
 <p>HAWAII HEALTH SYSTEMS CORPORATION "Touching Lives Everyday"</p> <p>Policies</p>	<p>Department:</p> <p>Corporate Finance</p>	<p>Policy No.:</p> <p>FIN 0033</p>
	<p>Issued by:</p> <p>Kelley Roberson COO & CFO</p>	<p>Revision No.:</p> <p>NA</p>
<p>Subject:</p> <p>Region to Region Loans</p>	<p>Approved by:</p>  <p>HHSC Corporate Board By: Raymond Ono Its: Secretary/Treasurer</p>	<p>Effective Date:</p> <p>January 29, 2009</p>
		<p>Supersedes Policy:</p> <p>NA</p>
		<p>Page:</p> <p>1</p>

- I. **PURPOSE AND SCOPE:** To establish and define the policy and responsibilities of HHSC Corporate Board of Directors and HHSC Regional System Boards of Directors and governance of other operating entities of HHSC relating to loans between regions.
- II. **STATEMENT OF POLICY:** The purpose of this policy is to establish policy and guidelines for short-term loans at reasonable interest rates among regions and other operating entities of Hawaii Health Systems Corporation. It is the policy of HHSC that regions and other operating entities of HHSC are authorized to make short-term loans among themselves. Regions and other operating entities of HHSC shall not charge excessive interest among themselves. This policy applies to short-term cash loans only, not to fund accounting involving the general funds of the state of Hawaii.
- III. **IMPLEMENTATION OF POLICY.** Management at all levels of HHSC is responsible for taking actions to comply with this policy.
 - A. **Approval.** Funds shall be transferred between regions only after loan has been approved by governance of each region or other operating entity and loan agreement has been signed by the Regional CFO or Regional CEO, or CEO/CFO of other operating entity. All loan agreements shall be in accordance with all applicable federal, state and local regulations and with generally accepted accounting principles.
 - B. **Terms and Conditions.** Terms and conditions shall be negotiated between regions
- IV. **APPLICABILITY:** All HHSC regions and activities and staff and all HHSC Corporate staff.
- V. **Regional Policies.** Regional System Boards of Directors are authorized to issue regional policies consistent with this policy.
- VII. **REFERENCE:** HRS Chapter 323F, AICPA, FASB, GASB