

### CMAP REQUIREMENTS FROM AFFILIATION AGREEMENT and/or BYLAWS

	Topic	Agreement Reference	Requirement
*	Minimum Cash Reserves	Paragraph 2.20 of the Affiliation Agreement	<ul style="list-style-type: none"> <li>Requires minimum cash reserves equal to the lesser of 7-days of budgeted operating expenses or the outstanding principal of the loan.</li> </ul>
A	Capital Expenditure Policy	Policy and Procedure  By-laws 4.14 a(i)© & 4.14 c(i)(B)	<ul style="list-style-type: none"> <li>Capitalization threshold = \$5k; Assets acquired for cost &gt; \$5k will be booked as asset &amp; depreciated</li> <li>Straight-Line Depreciation Method required for GAAP Accounting, accelerated allowed for Tax</li> <li>Recordkeeping Requirements include fix asset registry and invoice substantiation</li> <li>By-laws require annual CMAP capital budget approval by CMH (sole member).</li> <li>By-laws allow <u>unbudgeted capital purchases</u>: if less than 10% of approved capital budget (Must also continue to meet Net Income requirements).</li> </ul>
B	Equipment and Software Lease with "Old Company"	Equipment and Software Lease	<ul style="list-style-type: none"> <li>Lease Term is 1 year with automatic 1-year renewals</li> <li>CMAP should review with OldCo and have lease updated every 3 years, minimum, or</li> <li><b>The agreement should be updated upon notice of new or replacement additions or disposals. Adjust lease payment amount to reflect FMV of updated asset list. Remove items no longer used by CMAP or replaced by CMAP.</b></li> </ul>
C	Budget Process and Timeline	By-laws Section 4.14 a (i)	<ul style="list-style-type: none"> <li><u>Budget's require Board Approval</u></li> <li>90 days prior to beginning of fiscal year (Due 3/31) – Submit board approved budget due CMH <ul style="list-style-type: none"> <li>Annual Operating Budget (accrual basis)</li> <li>Annual Cash Flow Budget</li> <li>Annual Capital Budget</li> </ul> </li> </ul>
D	Collateral Requirements and Reporting	Security Agreement 2.2a  Security Agreement 1.12	<ul style="list-style-type: none"> <li>CMH Promissory Note is secured by Qualified Collateral (QC) maintained by CMAP</li> <li><b>CMAP shall maintain QC of 125% of Outstanding Principal</b></li> <li>QC means (a) deposit accounts and (b) 75% of inventory and Accounts Receivable</li> </ul>

### IMPORTANT DATES – Human Resources & Benefits

E	Flexible Spending Account (FSA) plan Nondiscrimination Testing (FY ends 6/30)	<ul style="list-style-type: none"> <li>FYE ends on 6/30. Summary data due by July 31<sup>st</sup> each year. CMH will supply template each yr. (ie – number of employees who earned \$25k+, number of Highly Compensated Employees and the number who worked less than 16 hours per week.)</li> </ul>
F	Retirement Plan (YE 12/31)	<ul style="list-style-type: none"> <li>Annual collection of data due by March 15<sup>th</sup> (time extension given for full census years if P/S contribution will be made.)</li> <li>Full census information collected every 3 years.</li> <li>Summary data may be collected for years 2-3.</li> <li>Most of this information will be contained in your payroll records.</li> </ul>
G	ACA Requirements – Due Dates	<ul style="list-style-type: none"> <li>1095 forms delivered to employee by January 31<sup>st</sup> (automatic extension to March 2<sup>nd</sup>)</li> <li>1094 forms, <u>paper</u> filing with IRS by February 28<sup>th</sup> or <u>electronic</u> by March 31<sup>st</sup></li> </ul>

		<ul style="list-style-type: none"> <li>Fully Insured Plans: Confirm insurance co is handling preparation and filing</li> <li>Self-Insured Plans: CMAP is responsible but may engage payroll provider, broker, etc to complete</li> </ul>
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#### IMPORTANT DATES – Accounting & Tax Reports Due to Children’s Mercy

H	Monthly Accounting	<ul style="list-style-type: none"> <li>Trial Balance, Balance Sheet, Income Statement, Cash Flow Statement, AR Summary and FTE Summary by category due 20<sup>th</sup> of each month to Kim Pearcy</li> </ul>
I	Annual Budget	<ul style="list-style-type: none"> <li>Annual Operating, Capital &amp; Cash Flow budget due CMH 3/31 or 90 days prior to Year End</li> <li>Monthly Detail Accrual Operating (bd approved) budget due Kim Pearcy</li> </ul>
J	Draft and Filed Income Tax Returns due CMH	<ul style="list-style-type: none"> <li>Draft of Federal and State tax returns due to CMH for review 90 days prior to corporate filing date or <b>1/15/2025</b>; Final/filed Income Tax Returns are due CMH upon filing</li> </ul>
K	>Federal Income tax – FYE JUN 2023	<ul style="list-style-type: none"> <li>Form 7004 Federal Extension Request due <b>9/15/2024</b> - Automatic 7-month extension</li> <li>Extended 1120 Filing date w/b <b>4/15/2025</b></li> <li>Estimated Tax Payments due on the 15th day of the 4th, 6th, 9th, and 12th months of the corporation's tax year (Oct, Dec, Mar, Jun)</li> </ul>
L	>KS and MO Income Tax and KCMO Earnings Tax (if required) - FYE JUN 2023	<ul style="list-style-type: none"> <li>Both State Returns due <b>10/15/2024</b> if not extended</li> <li>Both States grant 6-month automatic extension with approved federal extension</li> <li>KCMO extension along with estimated payment must be filed by 10/15/2024 if required</li> <li>Extended filing date for both states is <b>4/15/2025</b></li> </ul>

#### CONTRACTING POLICY REQUIREMENTS

**Note: ALL contracts must be sent to Monica/CMH for review and determination of contract level before signing**

LEVEL	Description of Contract Level	Required Action
1	By-laws 4.14(c) material actions mandating CMH approval. Examples include: establishing new clinics, physician employment changes, sale of substantially all assets, merger’s or reorganizations, new debt, new security encumbrances, new/changes to Capital Leases, acquisition of debt or equity securities, amendments to Articles of Incorporation, reducing insurance limits, etc.	Requires CMH Approval per Bylaws
2	<ol style="list-style-type: none"> <li>Noncancelable &gt; 3 years &amp; does not permit term without cause</li> <li>Noncancelable &gt; 12 mo or longer and obligations &gt;1% of Net Revenue</li> <li>Any contract with obligations &gt; 3% of Net Revenue</li> </ol>	Requires “Language” added to contract before signed waiving liability for CMH.
3	Everything Else – Practice Designee	Board Notification and review by CMH

#### OTHER AREAS:

- TW Security / Network Security:** All Prioritized Action Plan tasks must be completed within one year of affiliation and maintained thereafter.
- Branding:** patient-facing/public markings must be updated immediately post close. Larger signage or expenses have up to one year.
- Insurance:** all policies must be maintained by Practice and within minimum requirements
- CLIA Certificates:** must be maintained in the NewCo name with current copy sent to CMH when obtained.
- Affordability Calculation:** due at the beginning of each year