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# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

**2011**

Open to Public Inspection

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

**A** For the **2011** calendar year, or tax year beginning and ending

<b>B</b> Check if applicable:  <input type="checkbox"/> Address change <input checked="" type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C</b> Name of organization <b>BENEFIS HEALTH SYSTEM FOUNDATION, INC</b>		<b>D</b> Employer identification number <b>81-0480587</b>
	Doing Business As		<b>E</b> Telephone number <b>406-455-5840</b>
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>G</b> Gross receipts \$ <b>7,257,420.</b>
	<b>PO BOX 7008</b>		<b>H(a)</b> Is this a group return for affiliates? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	City or town, state or country, and ZIP + 4 <b>GREAT FALLS, MT 59406</b>		<b>H(b)</b> Are all affiliates included? <input type="checkbox"/> Yes <input type="checkbox"/> No If "No," attach a list (see instructions)
<b>F</b> Name and address of principal officer: <b>DAN HOLLOW</b> <b>SAME AS C ABOVE</b>			<b>H(c)</b> Group exemption number ▶
<b>I</b> Tax-exempt status <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527			
<b>J</b> Website: ▶ <b>WWW.BENEFISFOUNDATION.ORG</b>			
<b>K</b> Form of organization: <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶			<b>L</b> Year of formation: <b>1998</b> <b>M</b> State of legal domicile: <b>MT</b>

## Part I Summary

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities <b>IMPROVING AND ENHANCING HEALTHCARE SERVICES FOR PEOPLE THROUGHOUT NORTHCENTRAL MONTANA.</b>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<b>3</b>	<b>13</b>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b>	<b>11</b>
	<b>5</b> Total number of individuals employed in calendar year 2011 (Part V, line 2a)	<b>5</b>	<b>0</b>
	<b>6</b> Total number of volunteers (estimate if necessary)	<b>6</b>	<b>110</b>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b>	<b>0.</b>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<b>7b</b>	<b>0.</b>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	<b>Prior Year</b>	<b>Current Year</b>
	<b>9</b> Program service revenue (Part VIII, line 2g)	<b>2,169,377.</b>	<b>1,191,749.</b>
	<b>10</b> Investment income (Part VIII, column (A), lines 3-4, and 7d)	<b>0.</b>	<b>0.</b>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<b>962,040.</b>	<b>486,997.</b>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<b>145,427.</b>	<b>160,485.</b>
	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<b>3,276,844.</b>	<b>1,839,231.</b>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<b>2,256,001.</b>	<b>744,449.</b>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<b>0.</b>	<b>0.</b>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<b>0.</b>	<b>0.</b>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <b>0.</b>		
<b>Expenses</b>	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	<b>145,492.</b>	<b>269,449.</b>
	<b>18</b> Total expenses - Add lines 13-17 (must equal Part IX, column (A), line 25)	<b>2,401,493.</b>	<b>1,013,898.</b>
	<b>19</b> Revenue less expenses - Subtract line 18 from line 12	<b>875,351.</b>	<b>825,333.</b>
	<b>20</b> Total assets (Part X, line 16)	<b>Beginning of Current Year</b>	<b>End of Year</b>
	<b>21</b> Total liabilities (Part X, line 26)	<b>20,791,327.</b>	<b>21,120,652.</b>
	<b>22</b> Net assets or fund balances - Subtract line 21 from line 20	<b>565,321.</b>	<b>306,088.</b>
		<b>20,226,006.</b>	<b>20,814,564.</b>

## Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	Signature of officer <i>Dan Hollow</i>	Date <i>5/14/12</i>
	Type or print name and title <b>DAN HOLLOW, PRESIDENT</b>	
<b>Paid</b>	Print/Type preparer's name <b>RICHARD REISIG</b>	Preparer's signature <b>RICHARD REISIG</b>
<b>Preparer Use Only</b>	Firm's name ▶ <b>ANDERSON ZURMUEHLEN &amp; CO., P.C.</b>	Firm's EIN ▶ <b>81-0385940</b>
	Firm's address ▶ <b>21 10TH STREET SOUTH GREAT FALLS, MT 59401</b>	Phone no. <b>406-727-0888</b>

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

*gile*

**Part III** Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III

☒ X

1 Briefly describe the organization's mission.

IMPROVING AND ENHANCING HEALTHCARE SERVICES FOR PEOPLE THROUGHOUT  
NORTHCENTRAL MONTANA.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?

☐ Yes ☒ No

If "Yes," describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?

☐ Yes ☒ No

If "Yes," describe these changes on Schedule O

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code \_\_\_\_\_) (Expenses \$ 744,449. including grants of \$ 744,449.) (Revenue \$ \_\_\_\_\_)

BENEFIS HEALTH SYSTEM FOUNDATION'S PURPOSE IS TO IMPROVE AND ENHANCE HEALTHCARE SERVICES FOR THE PEOPLE OF NORTHCENTRAL MONTANA. THE FOUNDATION RAISES FUNDS TO PRIMARILY SUPPORT THE PROGRAMS AND SERVICES OF BENEFIS HEALTH SYSTEM BUT ALSO SUPPORTS OTHER HEALTH-RELATED PROGRAMS, SERVICES AND ACTIVITIES IN NORTHCENTRAL MONTANA. SOME OF THE PROGRAMS AND SERVICES OF BENEFIS HEALTH SYSTEM SUPPORTED BY CONTRIBUTIONS RAISED BY THE FOUNDATION INCLUDE PEACE HOSPICE OF MONTANA, SLETTEN CANCER INSTITUTE, GIFT OF LIFE FAMILY HOUSING CENTERS, MERCY FLIGHT, DIALYSIS, AND THE BENEFIS HEART AND VASCULAR INSTITUTE. BENEFIS HEALTH SYSTEM FOUNDATION ALSO ENCOURAGES CONTRIBUTIONS TO ITS ANGEL FUND AND 221 CHILDREN'S FUND, WHICH HELP FAMILIES WITH CHILDREN WITH MEDICAL CONDITIONS OR A MEDICAL CRISIS. \*SEE SCHEDULE O\*

4b (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

4c (Code \_\_\_\_\_) (Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

4d Other program services (Describe in Schedule O)

(Expenses \$ \_\_\_\_\_ including grants of \$ \_\_\_\_\_) (Revenue \$ \_\_\_\_\_)

4e Total program service expenses **744,449.**

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	X	
2 Is the organization required to complete Schedule B, Schedule of Contributors?	X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II		X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III		
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I		X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II		X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III		X
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV		X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V	X	
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI	X	
b Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII		X
c Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII		X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX		X
e Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X		X
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X	X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		X
14a Did the organization maintain an office, employees, or agents outside of the United States?		X
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Parts I and IV		X
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Parts II and IV		X
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Parts III and IV		X
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I		X
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III		X
20a Did the organization operate one or more hospital facilities? If "Yes," complete Schedule H		X
b If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

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**Part IV** Checklist of Required Schedules (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i>	<b>X</b>	
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>	<b>X</b>	
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>	<b>X</b>	
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i>		<b>X</b>
<b>24b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>24c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>24d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a</b> <b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		<b>X</b>
<b>25b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		<b>X</b>
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i>		<b>X</b>
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		<b>X</b>
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).		
<b>28a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>28b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>28c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i>		<b>X</b>
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>	<b>X</b>	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		<b>X</b>
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		<b>X</b>
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		<b>X</b>
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>	<b>X</b>	
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i>	<b>X</b>	
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?	<b>X</b>	
<b>35b</b> Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>36</b> <b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		<b>X</b>
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		<b>X</b>
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O	<b>X</b>	

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**Part V** Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V ☐

		Yes	No
<b>1a</b> Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable.	1a 23		
<b>b</b> Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	1b 0		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		
<b>2a</b> Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return.	2a 0		
<b>b</b> If at least one is reported on line 2a, did the organization file all required federal employment tax returns? <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	2b		
<b>3a</b> Did the organization have unrelated business gross income of \$1,000 or more during the year?	3a		X
<b>b</b> If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	3b		
<b>4a</b> At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
<b>b</b> If "Yes," enter the name of the foreign country. See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
<b>5a</b> Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
<b>b</b> Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
<b>c</b> If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
<b>6a</b> Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
<b>b</b> If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
<b>7 Organizations that may receive deductible contributions under section 170(c).</b>			
<b>a</b> Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
<b>b</b> If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
<b>c</b> Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
<b>d</b> If "Yes," indicate the number of Forms 8282 filed during the year.	7d		
<b>e</b> Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		
<b>f</b> Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
<b>g</b> If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
<b>h</b> If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
<b>8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
<b>9 Sponsoring organizations maintaining donor advised funds.</b>			
<b>a</b> Did the organization make any taxable distributions under section 4966?	9a		
<b>b</b> Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
<b>10 Section 501(c)(7) organizations.</b> Enter:			
<b>a</b> Initiation fees and capital contributions included on Part VIII, line 12.	10a		
<b>b</b> Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	10b		
<b>11 Section 501(c)(12) organizations.</b> Enter:			
<b>a</b> Gross income from members or shareholders.	11a		
<b>b</b> Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
<b>12a Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	12a		
<b>b</b> If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		
<b>13 Section 501(c)(29) qualified nonprofit health insurance issuers.</b>			
<b>a</b> Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> See the instructions for additional information the organization must report on Schedule O.	13a		
<b>b</b> Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	13b		
<b>c</b> Enter the amount of reserves on hand.	13c		
<b>14a</b> Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
<b>b</b> If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	14b		

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**Part VI Governance, Management, and Disclosure** For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

☒**Section A. Governing Body and Management**

	Yes	No
<b>1a</b> Enter the number of voting members of the governing body at the end of the tax year If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.		
<b>1b</b> Enter the number of voting members included in line 1a, above, who are independent		
<b>2</b> Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		X
<b>3</b> Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, or trustees, or key employees to a management company or other person?		X
<b>4</b> Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	X	
<b>5</b> Did the organization become aware during the year of a significant diversion of the organization's assets?		X
<b>6</b> Did the organization have members or stockholders?	X	
<b>7a</b> Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	X	
<b>7b</b> Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	X	
<b>8</b> Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
<b>a</b> The governing body?	X	
<b>b</b> Each committee with authority to act on behalf of the governing body?	X	
<b>9</b> Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		X

**Section B. Policies** (This Section B requests information about policies not required by the Internal Revenue Code)

	Yes	No
<b>10a</b> Did the organization have local chapters, branches, or affiliates?		X
<b>10b</b> If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
<b>11a</b> Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	X	
<b>11b</b> Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
<b>12a</b> Did the organization have a written conflict of interest policy? If "No," go to line 13	X	
<b>12b</b> Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	X	
<b>12c</b> Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	X	
<b>13</b> Did the organization have a written whistleblower policy?	X	
<b>14</b> Did the organization have a written document retention and destruction policy?	X	
<b>15</b> Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
<b>a</b> The organization's CEO, Executive Director, or top management official	X	
<b>b</b> Other officers or key employees of the organization		X
If "Yes" to line 15a or 15b, describe the process in Schedule O (see instructions)		
<b>16a</b> Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		X
<b>16b</b> If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

**Section C. Disclosure**

**17** List the states with which a copy of this Form 990 is required to be filed: **NONE**

**18** Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.  
☐ Own website    ☐ Another's website    ☒ Upon request

**19** Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year

**20** State the name, physical address, and telephone number of the person who possesses the books and records of the organization: **MARILYN PARKER - 406-455-5840**  
**PO BOX 7008, GREAT FALLS, MT 59406**

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

☒**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees****1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former** directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
TIMOTHY P. CULLITON TREASURER	3.00	X		X				0.	0.	0.
TANYA A. CAMERON IMMEDIATE PAST CHAIR	1.00	X		X				0.	0.	0.
KRISTINE O. HOUTONEN DIRECTOR	1.00	X						0.	0.	0.
ELIZABETH A. MCGREGOR DIRECTOR	1.00	X						0.	0.	0.
ROBERTA W. BOYLAN DIRECTOR	1.00	X						0.	0.	0.
NANCY A. DAVIDSON DIRECTOR	1.00	X						0.	0.	0.
RICHARD F. DOUGHTEN DIRECTOR	1.00	X						0.	0.	0.
PATRICIA T. SLETTEN DIRECTOR	1.00	X						0.	0.	0.
NORBERT E. JOHNSON DIRECTOR	1.00	X						0.	0.	0.
MARILYN F. GRAMS, MD DIRECTOR	60.00	X						0.	533,630.	488.
RICHARD D. BLEVINS, MD DIRECTOR	60.00	X						0.	299,466.	6,240.
NANCY A. LEWIS DIRECTOR	1.00	X						0.	0.	0.
MARY KATHLEEN RICE CHAIR	3.00	X		X				0.	0.	0.
LESLIE A. RUSSELL, MD DIRECTOR	1.00	X						0.	0.	0.
DOUGLAS M. NICHOLSON DIRECTOR	1.00	X						0.	0.	0.
SUSAN A. TALEFF DIRECTOR	1.00	X						0.	0.	0.
KEITH R. TOKERUD VICE CHAIR	1.00	X		X				0.	0.	0.



**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
EUGENE B. THAYER DIRECTOR	1.00	X						0.	0.	0.
DAVID L. WILSEY SECRETARY	1.00	X		X				0.	0.	0.
JOHN H. GOODNOW EX-OFFICIO DIRECTOR	60.00	X						0.	794,254.	95,989.
CHRIS K. EBELING EX-OFFICIO DIRECTOR	0.50	X						0.	0.	0.
JUDITH M. HELD PRESIDENT	60.00			X				0.	214,935.	34,865.
MARILYN PARKER DIRECTOR OF GIVING & FINANCE	60.00			X				0.	66,290.	9,498.
DAN HOLLOW INTERIM PRESIDENT	60.00			X				0.	3,470.	0.
<b>1b Sub-total</b>								0.	1,912,045.	147,080.
<b>c Total from continuation sheets to Part VII, Section A</b>								0.	0.	0.
<b>d Total (add lines 1b and 1c)</b>								0.	1,912,045.	147,080.

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual	X	
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If "Yes," complete Schedule J for such person		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII Statement of Revenue**

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1 a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c	2,500.				
	d Related organizations	1d					
	e Government grants (contributions)	1e					
	f All other contributions, gifts, grants, and similar amounts not included above	1f	1,189,249.				
	g Noncash contributions included in lines 1a-1f \$		20,723.				
	h <b>Total.</b> Add lines 1a-1f			1,191,749.			
<b>Program Service Revenue</b>			Business Code				
	2 a						
	b						
	c						
	d						
	e						
	f All other program service revenue						
g <b>Total.</b> Add lines 2a-2f							
<b>Other Revenue</b>	3 Investment income (including dividends, interest, and other similar amounts)			522,217.			522,217.
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6 a Gross rents	(i) Real	(ii) Personal				
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
	7 a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b Less cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss)			<35,220.>			<35,220.>
	8 a Gross income from fundraising events (not including \$ 2,500. of contributions reported on line 1c) See Part IV, line 18			266,033.			
	b Less: direct expenses			109,180.			
	c Net income or (loss) from fundraising events			156,853.			156,853.
	9 a Gross income from gaming activities. See Part IV, line 19			10,835.			
	b Less: direct expenses			7,203.			
	c Net income or (loss) from gaming activities			3,632.			3,632.
	10 a Gross sales of inventory, less returns and allowances						
	b Less: cost of goods sold						
c Net income or (loss) from sales of inventory							
<b>Miscellaneous Revenue</b>			Business Code				
11 a							
b							
c							
d All other revenue							
e <b>Total.</b> Add lines 11a-11d							
12 <b>Total revenue.</b> See instructions.				1,839,231.	0.	0.	647,482.

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Check if Schedule O contains a response to any question in this Part IX ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	570,999.	570,999.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22	173,450.	173,450.		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees				
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages				
8 Pension plan accruals and contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits				
10 Payroll taxes				
11 Fees for services (non-employees).				
a Management				
b Legal				
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees	211,985.		211,985.	
g Other				
12 Advertising and promotion				
13 Office expenses				
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization				
23 Insurance				
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>UNCOLLECTIBLE PLEDGES</b>	57,464.		57,464.	
b				
c				
d				
e All other expenses				
<b>25 Total functional expenses.</b> Add lines 1 through 24e	1,013,898.	744,449.	269,449.	0.
<b>26 Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here ☐ if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

		(A) Beginning of year		(B) End of year
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing	21,161.	<b>1</b>	80,627.
	<b>2</b> Savings and temporary cash investments	1,425,767.	<b>2</b>	990,247.
	<b>3</b> Pledges and grants receivable, net	614,993.	<b>3</b>	519,912.
	<b>4</b> Accounts receivable, net	274,369.	<b>4</b>	32,795.
	<b>5</b> Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		<b>5</b>	
	<b>6</b> Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		<b>6</b>	
	<b>7</b> Notes and loans receivable, net		<b>7</b>	
	<b>8</b> Inventories for sale or use		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges		<b>9</b>	
	<b>10a</b> Land, buildings, and equipment - cost or other basis. Complete Part VI of Schedule D	<b>10a</b> 15,000.		
	<b>b</b> Less accumulated depreciation	<b>10b</b>	15,000.	<b>10c</b> 15,000.
	<b>11</b> Investments - publicly traded securities	17,776,151.	<b>11</b>	18,800,674.
	<b>12</b> Investments - other securities. See Part IV, line 11	177,676.	<b>12</b>	184,777.
	<b>13</b> Investments - program-related. See Part IV, line 11		<b>13</b>	
	<b>14</b> Intangible assets		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11	486,210.	<b>15</b>	496,620.
<b>16</b> <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	20,791,327.	<b>16</b>	21,120,652.	
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses	565,321.	<b>17</b>	306,088.
	<b>18</b> Grants payable		<b>18</b>	
	<b>19</b> Deferred revenue		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D		<b>21</b>	
	<b>22</b> Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties		<b>24</b>	
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D		<b>25</b>	
	<b>26</b> <b>Total liabilities.</b> Add lines 17 through 25	565,321.	<b>26</b>	306,088.
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>			
	<b>27</b> Unrestricted net assets	3,701,514.	<b>27</b>	3,948,598.
	<b>28</b> Temporarily restricted net assets	3,062,184.	<b>28</b>	3,274,065.
	<b>29</b> Permanently restricted net assets	13,462,308.	<b>29</b>	13,591,901.
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>			
	<b>30</b> Capital stock or trust principal, or current funds		<b>30</b>	
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund		<b>31</b>	
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds		<b>32</b>	
	<b>33</b> <b>Total net assets or fund balances</b>	20,226,006.	<b>33</b>	20,814,564.
<b>34</b> <b>Total liabilities and net assets/fund balances</b>	20,791,327.	<b>34</b>	21,120,652.	

Form 990 (2011)

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

☒

1	Total revenue (must equal Part VIII, column (A), line 12)	1	1,839,231.
2	Total expenses (must equal Part IX, column (A), line 25)	2	1,013,898.
3	Revenue less expenses. Subtract line 2 from line 1	3	825,333.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	20,226,006.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	<236,775.>
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	20,814,564.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

☐

- 1 Accounting method used to prepare the Form 990 ☐ Cash ☒ Accrual ☐ Other \_\_\_\_\_  
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant?
- b Were the organization's financial statements audited by an independent accountant?
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?  
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O
- d If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both  
☐ Separate basis ☐ Consolidated basis ☒ Both consolidated and separate basis
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

Form 990 (2011)

Department of the Treasury  
Internal Revenue Service

**Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.**

OMB No. 1545-0047

# 2011

**Open to Public  
Inspection**

Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

Employer identification number

81-0480587

<b>Part I</b>	<b>Reason for Public Charity Status</b> (All organizations must complete this part ) See instructions
---------------	---

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state. \_\_\_\_\_

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☒ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II)

9 ☐ An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III)

10 ☐ An organization organized and operated exclusively to test for public safety See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h

a ☐ Type I      b ☐ Type II      c ☐ Type III - Functionally integrated      d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f ☐ If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box \_\_\_\_\_

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?

(ii) A family member of a person described in (i) above?

(iii) A 35% controlled entity of a person described in (i) or (ii) above?

h Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

[illegible]

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.**

Schedule A (Form 990 or 990-EZ) 2011

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")	1656457.	2205599.	2009793.	2169377.	1191749.	9232975.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>4 Total.</b> Add lines 1 through 3	1656457.	2205599.	2009793.	2169377.	1191749.	9232975.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						467,122.
<b>6 Public support.</b> Subtract line 5 from line 4						8765853.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>7</b> Amounts from line 4	1656457.	2205599.	2009793.	2169377.	1191749.	9232975.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	658,426.	456,890.	341,581.	842,210.	522,217.	2821324.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>11 Total support.</b> Add lines 7 through 10						12054299.
<b>12</b> Gross receipts from related activities, etc. (see instructions)					12	674,308.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ► <input type="checkbox"/>						

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2011 (line 6, column (f) divided by line 11, column (f))	14	72.72	%
<b>15</b> Public support percentage from 2010 Schedule A, Part II, line 14	15	71.50	%
<b>16a 33 1/3% support test - 2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input checked="" type="checkbox"/>			
<b>b 33 1/3% support test - 2010.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>			
<b>17a 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>			
<b>b 10% -facts-and-circumstances test - 2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ► <input type="checkbox"/>			
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► <input type="checkbox"/>			

Schedule A (Form 990 or 990-EZ) 2011

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge						
<b>6 Total.</b> Add lines 1 through 5						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
<b>c</b> Add lines 7a and 7b						
<b>8 Public support</b> (Subtract line 7c from line 6)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
<b>9</b> Amounts from line 6						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
<b>c</b> Add lines 10a and 10b						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
<b>13 Total support</b> (Add lines 9, 10c, 11, and 12)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2011 (line 8, column (f) divided by line 13, column (f))	<b>15</b>	%
<b>16</b> Public support percentage from 2010 Schedule A, Part III, line 15	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2011 (line 10c, column (f) divided by line 13, column (f))	<b>17</b>	%
<b>18</b> Investment income percentage from 2010 Schedule A, Part III, line 17	<b>18</b>	%

**19a 33 1/3% support tests - 2011.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

**b 33 1/3% support tests - 2010.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization ☐

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ☐



**SCHEDULE D**  
(Form 990)

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

► Complete if the organization answered "Yes," to Form 990,  
Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

**BENEFIS HEALTH SYSTEM FOUNDATION, INC**

Employer identification number

**81-0480587**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1	► \$	
(ii) Assets included in Form 990, Part X	► \$	

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1	► \$	
b Assets included in Form 990, Part X	► \$	

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition  
b ☐ Scholarly research  
c ☐ Preservation for future generations  
d ☐ Loan or exchange programs  
e ☐ Other \_\_\_\_\_

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table

- c Beginning balance  
d Additions during the year  
e Distributions during the year  
f Ending balance

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	15,914,819.	14,761,079.	7,920,043.	9,204,956.	
b Contributions	354,429.	836,277.	5,495,559.	192,171.	
c Net investment earnings, gains, and losses	39,106.	792,950.	1,400,486.	<1,403,396.>	
d Grants or scholarships					
e Other expenditures for facilities and programs	220,722.				
f Administrative expenses	89,069.	475,487.	55,009.	73,688.	
g End of year balance	15,998,563.	15,914,819.	14,761,079.	7,920,043.	

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as

- a Board designated or quasi-endowment ► 13.88 %  
b Permanent endowment ► 84.96 %  
c Temporarily restricted endowment ► 1.16 %

The percentages in lines 2a, 2b, and 2c should equal 100%

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i) unrelated organizations  
(ii) related organizations

	Yes	No
3a(i)		X
3a(ii)		X
3b		

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		15,000.		15,000.
b Buildings				
c Leasehold improvements				
d Equipment				
e Other				
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				15,000.

Schedule D (Form 990) 2011

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		

Total. (Col (b) must equal Form 990, Part X, col (B) line 12.) ▶

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

Total. (Col (b) must equal Form 990, Part X, col (B) line 13.) ▶

**Part IX Other Assets.** See Form 990, Part X, line 15

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	

Total. (Column (b) must equal Form 990, Part X, col (B) line 15.) ▶

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	

Total. (Column (b) must equal Form 990, Part X, col (B) line 25.) ▶

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

**Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements**

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	1,839,231.
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	1,013,898.
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	825,333.
4	Net unrealized gains (losses) on investments	4	<219,795.>
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	<16,980.>
9	Total adjustments (net) Add lines 4 through 8	9	<236,775.>
10	Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9	10	588,558.

**Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements	1	2,462,519.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments	2a	<219,795.>
b	Donated services and use of facilities	2b	866,070.
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	<16,961.>
e	Add lines 2a through 2d	2e	629,314.
3	Subtract line 2e from line 1	3	1,833,205.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	6,026.
c	Add lines 4a and 4b	4c	6,026.
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	1,839,231.

**Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements	1	1,873,961.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities	2a	860,063.
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	
e	Add lines 2a through 2d	2e	860,063.
3	Subtract line 2e from line 1	3	1,013,898.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	0.
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	1,013,898.

**Part XIV Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART V, LINE 4: THE ENDOWMENT FUNDS OF THE FOUNDATION CONSIST OF THE**

**FOLLOWING:**

THE FUNDS IN THE GENERAL ENDOWMENT ARE RESTRICTED BY DONORS AS PERMANENT  
ENDOWMENT FUNDS BUT HAVE NO SPECIFIC RESTRICTION ON THE DISTRIBUTION OF  
EARNINGS. THIS DECISION IS THE RESPONSIBILITY OF THE BOARD OF DIRECTORS  
OF BENEFIS HEALTH SYSTEM FOUNDATION.

**Part XIV** Supplemental Information (continued)

THE PEACE HOSPICE RESIDENTIAL ENDOWMENT PROVIDES FOR THE OPERATION AND MAINTENANCE OF THE BENEFIS PEACE HOSPICE RESIDENTIAL FACILITY. BENEFIS PEACE HOSPICE IS A SERVICE OF BENEFIS HEALTH SYSTEM.

THE DONOR RESTRICTED ENDOWMENT POOL HOLDS GIFTS FROM DONORS FOR PERMANENT ENDOWMENT FUNDS THAT HAVE SPECIFIC DESIGNATIONS FOR THE USE OF THE EARNINGS OF EACH FUND. THESE MAY INCLUDE FUNDS FOR PROGRAMS OR SERVICES OR SCHOLARSHIPS.

BENEFIS HEALTH SYSTEM FOUNDATION ISSUES CHARITABLE GIFT ANNUITIES AND DEFERRED PAYMENT CHARITABLE GIFT ANNUITIES AND HAS ESTABLISHED A GIFT ANNUITY POOL TO HOLD THESE FUNDS AS REQUIRED UNDER THE MONTANA CHARITABLE GIFT ANNUITY ACT. THE PURPOSES OF THE FUNDS IN THE POOL ARE DEFINED BY THE INDIVIDUAL ANNUITY CONTRACTS.

**PART XI, LINE 8 - OTHER ADJUSTMENTS:**

UNREALIZED CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS	-16,961.
NET DONATED SERVICES	-19.
TOTAL TO SCHEDULE D, PART XI, LINE 8	-16,980.

**PART XII, LINE 2D - OTHER ADJUSTMENTS:**

CHANGE IN VALUE-SPLIT INTEREST AGREEMENT	-16,961.
--	----------

**PART XII, LINE 4B - OTHER ADJUSTMENTS:**

NONCASH DONATIONS	6,026.
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**PART X LINE 2 - FIN 48 (ASC 740) FOOTNOTE DISCLOSURE:**

THE CONSOLIDATED FINANCIAL STATEMENTS OF BENEFIS HEALTH SYSTEMS, INC.

**Part XIV** Supplemental Information (continued)

PARENT COMPANY OF BENEFIS HEALTH SYSTEM FOUNDATION, INCLUDE THE FOLLOWING  
FIN 48 FOOTNOTE:

THE ORGANIZATION IS A NOT-FOR-PROFIT CORPORATION AND HAS BEEN RECOGNIZED  
AS TAX EXEMPT PURSUANT TO SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE  
(IRC). THE ORGANIZATION IS EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION  
501(C)(3) OF THE IRC EXCEPT TO THE EXTENT OF UNRELATED BUSINESS TAXABLE  
INCOME AS DEFINED UNDER IRC SECTIONS 511 THROUGH 515. EFFECTIVE JANUARY  
1, 2009, THE ORGANIZATION ADOPTED ACCOUNTING FOR UNCERTAIN TAX POSITIONS.  
THE ACCOUNTING STANDARD PRESCRIBES A RECOGNITION THRESHOLD AND MEASUREMENT  
PROCESS FOR UNCERTAIN TAX POSITIONS. THE ORGANIZATION HAD NO UNCERTAIN  
TAX POSITIONS AS OF DECEMBER 31, 2011 OR 2010.

Department of the Treasury  
Internal Revenue Service

**Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.**  
**▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

OMB No. 1545-0047

2011

### Open To Public Inspection

Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

Employer identification number  
81-0480587

**Part I Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

- 1** Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a ☐ Mail solicitations  
b ☐ Internet and email solicitations  
c ☐ Phone solicitations  
d ☐ In-person solicitations  
e ☐ Solicitation of non-government grants  
f ☐ Solicitation of government grants  
g ☐ Special fundraising events

- 2 a** Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No
- b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
Total						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1 <b>MAYFAIRE</b> (event type)	(b) Event #2 <b>PROFESSIONAL CONFERENCE</b> (event type)	(c) Other events <b>NONE</b> (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	262,883.	5,650.		268,533.
	2 Less: Charitable contributions	2,500.			2,500.
	3 Gross income (line 1 minus line 2)	260,383.	5,650.		266,033.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	41,696.			41,696.
	7 Food and beverages	4,067.	1,060.		5,127.
	8 Entertainment	48,850.			48,850.
	9 Other direct expenses	7,059.	6,448.		13,507.
	10 Direct expense summary. Add lines 4 through 9 in column (d)				( 109,180 )
	11 Net income summary. Combine line 3, column (d), and line 10				156,853.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
	2 Cash prizes				
Direct Expenses	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
	7 Direct expense summary. Add lines 2 through 5 in column (d)				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7				

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states?

☐ Yes ☐ No

b If "No," explain: \_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

☐ Yes ☐ No

b If "Yes," explain: \_\_\_\_\_



- 11 Does the organization operate gaming activities with nonmembers? ☐ Yes ☐ No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? ☐ Yes ☐ No
- 13 Indicate the percentage of gaming activity operated in
- |                               |     |   |
|-------------------------------|-----|---|
| a The organization's facility | 13a | % |
| b An outside facility         | 13b | % |
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?
- ☐
- Yes
- ☐
- No

b If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_

c If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

## 16 Gaming manager information.

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

☐ Director/officer☐ Employee☐ Independent contractor

## 17 Mandatory distributions

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?
- ☐
- Yes
- ☐
- No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV** Supplemental Information. Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

Name of the organization

**Employer identification number**  
**81-0480587**

**BENEFIS HEALTH SYSTEM FOUNDATION, INC**

Part I	General Information on Grants and Assistance
--------	--

**1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?

**2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States**

**Part II**

**Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Part II can be duplicated if additional space is needed

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BENEFIS HEALTH SYSTEM 1101 26TH STREET SOUTH GREAT FALLS, MT 59405	26-3538104	501(C)(3)	539,628.	0.			SUPPORT VARIOUS PROGRAMS & PROJECTS
NEIGHBORHOOD HOUSING SERVICES 509 1ST AVE SOUTH GREAT FALLS, MT 59401	81-0389825	501(C)(3)	6,500.	0.			PORTABLE WHEELCHAIR RAMPS
NORTHCENTRAL MT HEALTHCARE ALLIANCE - 1101 26TH STREET SOUTH - GREAT FALLS, MT 59405	72-1587972		24,871.	0.			ANNUAL REGIONAL RURAL PHYSICIANS CONFERENCE

2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table

**3** Enter total number of other organizations listed in the line 1 table

**LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.**

Schedule I (Form 990) (2011)

**Part III** Grants and Other Assistance to Individuals in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
ANGEL FUND - PROVIDES FINANCIAL ASSISTANCE TO FAMILIES WITH CHILDREN WHO HAVE CATASTROPHIC ILLNESSES	61	27,200.	0.		
CARING FOR OUR OWN - PROVIDES FINANCIAL ASSISTANCE TO BENEFIS HEALTH SYSTEM EMPLOYEES OR VOLUNTEERS WHO EXPERIENCE A MEDICAL EMERGENCY	99	76,399.	0.		
HEALTHCARE SCHOLARSHIPS - SCHOLARSHIPS TO ELIGIBLE STUDENTS ADVANCING THEIR HEALTHCARE EDUCATION WHO ARE WILLING TO SIGN A WORK COMMITMENT AGREEMENT WITH BENEFIS HEALTH SYSTEM	25	69,851.	0.		

**Part IV** Supplemental Information. Complete this part to provide the information required in Part I, line 2, and any other additional information

SCHEDULE I, PART I, LINE 2: BENEFIS HEALTH SYSTEM FOUNDATION HAS AN

APPLICATION PROCESS FOR POTENTIAL GRANT RECIPIENTS. THE FINANCE COMMITTEE

OF THE BOARD OF DIRECTORS REVIEWS THE SUBMITTED APPLICATIONS AND ADHERES TO

A FUNDS ALLOCATION POLICY, AS WELL AS NEED, WHEN CHOOSING RECIPIENTS.

AFTER RECIPIENTS ARE CHOSEN, THE FOUNDATION COMMUNICATES FREQUENTLY WITH

GRANTEES. THEY REQUIRE PROOF THAT THE FUNDS ARE SPENT ACCORDING TO THE

APPLICATIONS SUBMITTED. THE TYPE OF PROOF THAT IS REQUIRED IS DETERMINED

ON A CASE-BY-CASE BASIS; FOR INSTANCE, THEY MAY REQUIRE RECEIPTS AS WELL AS

**Part IV** Supplemental Information

REPORTS CONTAINING DETAILS ON HOW THE MONEY WAS USED, WHO BENEFITTED, AND  
STORIES FROM THOSE WHO BENEFITTED.

THE BENEFIS HEALTH SYSTEM FOUNDATION GRANTS FUNDS TO BENEFIS HEALTH  
SYSTEM IN SUPPORT OF MANY OF THEIR HOSPITAL PROGRAMS, DEPARTMENTS AND  
PROJECTS:

\$219,335 RESIDENTIAL HOSPICE FACILITY, BENEFIS PEACE HOSPICE AND  
CHILDREN'S BEREAVEMENT PROGRAM WHICH INCLUDES CAMP FRANCIS  
66,165 OBSTETRICS AND THE NEONATAL INTENSIVE CARE UNIT  
52,463 DIALYSIS SERVICES  
40,378 HEART AND VASCULAR INSTITUTE  
26,890 GIFT OF LIFE HOUSING CENTERS  
17,437 SLETTEN CANCER INSTITUTE  
116,960 VARIOUS PROGRAMS AND SERVICES OF BENEFIS HEALTH SYSTEM

\$539,628 TOTAL GRANTS TO BENEFIS HEALTH SYSTEM

**SCHEDULE J**  
**(Form 990)**

**Compensation Information**

OMB No 1545-0047

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

► Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

► Attach to Form 990. ► See separate instructions.

**2011**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Name of the organization

**BENEFIS HEALTH SYSTEM FOUNDATION, INC**

Employer identification number

**81-0480587**

**Part I Questions Regarding Compensation**

**1a** Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- |  |  |
|--|--|
| <input type="checkbox"/> First-class or charter travel             | <input type="checkbox"/> Housing allowance or residence for personal use |
| <input type="checkbox"/> Travel for companions                     | <input type="checkbox"/> Payments for business use of personal residence |
| <input type="checkbox"/> Tax indemnification and gross-up payments | <input type="checkbox"/> Health or social club dues or initiation fees   |
| <input type="checkbox"/> Discretionary spending account            | <input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef) |

**b** If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

**2** Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

**3** Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director. Explain in Part III.

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Compensation committee   | <input type="checkbox"/> Written employment contract                                |
| <input type="checkbox"/> Independent compensation consultant | <input checked="" type="checkbox"/> Compensation survey or study                    |
| <input type="checkbox"/> Form 990 of other organizations     | <input checked="" type="checkbox"/> Approval by the board or compensation committee |

**4** During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:

- a** Receive a severance payment or change-of-control payment?
- b** Participate in, or receive payment from, a supplemental nonqualified retirement plan?
- c** Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III

**Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.**

**5** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of

- a** The organization?
- b** Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

**6** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of

- a** The organization?
- b** Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

**7** For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

**8** Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III

**9** If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

**1b**

**2**

**4a**

**4b**

**4c**

**5a**

**5b**

**6a**

**6b**

**7**

**8**

**9**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

**X**

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J (Form 990) 2011

**Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
	(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 MARILYN F. GRAMS, MD	(i)	0.	0.	0.	0.	0.	0.
	(ii)	326,960.	206,670.	0.	488.	534,118.	0.
2 RICHARD D. BLEVINS, MD	(i)	0.	0.	0.	0.	0.	0.
	(ii)	294,611.	4,775.	80.	6,240.	305,706.	0.
3 JOHN H. GOODNOW	(i)	0.	0.	0.	0.	0.	0.
	(ii)	517,375.	268,693.	8,186.	90,540.	890,243.	0.
4 JUDITH M. HELD	(i)	0.	0.	0.	0.	0.	0.
	(ii)	141,480.	8,455.	65,000.	26,514.	249,800.	0.
5 MARILYN PARKER	(i)	0.	0.	0.	0.	0.	0.
	(ii)	66,290.	0.	0.	4,118.	75,788.	0.
6 DAN HOLLOW	(i)	0.	0.	0.	0.	0.	0.
	(ii)	3,470.	0.	0.	0.	3,470.	0.
7	(i)						
	(ii)						
8	(i)						
	(ii)						
9	(i)						
	(ii)						
10	(i)						
	(ii)						
11	(i)						
	(ii)						
12	(i)						
	(ii)						
13	(i)						
	(ii)						
14	(i)						
	(ii)						
15	(i)						
	(ii)						
16	(i)						
	(ii)						

Schedule J (Form 990) 2011

**Part III** Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

PART I, LINE 4A: JUDITH M. HELD'S 2011 COMPENSATION AMOUNT CONSISTS OF HER SALARY FOR SERVICES PERFORMED IN HER ROLE AS FOUNDATION PRESIDENT, AS WELL AS ACCRUED VACATION AND A SEVERANCE PACKAGE. ACCRUED VACATION WAS \$18,576 AND HER SEVERANCE PACKAGE WAS \$85,000. \$65,000 OF HER SEVERANCE PACKAGE WAS PAID IN DECEMBER 2011, AND THE REMAINING \$20,000 WAS DEFERRED COMPENSATION PAID IN JANUARY 2012. THE JANUARY PAYMENT WAS NOT INCLUDED IN HER 2011 W-2; AS SUCH, SHE WILL RECEIVE A 2012 W-2 AS WELL.

JUDITH M. HELD, PRESIDENT OF BENEFIS HEALTH SYSTEM FOUNDATION, RECEIVED 100% OF HER COMPENSATION FROM BENEFIS HEALTH SYSTEM, A RELATED TAX EXEMPT ORGANIZATION. HER COMPENSATION WAS SOLELY FOR HER SERVICES RENDERED TO THE FOUNDATION IN HER CAPACITY AS AN OFFICER OF THE FOUNDATION. MS. HELD RESIGNED FROM HER POSITION AS PRESIDENT IN DECEMBER OF 2011.

DAN HOLLOW BECAME INTERIM PRESIDENT OF THE BENEFIS HEALTH SYSTEM FOUNDATION IN DECEMBER OF 2011. HE TOO RECEIVES 100% OF HIS COMPENSATION FROM BENEFIS HEALTH SYSTEM. HIS COMPENSATION IS SOLELY FOR HIS SERVICES RENDERED OT THE

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

FOUNDATION IN HIS CAPACITY AS AN OFFICER OF THE FOUNDATION.

MARILYN PARKER, DIRECTOR OF PLANNED GIVING AND FINANCE FOR BENEFIS HEALTH SYSTEM FOUNDATION, ALSO RECEIVES 100% OF HER COMPENSATION FROM BENEFIS HEALTH SYSTEM. HER COMPENSATION IS SOLELY FOR HER SERVICES RENDERED TO THE FOUNDATION IN HER CAPACITY AS AN OFFICER OF THE FOUNDATION.



**SCHEDULE M**  
**(Form 990)**

**Noncash Contributions**

OMB No 1545-0047

**2011**

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

► Complete if the organizations answered "Yes" on Form  
990, Part IV, lines 29 or 30.  
► Attach to Form 990.

Name of the organization

**BENEFIS HEALTH SYSTEM FOUNDATION, INC**

Employer identification number

**81-0480587**

**Part I** **Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods				
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded	X	4	14,697.	SEE PART II
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► ( SINGER UPRIGH )	X	1	4,900.	COMP SALES
26 Other ► ( PATIENT SUPPL )	X	55	612.	COMP SALES
27 Other ► ( STAINED GLASS )	X	1	500.	PURCHASE PRICE
28 Other ► ( CAMP SUPPLIES )	X	1	14.	PURCHASE PRICE

29 Number of Forms 8283 received by the organization during the tax year for contributions  
for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for  
at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for  
the entire holding period?

b If "Yes," describe the arrangement in Part II

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash  
contributions?

b If "Yes," describe in Part II

33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked,  
describe in Part II.

Yes No

30a		X
31	X	
32a		X

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule M (Form 990) (2011)

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information

SCHEDULE M, LINE 33: SECURITIES RECEIVED AS DONATIONS IN 2011 WERE ALL PERMANENTLY RESTRICTED ENDOWMENT CONTRIBUTIONS CONDITIONAL UPON THE DONORS RECEIVING CURRENT OR DEFERRED LIFETIME ANNUITY PAYMENTS. THE FOUNDATION HAS A CONTRACTUAL OBLIGATION FOR THE ANNUITY PAYMENTS AND IS REQUIRED UNDER MONTANA LAW TO SET ASIDE FUNDS TO MEET THE OBLIGATIONS OR HAVE MINIMAL UNRESTRICTED NET ASSETS. THE ANNUITY OBLIGATIONS VARY WITH THE TERMS OF THE CONTRACT INCLUDING THE AGE OF THE DONOR(S), THE STARTING DATE OF THE ANNUITY AND THE ASSUMED INTEREST RATE.

CONTRIBUTIONS TO GIFT ANNUITIES ARE REQUIRED TO BE DISCOUNTED TO THE PRESENT VALUE AT THE DATE OF THE GIFT. THE DISCOUNT IS RECALCULATED EVERY YEAR. THE VALUE OF THE SECURITIES REPORTED ON FORM 990, PART VIII, LINE 1 IS THE DISCOUNTED VALUE; AS SUCH, THE VALUE ON SCHEDULE M IS THE DISCOUNTED VALUE AS WELL. FAIR MARKET VALUE OF THE CONTRIBUTED SECURITIES IS \$28,208.

**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No 1545-0047

**2011**

Open to Public  
Inspection

Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

Employer identification number

81-0480587

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

IN ADDITION, THE FOUNDATION RAISES FUNDS FOR AND MANAGES SEVERAL  
HEALTHCARE SCHOLARSHIPS.

FORM 990, PART III

ADDITIONAL ORGANIZATION DESCRIPTION

BENEFIS HEALTH SYSTEM FOUNDATION CONNECTS COMPASSIONATE PEOPLE WITH THE  
HEALTHCARE EFFORTS THEY CARE ABOUT THE MOST. WE EXIST TO HELP DONORS  
IMPROVE THE QUALITY OF CARE FOR PATIENTS AT BENEFIS HEALTH SYSTEM AND  
PEOPLE THROUGHOUT NORTHCENTRAL MONTANA. THE FOUNDATION'S SOLE FOCUS IS  
HEALTHCARE - A VITAL ASPECT OF LIFE THAT AFFECTS EVERYONE.

THE FOUNDATION IS ABLE TO PROVIDE INNOVATIONS AND IMPROVEMENTS IN  
PATIENT CARE AND SERVICES BEYOND WHAT BENEFIS, A NOT-FOR-PROFIT  
HEALTHCARE ORGANIZATION, CAN DO THROUGH PATIENT REVENUE ALONE.

THE FOUNDATION WORKS YEAR-ROUND TO RAISE FUNDS TO SUPPORT THE  
DEPARTMENTS OF BENEFIS HEALTH SYSTEM AS WELL AS UNRESTRICTED FUNDS TO  
MEET THE GREATEST NEEDS AT BENEFIS HEALTH SYSTEM'S MEDICAL FACILITIES  
AND FOR COMMUNITY ORGANIZATIONS ASSISTING PEOPLE WITH HEALTH-RELATED  
NEEDS. WE MANAGE THESE NUMEROUS FUNDS TO ENSURE THAT EVERY DONATION,  
IN ITS ENTIRETY, GOES TO THE CAUSE THE DONOR CARES ABOUT THE MOST AND  
THEREFORE SPECIFIES.

BENEFIS HEALTH SYSTEM FOUNDATION RAISES FUNDS THROUGH A COMPREHENSIVE  
ARRAY OF PROGRAMS, INCLUDING: SPECIAL EVENTS, ANNUAL GIVING, PLANNED

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule O (Form 990 or 990-EZ) (2011)

132211  
01-23-12

Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

Employer identification number

81-0480587

GIVING, THIRD-PARTY (COMMUNITY) FUNDRAISING EVENTS AND EMPLOYEE GIVING.

WE ACCEPT A WIDE VARIETY OF GIFTS INCLUDING CASH, SECURITIES, VEHICLES, REAL ESTATE AND INSURANCE POLICIES. THE FOUNDATION ISSUES CHARITABLE GIFT ANNUITIES AND DEFERRED PAYMENT CHARITABLE GIFT ANNUITIES AS WELL AS GRATEFULLY ACCEPTS GIFTS THROUGH WILLS AND CHARITABLE TRUSTS.

FORM 990, PART VI, SECTION A, LINE 1: PER THE ARTICLES AND BYLAWS AMENDED 12/13/2011, BENEFIS HEALTH SYSTEM IS THE SOLE VOTING MEMBER OF THE BENEFIS HEALTH SYSTEM FOUNDATION. THE FOUNDATION STILL HAS A BOARD OF DIRECTORS WITH THE RESPONSIBILITY TO MANAGE THE FOUNDATION, AND THE POWER TO VOTE ON SUCH ACTIONS. HOWEVER, ALL BOARD DECISIONS ARE SUBJECT TO APPROVAL BY BENEFIS HEALTH SYSTEM.

FORM 990, PART VI, SECTION A, LINE 4: BENEFIS HEALTH SYSTEM FOUNDATION MADE SEVERAL SIGNIFICANT CHANGES TO ITS ARTICLES OF INCORPORATION AND BYLAWS EFFECTIVE DECEMBER 13, 2011:

- CHANGED ITS NAME FROM BENEFIS HEALTHCARE FOUNDATION TO BENEFIS HEALTH SYSTEM FOUNDATION.

- BENEFIS HEALTH SYSTEM IS NOW THE SOLE MEMBER OF THE BENEFIS HEALTH SYSTEM FOUNDATION. THE MEMBER IS THE SOLE VOTING MEMBER AND HAS THE POWER TO ELECT AND REMOVE DIRECTORS OF THE FOUNDATION BOARD AND OFFICERS OF THE FOUNDATION, THE POWER TO APPROVE ALL FINANCIAL ARRANGEMENTS AND TRANSACTIONS, AND THE POWER TO APPROVE FOUNDATION OPERATIONS, AMONG OTHER POWERS. SEE ARTICLE II OF THE SECOND AMENDED AND RESTATED BYLAWS OF THE BENEFIS HEALTH SYSTEM FOUNDATION, ATTACHED TO THIS 990.

Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

Employer identification number

81-0480587

- THE PRESIDENT OF BENEFIS HEALTH SYSTEM FOUNDATION REPORTS TO THE CEO OF THE MEMBER (BENEFIS HEALTH SYSTEM). THE PRESIDENT HAS A VOTING POSITION ON THE FOUNDATION BOARD OF DIRECTORS, WHEN PREVIOUSLY THE POSITION DID NOT.

FORM 990, PART VI, SECTION A, LINE 6: BENEFIS HEALTH SYSTEM IS THE SOLE MEMBER OF BENEFIS HEALTH SYSTEM FOUNDATION.

FORM 990, PART VI, SECTION A, LINE 7A: BENEFIS HEALTH SYSTEM IS THE SOLE VOTING MEMBER AND HAS THE FOLLOWING RESERVE POWERS OVER BENEFIS HEALTH SYSTEM FOUNDATION:

- TO ELECT THE DIRECTORS TO THE BOARD AND OFFICERS OF THE FOUNDATION AND REMOVE ANY DIRECTOR OR OFFICER OF THE FOUNDATION

- TO INITIATE AND APPROVE ANY PLAN OF MERGER, CONSOLIDATION OR DISSOLUTION INVOLVING THE FOUNDATION

- TO APPROVE ALL AMENDMENTS TO THE FOUNDATION'S ARTICLES OF INCORPORATION AND BYLAWS

- TO CONTINUOUSLY REVIEW AND MONITOR THE FINANCIAL CONDITION OF THE FOUNDATION, INCLUDING THROUGH AN ANNUAL AUDIT

- TO APPROVE THE ANNUAL BUDGET OF THE FOUNDATION AND ALL MATERIAL DEVIATIONS FROM THE APPROVED BUDGET

- TO DELINEATE BY POLICY THE REQUIREMENTS FOR APPROVAL OF ALL ARRANGEMENTS

Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

Employer identification number

81-0480587

AND TRANSACTIONS INVOLVING THE ASSETS AND FINANCES OF THE FOUNDATION

- TO SET THE COMPENSATION FOR ALL OF THE OFFICERS OF THE FOUNDATION,  
INCLUDING THE PRESIDENT

- TO APPROVE ALL MISSION AND/OR VISION STATEMENTS AND ALL STRATEGIC OR  
LONG-TERM PLANS OF THE FOUNDATION

- TO APPROVE THE CREATION, ACQUISITION, DISPOSITION OR TERMINATION OF THE  
SUBSIDIARIES OR CONTROLLED AFFILIATES, AND ANY MERGERS, CONSOLIDATIONS, AND  
PERMANENT OR LONG-TERM AFFILIATIONS OF THE FOUNDATION OR ANY OF ITS  
SUBSIDIARIES OR CONTROLLED ENTITIES

- TO APPOINT A CERTIFIED PUBLIC ACCOUNTANT TO PERFORM THE ANNUAL AUDIT OF  
THE FOUNDATION'S FINANCIAL STATEMENTS IN CONJUNCTION WITH THE ANNUAL AUDIT  
OF THE MEMBER'S FINANCIAL STATEMENTS

- TO APPROVE ANY AGREEMENT THAT OBLIGATES THE FOUNDATION TO PAY OR INCUR  
LIABILITY OF MORE THAN TEN THOUSAND DOLLARS (\$10,000), AND TO APPROVE ANY  
AGREEMENT THAT OBLIGATES THE FOUNDATION TO PAY AN AMOUNT OR INCUR A  
LIABILITY NOT INCLUDED IN THE THEN CURRENT BUDGET OF THE FOUNDATION, WHICH  
WAS APPROVED BY THE MEMBER PURSUANT TO THESE POWERS LISTED

- TO DETERMINE AND ENSURE COMPLIANCE WITH THE FOUNDATION'S STATED  
CHARITABLE PURPOSES

- TO INITIATE AND APPROVE, IN CONSULTATION WITH THE BOARD, SUCH OPERATING  
POLICIES REGARDING THE FOUNDATION'S ACTIVITIES, OPERATIONS, FINANCES AND  
ASSETS AS IT DEEMS NECESSARY OR APPROPRIATE FROM TIME TO TIME

Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

Employer identification number

81-0480587

- TO ENSURE THAT THE FOUNDATION IS HONORING THE INTENTIONS AND DIRECTIONS OF ALL OF ITS DONORS WITH RESPECT TO THE INVESTMENT AND USE OF THEIR DONATIONS

FORM 990, PART VI, SECTION A, LINE 7B: UNDER THE ARTICLES AND BYLAWS AMENDED DECEMBER 13, 2011, BENEFIS HEALTH SYSTEM IS THE SOLE VOTING MEMBER OF BENEFIS HEALTH SYSTEM FOUNDATION. PLEASE REFER TO THE SCHEDULE O EXPLANATION REGARDING LINE 7A FOR THE POWERS RESERVED BY THE MEMBER.

FORM 990, PART VI, SECTION B, LINE 11: 990 IS REVIEWED BY THE FINANCE COMMITTEE AND IS PRESENTED TO THE ENTIRE BOARD OF DIRECTORS UPON APPROVAL BY THE FINANCE COMMITTEE.

FORM 990, PART VI, SECTION B, LINE 12C: CONFLICT OF INTEREST POLICIES ARE REVIEWED ANNUALLY BY ALL MEMEBERS OF THE BOARD. UPON REVIEW, ALL MEMBERS SIGN A CONFLICT OF INTEREST STATEMENT. THE EXECUTIVE COMMITTEE REVIEWS THE CONFLICT OF INTEREST STATEMENT AND VERIFIES COMPLIANCE ANNUALLY.

FORM 990, PART VI, SECTION B, LINE 15A: BENEFIS HEALTH SYSTEM FOUNDATION'S EXECUTIVE COMPENSATION IS PAID BY BENEFIS HEALTH SYSTEM. BENEFIS HEALTH SYSTEM HAS A BOARD-APPROVED EXECUTIVE COMPENSATION POLICY THAT APPLIES TO THE FOUNDATION'S PRESIDENT. THE EXECUTIVE COMMITTEE OF THE BOARD EVALUATES EXECUTIVE COMPENSATION, BASED ON THE COMPARABILITY DATA PROVIDED THROUGH BENEFIS HEALTH SYSTEMS RESEARCH. ONCE COMPARABLE DATA HAS BEEN ANALYZED, THE COMMITTEE DETERMINES EXECUTIVE COMPENSATION. ONLY COMMITTEE MEMBERS WHO ARE FREE FROM CONFLICTS OF INTEREST MAY PARTICIPATE IN THE EVALUATION OF COMPENSATION.

Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

Employer identification number

81-0480587

FORM 990, PART VI, SECTION C, LINE 19: BENEFIS HEALTH SYSTEM FOUNDATION  
MAKES ITS GOVERNING DOCUMENTS AND BOARD-APPROVED POLICIES AVAILABLE TO THE  
PUBLIC. REQUESTS SHOULD BE MADE DURING NORMAL BUSINESS HOURS AT THE  
FOUNDATION OFFICE LOCATED AT 1101 26TH ST SOUTH, GREAT FALLS, MT.  
FINANCIAL STATEMENTS ARE ALSO AVAILABLE FOR DOWNLOAD ON THE ORGANIZATION'S  
WEBSITE, AT WWW.BENEFISFOUNDATION.ORG.

FORM 990, PART VI, SECTION B

POLICIES

ALL POLICIES MAINTAINED AND FOLLOWED BY BENEFIS HEALTH SYSTEM  
FOUNDATION ALSO APPLY TO THE FOUNDATION'S SINGLE-MEMBER LLC, BENEFIS  
HEALTH SYSTEM FOUNDATION PROPERTIES, LLC.

FORM 990, PART VII, SECTION A

AVERAGE HOURS PER WEEK FOR THE ORGANIZATION AND RELATED ORGANIZATIONS  
DIRECTORS JOHN GOODNOW, MARILYN GRAMS, MD AND RICHARD BLEVINS, MD ARE  
REPORTED AS WORKING 60 HOURS PER WEEK ON AVERAGE. NOT ALL OF THEIR  
TIME IS DEVOTED TO THE BENEFIS HEALTH SYSTEM FOUNDATION; THEY ALSO  
PERFORM SERVICES FOR ENTITIES RELATED TO THE FOUNDATION (SEE SCHEDULE R  
FOR A REPORTING OF THESE ENTITIES). THE BREAKDOWN OF THEIR HOURS IS AS  
FOLLOWS:

JOHN GOODNOW

BENEFIS HEALTH SYSTEM: 59 HOURS PER WEEK

BENEFIS HEALTH SYSTEM FOUNDATION: 1 HOUR PER WEEK



Name of the organization

BENEFIS HEALTH SYSTEM FOUNDATION, INC

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81-0480587

MARILYN GRAMS, MD

BENEFIS MEDICAL GROUP: 59 HOURS PER WEEK

BENEFIS HEALTH SYSTEM FOUNDATION: 1 HOUR PER WEEK

RICHARD BLEVINS, MD

BENEFIS MEDICAL GROUP: 59 HOURS PER WEEK

BENEFIS HEALTH SYSTEM FOUNDATION: 1 HOUR PER WEEK

ADDITIONALLY, THE MAJORITY OF THE COMPENSATION PAID TO THESE DIRECTORS  
IS FOR SERVICES PERFORMED FOR ENTITIES RELATED TO THE FOUNDATION.

FORM 990, PART VIII

STATEMENT OF REVENUE

PER THE INSTRUCTIONS TO FORM 990, THE VALUE OF DONATED SERVICES IS  
DISREGARDED FOR REPORTING PURPOSES. HOWEVER, THE FOUNDATION WOULD LIKE  
TO RECOGNIZE THE DONATED SERVICES IT RECEIVES, AS THEY ARE VITAL TO ITS  
SUCCESS. IT RECEIVED \$910,939 IN DONATED SERVICES IN 2011. OF THIS  
AMOUNT, \$866,070 WAS FROM BENEFIS HEATH SYSTEM IN THE FORM OF  
EMPLOYEES, PURCHASED SERVICES, ADVERTISING, AND OTHER MISCELLANEOUS  
SERVICES USED BY THE FOUNDATION.

FORM 990, PART XI, LINE 5, CHANGES IN NET ASSETS:

NET UNREALIZED LOSSES ON INVESTMENTS: -219,795.

UNREALIZED CHANGE IN VALUE OF SPLIT INTEREST AGREEMENTS -16,961.

NET DONATED SERVICES -19.

TOTAL TO FORM 990, PART XI, LINE 5 -236,775.

132212  
01-23-12

Schedule O (Form 990 or 990-EZ) (2011)

**SCHEDULE R**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

**2011**  
**Open to Public**  
**Inspection**

Name of the organization

**BENEFIS HEALTH SYSTEM FOUNDATION, INC**

Employer identification number  
**81-0480587**

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
BENEFIS HEALTH SYSTEM FOUNDATION PROPERTIES LLC - 27-2514629, PO BOX 7008, GREAT FALLS, MT 59406	HOLDS REAL PROPERTY DONATED TO FOUNDATION	MONTANA	0.	15,000.	BENEFIS HEALTH SYSTEM FOUNDATION

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
BENEFIS HEALTH SYSTEM, INC - 26-3538104	PARENT ENTITY OF INTEGRATED HEALTH SYSTEM	MONTANA	501(C)(3)	LINE 11C, III-FI			X
1101 26TH STREET SOUTH							
GREAT FALLS, MT 59405							
BENEFIS HOSPITALS, INC - 81-0232122	HOSPITAL	MONTANA	501(C)(3)	LINE 3	BENEFIS HEALTH SYSTEM, INC	X	
1101 26TH STREET SOUTH							
GREAT FALLS, MT 59405							
BENEFIS SPECTRUM MEDICAL, INC - 81-0431871	HOME HEALTH & RELATED PRODUCTS	MONTANA	501(C)(3)	LINE 9	BENEFIS HEALTH SYSTEM, INC	X	
1101 26TH STREET SOUTH							
GREAT FALLS, MT 59405							
BENEFIS MEDICAL GROUP, INC - 26-3538192	PHYSICIAN SERVICES	MONTANA	501(C)(3)	LINE 3	BENEFIS HEALTH SYSTEM, INC	X	
1101 26TH STREET SOUTH							
GREAT FALLS, MT 59405							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2011

**Part II** Continuation of Identification of Related Tax-Exempt Organizations[illegible]

**Part III**  
**Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

[illegible]

**Part IV** Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year)

[illegible]

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		<input checked="" type="checkbox"/>
<b>b</b> Gift, grant, or capital contribution to related organization(s)	<input checked="" type="checkbox"/>	
<b>c</b> Gift, grant, or capital contribution from related organization(s)	<input checked="" type="checkbox"/>	
<b>d</b> Loans or loan guarantees to or for related organization(s)		<input checked="" type="checkbox"/>
<b>e</b> Loans or loan guarantees by related organization(s)		<input checked="" type="checkbox"/>
<b>f</b> Sale of assets to related organization(s)		<input checked="" type="checkbox"/>
<b>g</b> Purchase of assets from related organization(s)		<input checked="" type="checkbox"/>
<b>h</b> Exchange of assets with related organization(s)		<input checked="" type="checkbox"/>
<b>i</b> Lease of facilities, equipment, or other assets to related organization(s)		<input checked="" type="checkbox"/>
<b>j</b> Lease of facilities, equipment, or other assets from related organization(s)		<input checked="" type="checkbox"/>
<b>k</b> Performance of services or membership or fundraising solicitations for related organization(s)	<input checked="" type="checkbox"/>	
<b>l</b> Performance of services or membership or fundraising solicitations by related organization(s)	<input checked="" type="checkbox"/>	
<b>m</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	<input checked="" type="checkbox"/>	
<b>n</b> Sharing of paid employees with related organization(s)	<input checked="" type="checkbox"/>	
<b>o</b> Reimbursement paid to related organization(s) for expenses		<input checked="" type="checkbox"/>
<b>p</b> Reimbursement paid by related organization(s) for expenses	<input checked="" type="checkbox"/>	
<b>q</b> Other transfer of cash or property to related organization(s)		<input checked="" type="checkbox"/>
<b>r</b> Other transfer of cash or property from related organization(s)		<input checked="" type="checkbox"/>

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

	(a) Name of other organization	(b) Transaction type (a-r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				



**Part VII** Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

**PART I****IDENTIFICATION OF DISREGARDED ENTITIES**

THE BENEFIS HEALTH SYSTEM FOUNDATION ESTABLISHED A SINGLE-MEMBER LLC IN 2010, CALLED BENEFIS HEALTHCARE FOUNDATION PROPERTIES LLC. ITS PURPOSE IS TO HOLD REAL PROPERTY FROM THE TIME IT IS DONATED TO THE FOUNDATION TO THE TIME THE PROPERTY IS SOLD. LAND DONATED TO THE FOUNDATION IS NOT HELD FOR INVESTMENT, BUT IS SOLD AS SOON AS REASONABLY POSSIBLE FOR THE PURPOSE OF SATISFYING DONOR INTENTIONS OF FUNDING A CHARITABLE CAUSE.



1229074  
STATE OF MONTANA  
**FILED**

DEC 23 2011  
TB

SECRETARY OF STATE  
D-074691

**PRIORITY**

**THIRD AMENDED AND RESTATED  
ARTICLES OF INCORPORATION  
OF  
BENEFIS HEALTH SYSTEM FOUNDATION  
(formerly known as Benefis Healthcare Foundation)  
(A NONPROFIT, PUBLIC BENEFIT CORPORATION)**

Pursuant to MCA Section 35-2-226, Benefis Health System Foundation, formerly known as Benefis Healthcare Foundation (the "Corporation"), a Montana non-profit, public benefit corporation, does hereby adopt the following Third Amended and Restated Articles of Incorporation, which shall supersede the heretofore existing articles of incorporation and amendments thereto:

**ARTICLE I  
NAME**

The name of this Corporation shall be: **BENEFIS HEALTH SYSTEM FOUNDATION.**

**ARTICLE II  
DESIGNATION**

The Corporation is a public benefit corporation.

**ARTICLE III  
DURATION**

The period of existence of this Corporation shall be perpetual.

**ARTICLE IV  
PURPOSES**

This Corporation is organized as a non-profit corporation under Title 35, Chapter 2, Montana Code Annotated, and shall at all times be operated exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any future United States Internal Revenue law) (the "Internal Revenue Code"). It is intended that the Corporation shall be exempt from state and federal income tax, and shall be qualified as a public charity pursuant to Section 509(a)(1) or (2) of the Internal Revenue Code. The Corporation shall not engage, otherwise than as an insubstantial part of its activities, in any activity which is not in furtherance of one or more exempt purposes for which the Corporation was formed. Pursuant to this standard, the primary purposes for which the Corporation was organized and formed are as follows:

- (1) To provide resources, funding, and leadership toward supporting and enhancing the mission, vision and values of Benefis Health System, Inc., a Montana nonprofit, public benefit corporation ("Benefis Health System"), and its affiliates;



- (2) To seek out, properly receive, invest, and distribute grants or gifts made to the Corporation in accordance with the Corporation's Bylaws, policies, vision and values;
- (3) To listen to and support expressed needs for improvements in the community's and region's health status and healthcare services;
- (4) To identify and cultivate relationships with individuals, groups, corporations, foundations and agencies who share the vision of a healthier community and region and who may be in a position to invest in that vision;
- (5) To inform the residents of Montana about opportunities available to them to invest in the quality of life of their community and region through mutually beneficial gifts of time, money, or property to the Corporation;
- (6) To educate local, state and national corporations, foundations and agencies regarding the services, needs, goals, and accomplishments in healthcare in our region as a basis for obtaining their financial support;
- (7) To nurture a partnership between Benefis Health System and the communities it serves;
- (8) To promote the purposes and interests of Benefis Health System and its affiliated organizations in serving the healthcare needs of the communities and region it serves; and
- (9) To carry out such other activities as are necessary to further the Corporation's non-profit tax-exempt purposes.

#### **ARTICLE V LIMITATIONS**

Notwithstanding any other provision of these Articles of Incorporation, in connection with the Corporation's pursuit of its stated purpose and the conduct of its activities:

- (1) No part of the income, profits, or net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors or officers, or other private persons, except that the Corporation shall be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes of the Corporation as set forth in Article IV hereof.
- (2) No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office.

- (3) The Corporation shall not carry on any other activities not permitted to be carried on (a) by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code.

#### **ARTICLE VI MEMBERSHIP CORPORATION**

The Corporation shall be a membership corporation and the sole member of the Corporation shall be Benefis Health System (the "Member"). The authority of the Member shall be as set forth in the Bylaws of the Corporation.

#### **ARTICLE VII BOARD OF DIRECTORS**

The management of the Corporation shall be vested in a Board of Directors (the "Board of Directors"). The number, qualifications, terms of office, manner of election, time and place of meeting, and powers and duties of the Board of Directors shall be prescribed in the Bylaws of the Corporation.

#### **ARTICLE VIII AMENDMENT OF ARTICLES OF INCORPORATION AND BYLAWS**

The amendment of these Articles of Incorporation and the Corporation's Bylaws shall require the approval of the Member.

#### **ARTICLE IX INDEMNIFICATION**

Each director, officer, employee and agent of the Corporation shall be indemnified by the Corporation pursuant to the standard for indemnification as set forth in the Corporation's Bylaws against all civil and criminal liabilities incurred by him or her, including all reasonable costs of defense and reasonable settlement amounts, in connection with any action, suit or other proceeding to which he or she may be a party by reason of being or having been a director, officer, employee or agent of the Corporation, to the maximum extent allowable by law.

#### **ARTICLE X REGISTERED AGENT AND OFFICE**

At the time of adoption of these Third Amended and Restated Articles of Incorporation, the address of the registered office of the Corporation is PO Box 7008, Great Falls, Montana, 59406-7008, (1101 26<sup>th</sup> Street South, Great Falls, Montana, 59405) and the name of its registered agent is John Goodnow.

## ARTICLE XI DISSOLUTION

In the event the Board of Directors has recommended and the Member has approved the dissolution of the Corporation, the Member shall cause the Board of Directors, after paying or making provision for the payment of all of the liabilities of the Corporation, to distribute all of the remaining assets of the Corporation pursuant to a plan of distribution adopted by the Board of Directors and approved by the Member to Benefis Health System or its surviving entity, so long as Benefis Health System, or such surviving entity, is then a nonprofit organization exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that operates a healthcare facility serving Great Falls and the surrounding region. If Benefis Health System or its surviving entity is not then in existence, or is not operating as required above, the Board of Directors shall distribute the remaining assets of the Corporation to one or more nonprofit funds, foundations, or corporations whose goals and purposes are similar to those of the Corporation and that are exempt from federal income taxation pursuant to Section 501(c)(3) of the Internal Revenue Code.

## ARTICLE XII OPERATION AND EFFECT

These Third Amended and Restated Articles of Incorporation supersede the original Articles of Incorporation, the Second Amended and Restated Articles of Incorporation, and any and all amendments to them.

IN WITNESS WHEREOF, these Third Amended and Restated Articles of Incorporation have been duly adopted as of this 13<sup>th</sup> day of December, 2011.

**BENEFIS HEALTH SYSTEM FOUNDATION**

By:   
Keith Tokcrud, Board Chair


## CERTIFICATION

The undersigned, being the Secretary of Benefis Health System Foundation, a Montana non-profit, public benefit corporation, certifies as follows:

1. The name of the Corporation is: **BENEFIS HEALTH SYSTEM FOUNDATION.**
2. The foregoing Third Amended and Restated Articles of Incorporation were adopted on the 13<sup>th</sup> day of December, 2011, by the Board of Directors at a meeting duly noticed and held.
3. At the time of such meeting, there were no members of the Corporation and therefore no members were entitled to vote on these Third Amended and Restated Articles of

Incorporation. As required by the Second Amended and Restated Articles of Incorporation, Benefis Health System has approved these Third Amended and Restated Articles of Incorporation.

Dated this 13<sup>th</sup> day of December, 2011

A handwritten signature in dark ink, appearing to read "David L. Wilsey", is written over a horizontal line.

David L. Wilsey, Secretary

• BENEFIS HEALTH SYSTEM FOUNDATION  
81-0480587



**STATE OF MONTANA**

Office of the Secretary of State  
I hereby certify this is a true and  
correct copy, consisting of 6 pages,  
as taken from the original on file in this  
office. Originality of this certification can  
be determined by the color blue

DATED 3-12-12

BY

*James H. Hynes*  
Deputy

*Linda McCulloch*

Linda McCulloch  
Secretary of State

SECRETARY OF STATE  
STATE OF MONTANA  
LINDA McCULLOCH

**PRIORITY**



Montana State Capitol  
PO Box 202801  
Helena, MT 59620-2801  
(406)444-3665  
<http://www.sos.mt.gov>

BUSINESS TECH CORPORATE SERVICES LLC  
302 N LAST CHANCE GULCH STE 403  
HELENA MT 59601

RE. OLD NAME BENEFIS HEALTHCARE  
FOUNDATION NEW NAME BENEFIS  
HEALTH SYSTEM FOUNDATION  
RESTATED ARTICLES OF  
INCORPORATION

Filing Date. December 22 2011  
Filing Number D074691 - 1224074

December 23, 2011

Dear Sir or Madam.

I've approved the filing of the documents for the above named entity. The document number and filing date have been recorded on the original document. This letter serves as your certificate of filing and should be maintained in your files for future reference.

Thank you for giving this office the opportunity to serve you. If you have any questions in this regard, or need additional assistance, please do not hesitate to contact the Business Services Bureau professionals at (406) 444-3665.

Sincerely,

A handwritten signature in cursive script that reads "Linda McCulloch".

Linda McCulloch  
Secretary of State

**SECOND AMENDED AND RESTATED BYLAWS  
OF**

**BENEFIS HEALTH SYSTEM FOUNDATION  
(formerly known as Benefis Healthcare Foundation)**

**(A NONPROFIT, PUBLIC BENEFIT CORPORATION)**

**ARTICLE I  
GENERAL**

**Section 1. Name.** The name of the corporation shall be Benefis Health System Foundation (the "**Corporation**").

**Section 2. Purposes.** The Corporation is organized as a non-profit corporation under Title 35, Chapter 2, Montana Code Annotated, and shall at all times be operated exclusively for charitable, educational, religious, or scientific purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (or the corresponding provisions of any future United States Internal Revenue law) (the "**Internal Revenue Code**"). It is intended that the Corporation shall be exempt from state and federal income tax, and shall be qualified as a public charity pursuant to Section 509(a)(1) or (2) of the Internal Revenue Code. The Corporation shall not engage, otherwise than as an insubstantial part of its activities, in any activity which is not in furtherance of one or more exempt purposes for which the Corporation was formed. Pursuant to this standard, the primary purposes for which the Corporation was organized and formed are as follows:

- (a) To provide resources, funding, and leadership toward supporting and enhancing the mission, vision and values of Benefis Health System, Inc., a Montana nonprofit, public benefit corporation ("**Benefis Health System**"), and its affiliates;
- (b) To seek out, properly receive, invest, and distribute grants or gifts made to the Corporation in accordance with the Corporation's Bylaws, policies, vision and values;
- (c) To listen to and support expressed needs for improvements in the community's and region's health status and healthcare services;
- (d) To identify and cultivate relationships with individuals, groups, corporations, foundations and agencies who share the vision of a healthier community and region and who may be in a position to invest in that vision;
- (e) To inform the residents of Montana about opportunities available to them to invest in the quality of life of their community and region through mutually beneficial gifts of time, money, or property to the Corporation;
- (f) To educate local, state and national corporations, foundations and agencies regarding the services, needs, goals, and accomplishments in healthcare in our region as a basis for obtaining their financial support;

- (g) To nurture a partnership between Benefis Health System and the communities it serves;
- (h) To promote the purposes and interests of Benefis Health System and its affiliated organizations in serving the healthcare needs of the communities and region it serves; and
- (i) To carry out such other activities as are necessary to further the Corporation's non-profit tax-exempt purposes.

**Section 3. Corporate Offices.** The Corporation shall have and continuously maintain in the State of Montana a registered officer and a registered agent whose office address is identical with such registered office, and may have other offices within the State of Montana as the Board of Directors may from time to time determine. The specific address of the Corporation's registered office shall be filed with the Montana Secretary of State.

## **ARTICLE II MEMBER**

**Section 1 Member.** The sole member of the Corporation shall be Benefis Health System, Inc., a Montana nonprofit, public benefit corporation (the "**Member**").

**Section 2. Responsibilities and Reserve Powers of the Member.** The Member shall be considered the sole voting Member for all purposes of the Montana Nonprofit Corporation Act, Montana Code Ann. Section 35-2-101, *et seq.* (the "**Act**"), and in addition to doing all things required or allowed by law, shall have the following reserve powers:

- (a) To elect the Directors to the Board and Officers of the Corporation and remove any Director or Officer of the Corporation (as more specifically addressed in these Bylaws);
- (b) To initiate and approve any plan of merger, consolidation or dissolution involving the Corporation;
- (c) To approve all amendments to the Corporation's Articles of Incorporation and these Bylaws;
- (d) To continuously review and monitor the financial condition of the Corporation, including through an annual audit;
- (e) To approve the annual budget of the Corporation and all material deviations from the approved budget;
- (f) To delineate by policy the requirements for approval of all arrangements and transactions involving the assets and finances of the Corporation;
- (g) To set the compensation for all of the Officers of the Corporation, including the President;



- (h) To approve all mission and/or vision statements and all strategic or long-term plans of the Corporation;
- (i) To approve the creation, acquisition, disposition or termination of subsidiaries or controlled affiliates, and any mergers, consolidations, and permanent or long-term affiliations of the Corporation or any of its subsidiaries or controlled affiliates;
- (j) To appoint a Certified Public Accountant to perform the annual audit of the Corporation's financial statements in conjunction with the annual audit of the Member's financial statements;
- (k) To approve any agreement that obligates the Corporation to pay or incur liability of more than ten thousand dollars (\$10,000), and to approve any agreement that obligates the Corporation to pay an amount or incur a liability not included in the then current budget of the Corporation, which was approved by the Member pursuant to this Section 2;
- (l) To determine and ensure compliance with the Corporation's stated charitable purposes;
- (m) To initiate and approve, in consultation with the Board, such operating policies regarding the Corporation's activities, operations, finances and assets as it deems necessary or appropriate from time to time; and
- (n) To ensure that the Corporation is honoring the intentions and directions of all of its donors with respect to the investment and use of their donations.

### ARTICLE III BOARD OF DIRECTORS

**Section 1. Powers of the Board of Directors.** Subject to the powers reserved to the Member under the Act and Article II of these Bylaws, the management and control of the estate, property, funds, and affairs of the Corporation shall be vested in the Board of Directors of the Corporation (the "**Board**"). The Board shall fulfill such responsibilities within the limits of the fiscal resources available to it. The Board's authority includes, but is not limited to, the following:

- (a) Establishing committees, both standing and ad hoc, to provide assistance and guidance to the Directors, as set forth in more detail herein;
- (b) Engaging in fundraising activities that it determines further the purposes of the Corporation;
- (c) Ensuring that all of the actions of the Corporation and its Directors, Officers, and other personnel are consistent with state and federal law, including without limitation Sections 501(c)(3) and 509(a)(1) of the Internal Revenue Code;

- (d) Taking all actions reasonably necessary to maintain the Corporation's status as a public charity, including establishing procedures to ensure compliance with the public support test and designating a person to implement and oversee those procedures; and
- (e) Securing community involvement in the Corporation's activities in a manner that furthers the purposes of the Corporation.

**Section 2. Number of Directors.** The Board shall be comprised of not less than thirteen (13) and no more than seventeen (17) voting directors (the "**Directors**"). Such total number of Directors shall include one (1) representative of the Board of Directors of the Member who shall serve as the liaison between the Board and the Board of Directors of the Members and the Chief Executive Officer of the Member. Each of these two Directors shall serve as *ex officio*, voting Directors (the "*ex officio* Directors") for as long as they hold their respective positions.

**Section 3. Term of Office.** The full term of office for each Director shall three (3) years, or until his or her successor is elected and qualified. The Directors shall be divided into three classes of as nearly equal size as possible, and the terms of the Directors shall be staggered so that, to the greatest extent possible, one-third of the Directors shall be up for election each year. A Director shall not serve more than three (3) full consecutive terms. Any person elected to fill the unexpired term of a previously elected Director shall remain eligible to be elected to three (3) full consecutive terms, without regard to his or her having also completed the unexpired term of his or her predecessor. Notwithstanding the forgoing, *ex officio* Directors shall serve without limitation as to tenure or term of office.

**Section 4. Election of Directors.** Except for the *ex officio* Directors, the Board shall recommend candidates to the Member for consideration and election as Directors and the Member shall elect the Directors. All of the Directors so elected shall take office at the annual meeting of the Corporation.

**Section 5. Resignation, Removal and Vacancies.**

- (a) Resignation. Any Director may resign from the Board at any time by giving written notice to the Chair of the Board or the Secretary of the Corporation. Unless otherwise specified, such resignation shall take effect upon receipt thereof.
- (b) Removal. A Director may be removed with or without cause either by the Member or by a two-thirds vote of the Directors then in office at a duly constituted meeting of the Board.
- (c) Vacancies. If a vacancy occurs on the Board, the Member shall elect the Director to fill this vacancy and serve the remainder of the unexpired term. If a Director's resignation is effective on a specific later date, the Member may fill the vacancy before the vacancy occurs, but the new Director may not take office or vote until the vacancy actually occurs.

**Section 6. Compensation, Loans to or Guarantees for Directors.**

- (a) Compensation. Directors shall serve without compensation. The Corporation may reimburse Directors for those expenses incurred in performing their services as a Director, including those reasonable expenses related to attendance at national educational and policy meetings that have been pre-approved by the Member, and subject to the Member's approval of all such expenses. In addition, the Board may authorize a fixed sum payment to Directors for expenses incurred for actual attendance at regular or special meetings of the Board. Directors are not restricted from being remunerated for professional services provided to the Corporation, Member or any affiliate of the Member. Any such remuneration paid by the Corporation shall be reasonable and within the range of fair market value for the actual services performed and must be reviewed and approved in accordance with state and federal law and the Corporation's policies, including its Conflict of Interest Policy.
- (b) Loans or Guarantees. The Corporation may not lend money to, or guarantee the obligation of, a Director.

**Section 7. Annual Self-Review.** The Board shall conduct an annual self-review to determine the Board's efficacy and contributions toward improving the Corporation's organizational performance. Such self-review shall be conducted using methods and criteria as may be determined from time to time by the Board.

**ARTICLE IV  
MEETINGS OF THE BOARD OF DIRECTORS**

**Section 1. Annual Meeting.** The Board shall hold an annual meeting in November of each year. This meeting shall constitute the annual meeting of the Corporation. At this meeting, the Directors elected pursuant to Section 4 of Article III and the Officers elected pursuant to Section 1 of Article V will be installed to succeed those whose terms expire and other business will be conducted as may come before the meeting.

**Section 2. Regular Meetings.** In addition to the annual meeting, the Board shall hold at least five regular meetings during the ensuing year on a schedule approved by the Board at the annual meeting.

**Section 3. Special Meetings.** Special meetings of the Board may be called at the request of the Member, Chair or any five (5) Directors. Those calling the special meeting shall fix any place in Great Falls, Montana, as the place for holding the meeting. Notice and quorum requirements as provided in Sections 5 and 6 of this Article shall be observed.

**Section 4. Meetings Held by Telephone or Similar Communication Equipment.** Directors or members of the committees of the Board may participate in the meetings of the Board or such committees by means of a conference telephone or similar communication

equipment by means of which all persons participating in the meetings can hear each other at the same time and participation by such means shall constitute presence in person at the meeting.

**Section 5. Notice of Meetings; Attendance.** Notice of the time, date, and place of all meetings of the Board of Directors shall be given by the Secretary of the Corporation, or his or her designee, as directed by the Chair or the Directors calling the meeting, by mail, facsimile, courier, personal communication by telephone, e-mail, or overnight delivery service, at least seven (7) days prior to the date on which the meeting is to be held. In the case of special meetings, the notice shall state the business for which this special meeting has been called and no business other than that stated in the notice shall be transacted at such special meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, with postage thereon prepaid. If notice is sent by courier, such notice shall be deemed to be delivered when placed in the hands of such courier in a sealed, properly addressed envelope. If notice is conveyed by telephone, such notice shall be deemed to be delivered upon direct communication with the Director or leaving a message on a voice messaging system. If notice is sent by facsimile or email, the proof of electronic transmission at the Director's designated fax number or email address shall constitute proof of notice. If notice is sent by overnight delivery service, such notice shall be deemed to be delivered when placed in the hands of such overnight delivery service, with the delivery fee thereon prepaid. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. This notice provision may be waived by a writing signed by all of the Directors waiving the notice requirements of this Section 5.

**Section 6. Quorum and Action taken at Meetings.**

- (a) A majority of Directors then in office shall constitute a quorum for the transaction of business at any meeting of the Board. If less than a quorum is present at such meeting, a majority of the Board present may adjourn the meeting and schedule another meeting of the Board.
- (b) The act of a majority of the Directors present and entitled to vote at any meeting of the Board at which a quorum is present when the meeting is duly convened shall be the act of the Board, unless a greater number of votes is required by these Bylaws or the Act.
- (c) A Director is deemed to have approved any action taken if the Director is present at the meeting of the Board, unless:
  - (i) the Director's dissent or abstention from the action taken is entered into the minutes of the meeting; or
  - (ii) the Director delivers written notice of dissent or abstention to the Secretary before the adjournment of the meeting or forwards such notice by registered or certified mail to the Secretary immediately after adjournment of the meeting. The right of dissent or

abstention is not available to a Director who votes in favor of the action taken.

**Section 7. Action taken by written consent without meeting.** The Directors may act on any matter generally required or permitted at a Board meeting without actually meeting if all of the Directors then in office sign a written consent approving and describing the action taken, and the Directors file all of the signed written consents with the records of the Corporation. Action taken by written consent is effective when the last Director signs the consent, unless the consent specifies a different effective date. Such written consent signed by all of the Directors then in office shall have the same force and effect as a unanimous vote of all of the Directors then in office and may be described as such. Such written consent may be signed in counterparts.

## ARTICLE V OFFICERS OF THE CORPORATION

**Section 1. Officers.** The Officers of the Corporation shall consist of a Chair, Vice Chair, Secretary, and Treasurer and President. Except for the President, the Officers of the Corporation must be Directors.

**Section 2. Election, Tenure, Removal and Vacancies.**

- (a) The Board shall recommend candidates to the Member for consideration and election as Officers and the Member shall elect the Officers. All of the Officers so elected shall take office at the annual meeting of the Corporation. Except for the President, the Officers shall have one-year terms commencing at the Corporation's annual meeting and shall hold office until their successors shall have been duly elected and qualified. Officers may be reelected to the same office. If the position of President becomes vacant, the Member may appoint an acting President to perform the duties of the office until the position is filled.
- (b) An Officer may be removed with or without cause either by the Member or by a two-thirds vote of the Directors then in office at a duly constituted meeting of the Board. Such removal of the President shall be without prejudice to the contract rights, if any, of the person so removed.
- (c) If a vacancy occurs among the Officers, the Member shall fill this vacancy and the person elected to fill this vacancy shall serve the remainder of the unexpired term.

**Section 3. Chair.** The Chair's duties shall include, but are not necessarily limited to, the following:

- (a) Presiding at all meetings of the Board and performing the duties customarily required of a chair, subject to the control and direction of the Board;

- (b) Selecting the Chairs of Board Committees;
- (c) Serving as an *ex officio* voting member of all Board Committees;
- (d) Establishing and maintaining communications with the Board of Directors of the Member and attending or having a designee attend meetings of the Board of Directors of the Member upon invitation;
- (e) Causing minutes of all meetings of the Board to be prepared;
- (f) Authenticating records of the Corporation; and
- (g) Performing all other duties assigned to him or her under the Act, these Bylaws, or Board resolution.

**Section 4. Vice Chair.** The Vice Chair's duties shall include, but are not necessarily limited to, assuming the duties and responsibilities of the Chair in the absence of the Chair and performing other duties as the Chair or Board may assign.

**Section 5. Secretary.** The Secretary's duties shall include, but are not necessarily limited to, the following:

- (a) Creating and maintaining one or more books for the minutes of the proceedings of the Board;
- (b) Providing notices required in accordance with these Bylaws or as required by the Act;
- (c) Authenticating records of the Corporation; and
- (d) Performing other duties incident to the office of Secretary or other duties the Chair or Board may assign.

**Section 6. Treasurer.** The Treasurer shall oversee or cause to be performed those duties either customarily assigned to this office or specified in these Bylaws, including, but not necessarily limited to, the following:

- (a) Serving as Chair of the Finance Committee;
- (b) Working with the Member's Chief Financial Officer to:
  - (i) manage the funds, accounts and securities of the Corporation;
  - (ii) receive moneys due and payable to the Corporation and deposit all moneys in the Corporation's name into banks, trust companies or other depositories that the Board shall select; and

- (iii) submit the books and records to a Certified Public Accountant for the annual audit; and
- (c) Performing other duties that the Chair or Board may assign.

**Section 7. President.** The President will serve as the chief executive officer of the Corporation. The President will be employed by the Member and will be accountable to the Chief Executive Officer of the Member. The President shall be the representative of the Board in the management of the Corporation and shall have all of the duties and authority that such position would customarily require, including, but not limited to, the

- (a) Carrying out all policies established by the Member or the Board and advising on the formation of these policies.
- (b) Developing and submitting to the Board for approval a plan of organization for the conduct of the various activities of the Corporation and recommending changes when necessary.
- (c) Preparing written plans for the achievement of the Corporation's specific objectives to be considered by the Board and periodically reviewing and evaluating such plans.
- (d) Preparing an annual budget showing the expected donations and other revenue and expenditures as required by the Board and the Member.
- (e) Selecting, employing, supervising, and discharging personnel of the Corporation, in conjunction and coordination with the Member, and developing and maintaining personnel policies and practices for the Corporation that are substantially the same as or wholly consistent with the personnel policies and practices of the Member;
- (f) Supervising the financial affairs of the Corporation to ensure that donations and other funds are collected and expended in compliance with the intentions and directions of the donors and in a manner consistent with the charitable purposes of the Corporation;
- (g) Presenting to the Board or its authorized committees periodic reports reflecting the activities of the Corporation and such other special reports as may be required by the Board;
- (h) Attending meetings of the Board, serving as an *ex-officio* voting member on its committees, coordinating the preparation of Board meeting materials, and otherwise serving as staff to the Board;
- (i) Representing the Corporation and its Board in its relationships with its affiliated organizations and the Member;

- (j) Ensuring adherence to applicable state and federal laws and regulations; and
- (k) Performing such other duties as may from time to time be assigned by the Board or the Chief Executive Officer of the Member.

## ARTICLE VI BOARD COMMITTEES

**Section 1. General Provisions.** Committees of the Board of Directors shall be either standing or special. Except for the Executive Committee, each standing committee shall include three (3) or more Directors and may include such non-Director members as may be determined by the Board. The Chair of the Board shall designate the chair of each committee and the chairs of each standing committee shall be a Director. To the extent specified by the Board of Directors by resolution or in the Bylaws, each committee of the Board is directed to bring committee actions as recommendations to the Board for approval. No committee may exercise Board authority, unless such authority is delegated by the Board and such delegation of authority does not violate any provision in the Act, the Corporation's Articles of Incorporation, or these Bylaws. Each committee may adopt rules for its own governance, provided that they are consistent with these Bylaws and any rules set forth by the Board.

**Section 2. Standing Committees.** The Corporation shall have an Executive Committee, a Finance Committee, Development & Stewardship Committee and such other standing committees as the Board shall from time to time create. The Chair of the Board shall be an *ex officio*, voting member of all standing committees.

- (a) Executive Committee. The Executive Committee shall be composed of the Officers of the Board and the chairs of the standing committees. The Chair of the Board shall serve as chair of the Executive Committee. Each member of the Executive Committee shall have voting rights, except that the President of the Corporation shall be a non-voting member of the Executive Committee. The Executive Committee shall have the authority to exercise all of the powers of the Board; provided, however, that prior to taking action, the Chair or Vice Chair of the Board shall certify (i) that the action taken by the Executive Committee is of such urgency that it cannot await the next regular meeting of the Board; (ii) that it is not possible to convene a special meeting of the Board in time to act upon such matter; and (iii) that the action of the Executive Committee shall be reported at the next regular meeting of the Board immediately following said action of the Executive Committee. The Executive Committee shall annually review the composition of standing and special committees and recommend changes to the Board for approval.
- (b) Finance Committee. The Finance Committee shall oversee all financial matters of the Corporation, including, but not necessarily limited to, contracts, property, investments, insurance, gift acceptance, and disbursements to beneficiaries. The Treasurer of the Corporation shall



serve as chair of this committee. The duties and responsibilities of the Finance Committee shall include, but may not be limited to, the following:

- (i) Formulate and recommend to the Board an annual operating budget;
  - (ii) Review annually the Corporation's audit with its auditors prior to its presentation to the Board;
  - (iii) Monitor and implement the investment policies adopted by the Board and recommend revisions to such policies;
  - (iv) Review funding requests and implement the Corporation's allocation policy;
  - (v) Formulate and recommend to the Board for approval policies for the acceptance of gifts to the Corporation; and
  - (vi) Performing such other duties as may from time to time be assigned by the Board.
- (c) Development & Stewardship Committee. The Development & Stewardship Committee shall have general oversight of all fundraising programs. The duties and responsibilities of the Development & Stewardship Committee shall include, but may not be limited to, the following:
- (i) Developing and planning the fundraising activities of the Corporation and, subject to required approvals, implementing those activities;
  - (ii) Conducting regular evaluations of the progress of fundraising activities;
  - (iii) Monitoring the fundraising and stewardship communications developed for current and potential donors, volunteers, hospital partners and personnel;
  - (iv) Assisting in involving the Board in the solicitation and securing of major gifts; and
  - (v) Performing such other duties as may from time to time be assigned by the Board.

**Section 3. Special Committees.** Special committees may be appointed by the Chair of the Board, with the concurrence of the Board, for such special tasks as circumstances warrant. Such special committees shall limit their activities to the accomplishment of the task for which

appointed and shall have no power to act except as is specially conferred by action of the Board. Upon completion of the task for which appointed, such special committees shall be discharged.

**Section 4. Quorum.** A majority of the members then on the committee, which majority shall include at least two (2) Director-members, shall constitute a quorum for the transaction of business of all committees. Once a quorum has been established at the meeting, the quorum shall stand for all action items.

## **ARTICLE VII CONFLICT OF INTEREST**

Directors are required to make full disclosure of any conflict of interest they may have with respect to the Corporation in accordance with the provisions of the Act and the Corporation's conflict of interest policy as may be adopted by the Member from time to time.

## **ARTICLE VIII MISCELLANEOUS**

**Section 1. Fiscal Year.** The Corporation shall have the same fiscal year as the Member.

**Section 2. Contracts.** The Board, except as otherwise provide in Section 2 of Article II of these Bylaws, may authorize any Officer(s) or agent(s) to enter into any contract, or execute and deliver any instrument in the name of, or on behalf of the Corporation. Such authority may be general or confined to a specific instance. Unless so authorized by the Board, no Officer or agent shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or render it liable monetarily for any purpose or to any amount.

**Section 3. Personnel Policies.** The personnel of the Corporation shall participate in the employee benefit plans of the Member and will abide by all human resource, personnel, and other applicable policies and procedures of the Member. In cooperation and coordination with the Member, the Corporation will ensure that the compensation, employee benefits, position descriptions and responsibilities, productivity standards, and related policies and procedures applicable to the Corporation's personnel are fully compliant with the applicable policies and procedures of the Member and all applicable state and federal laws and regulations.

**Section 4. Strategic Planning and Budgeting.** The Corporation will be fully integrated into the strategic planning and annual budgeting process of the Member. The Board of the Corporation shall have prepared and shall recommend the annual budgets of the Corporation for approval by the Member.

**Section 5. Loans.** The Corporation shall not allow anyone to contract on behalf of it for indebtedness for borrowed money, unless the Board authorizes such a contract and subject to any required approval of the Member. The Corporation shall not allow anyone to issue evidence of the Corporation's indebtedness, unless the Board authorizes the issuance and subject to any required approval of the Member. Such authorization may be general or specific.

**Section 6. Checks, Drafts, etc.** The Board shall authorize which Officer(s) or agent(s) may sign and issue all Corporation checks, drafts or other orders for payment of money, and notes or other evidence of indebtedness. The Board shall also determine the manner in which these documents will be signed and issued.

**Section 7. Deposits.** The Treasurer of the Corporation shall cause all funds of the Corporation that are not being used to be deposited in banks and other depositories; the Board shall authorize the location of the banks and depositories.

**Section 8 Prohibited Financial Transactions with Related Parties.** Neither the Corporation, including its Directors, Officers, and agents, nor a person who has made or is making a substantial contribution to the Corporation shall have power or authority to cause the Corporation to purchase property from related parties for more than fair market value or sell property to related parties for less than fair market value. "Related parties" means the brother, sister, spouse, ancestor, or lineal descendant of those persons and groups specified above, or a corporation controlled, directly or indirectly, by those persons and groups specified. Notwithstanding the above, neither the Member nor any of its affiliates shall be deemed "related parties" for the purposes of this Section 8.

**Section 9. Prohibited Activities.** Notwithstanding any other provisions of these Bylaws, no Director, Officer, agent or personnel of the Corporation shall take any action or carry on any activity by or on behalf of the Corporation not permitted to be taken or carried on by an organization exempt under Section 501(c)(3) of the Internal Revenue Code and its regulations, or by an organization, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code and its regulations.

**Section 10. Approval of Fundraising Campaigns.** The Corporation shall not engage in any fundraising campaign that has a goal of raising \$250,000 or more for any capital needs of the Member without the written consent of the Board of Directors of the Member. The written consent required by this Section 10 shall be obtained before the solicitation of funds begins.

## ARTICLE IX INDEMNIFICATION

**Section 1. Indemnification of Directors, Officers, and Personnel.** The Corporation shall indemnify any Director, Officer, or other personnel of the Corporation named in a proceeding brought against that person in his capacity as such a Director, Officer or personnel of the Corporation to the full extent authorized by sections 35-2-466 through 35-2-454 of the Montana Nonprofit Corporation Act, as may be amended or succeeded from time to time. This indemnification shall include attorney's fees, reasonably incurred by or imposed upon him or her in connection with or resulting from any action, suit, proceeding or in connection with an appeal therein, to which he or she may be a party to by reason of being or having been a Director, Officer, or personnel of the Corporation.

**Section 2. Limitations on Indemnification.** Notwithstanding Section 1 of this Article IX, The Corporation shall indemnify any Director, Officer, or personnel only if that individual has been determined to have acted in good faith or reasonably believed to have acted

in an official capacity for the Corporation on behalf of the Corporation's best interests or that the individual's conduct was at least not opposed to the Corporation's best interests or, in the case of any criminal proceeding, that the individual had no reasonable cause to believe that the conduct was unlawful. Nothing contained in this Section 2 shall limit any right to indemnification to which any Director, Officer, or personnel may be entitled by contract or under any applicable law.

**Section 3. Indemnification Payments.** The Corporation may pay for or reimburse, in advance of final disposition of the proceeding, the reasonable expenses incurred by a Director, Officer, or personnel who is party to a proceeding if the Board determines such advance is warranted and lawful. Funds of the Corporation may be used to benefit Directors, officers, and personnel by way of indemnification only if such indemnification is authorized by the Act, the Corporation's Articles of Incorporation, and these Bylaws.

**Section 4. Indemnification Not Permitted.** Notwithstanding anything in this Article IX to the contrary, the Corporation shall not indemnify any Director, Officer, or personnel in relation to any matter as to which such Director, Officer, or personnel is adjudged to have breached his or her duty of loyalty to the Corporation, is adjudged liable to the Corporation in a proceeding by or in the right of the Corporation, for acts or omissions that constitute willful misconduct, recklessness or knowing violation of law, for any distribution of the assets of the Corporation contrary to law, or for a transaction for which the person derives an improper personal benefit.

## **ARTICLE X NONDISCRIMINATION**

The Corporation shall comply with applicable state and federal laws relative to equal employment and recognizes the rights of all persons to equal opportunity in employment, compensation, promotion, education, positions of leadership and power, and shall not at any time discriminate against any employee, applicant for employment, director, officer, contractor or other person with whom it deals because of race, color, gender, sexual orientation, physical or mental disability, national origin, religion, age, marital status, military status, or unfavorable discharge from military service.

## **ARTICLE XI AMENDMENT**

These Bylaws may be made, altered, amended and repealed by the two-thirds vote of all of the Directors then in office, subject to approval by the Member.

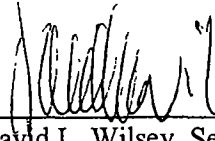
## **ARTICLE XII EFFECTIVE DATE**

These Second Amended and Restated Bylaws of Benefis Health System Foundation shall be effective as of December 13, 2011, the date of the adoption thereof.

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BENEFIS HEALTH SYSTEM FOUNDATION  
81-0480587

The undersigned, Secretary of Benefis Health System Foundation, does hereby certify that the foregoing Second Amended and Restated Bylaws of Benefis Health System Foundation were approved by the Board on December 13, 2011.

  
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David L. Wilsey, Secretary