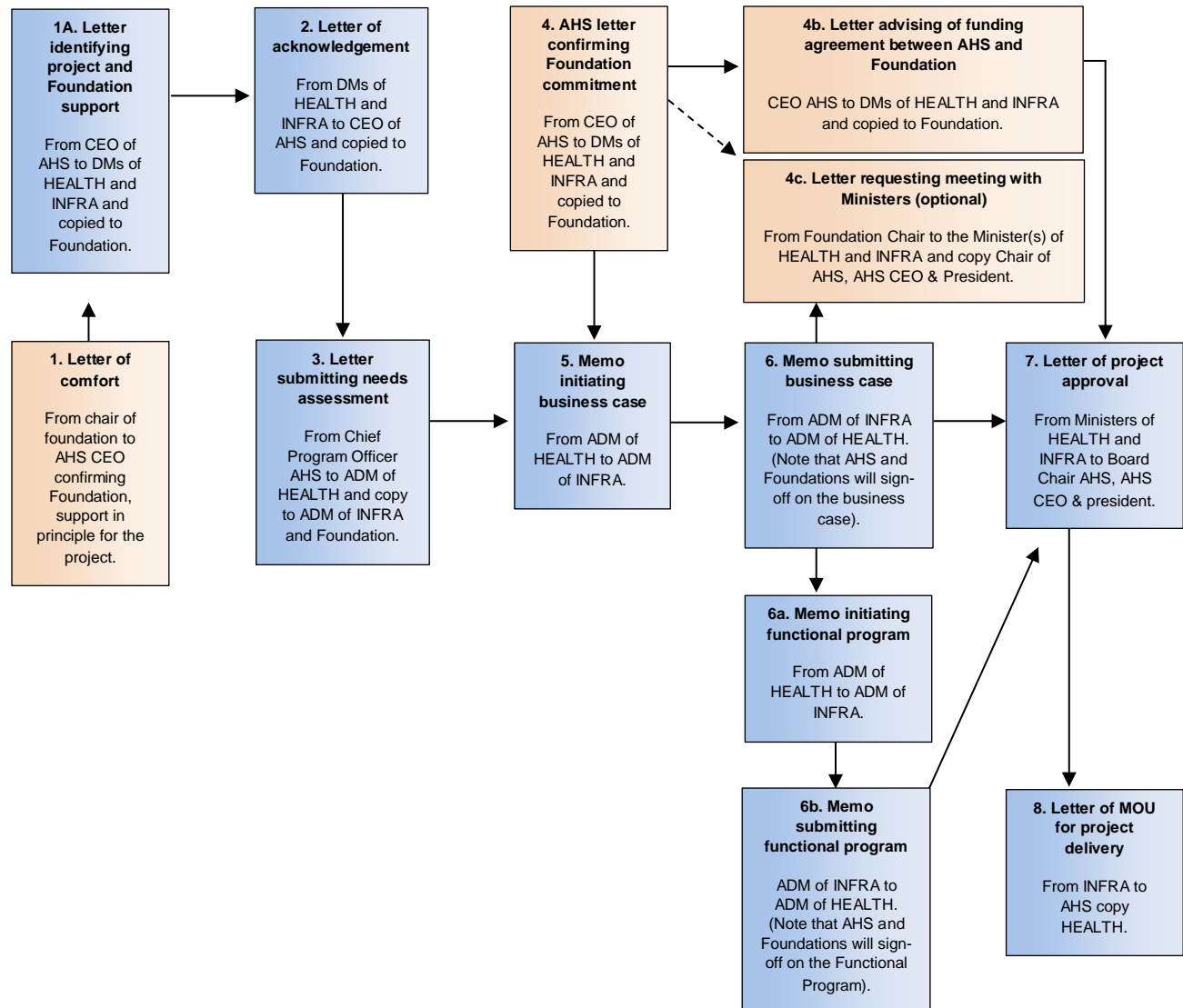
9.5.3 Foundation Funded Furniture, Equipment, and Information Technology

When foundations fund furniture, equipment or information technology for health capital project, the process follows [Chapter 7](#) of this manual.

AHS leadership will ensure appropriate engagement with Foundation throughout the project to support donor stewardship and recognition.

9.6 Communications

Foundations shall be kept well informed of the proposed project during the capital planning process. The flow chart below illustrates the communication and correspondence process for Foundation-partnered projects and project planning; and provides an outline of expected correspondences leading up to the project approval. Letter templates are maintained by AHS.



Media announcements related to capital projects are an important tool for Foundations to steward, recognize, and engage with existing and potential donors.

Examples of media announcements that can include Foundations and their donors are:

- Post-budget announcements related to new approvals of capital projects that include philanthropic support;
- Announcements of project milestones;
- Ground breakings; and,
- Opening ceremonies.

HEALTH leads public announcements related to Major Capital Projects that have been approved, with AHS and INFRA providing support as required. Minor project announcements may have the same process as major projects or they may be led by AHS only.

Foundations will be notified as early as possible about government or AHS decisions related to a project with philanthropic funding to support recognition of donors who have contributed and leverage new donors as part of ongoing fundraising efforts. AHS Communications staff will work with the Foundation to share information and coordinate communications planning and activities related to an event, and work as the liaison with government.

Foundations often hold their own media events for the purposes of donor recognition (e.g. to acknowledge a donation and/or a philanthropic naming), to announce a campaign launch or milestone, or as part of a fundraising event. In cases like these, Foundations will coordinate with AHS Communications to invite representatives from AHS and government, including elected officials as appropriate, and on event logistics, particularly if the event is held on an AHS site.

Communications teams will work together to ensure event coordination, with AHS Communications acting as a connection between Foundations and government.