

Kendallwood Hospice Reaches Agreement with Missouri Attorney General

Written by Australian Business

KANSAS CITY, Mo., Oct. 18, 2013 /PRNewswire/ -- Kendallwood Hospice Company Vice-President Judith Shafe today announced that

Kendallwood Hospice and
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Misso

Attorney General

Chris Koster

have reached an agreement regarding the funds that Kendallwood Hospice has held in its capacity as fiscal sponsor of Honor Flight Network of Kansas City

Kendallwood Hospice had been the fiscal sponsor for Honor Flight Network of Kansas City since 2008. As the fiscal sponsor, Kendallwood Hospice was authorized by Honor Flight Network of

Kansas City

to accept donations and use the donated funds to pay for the cost of transporting local veterans to visit the war memorials in

Washington, D.C.

This arrangement was necessary because Honor Flight Network of Kansas City

was not recognized as a tax-exempt 501(c)(3) entity and donors would not receive a tax deduction if they donated directly to Honor Flight Network of Kansas City. Kendallwood Hospice agreed to provide this service for no fee or other compensation.

As the fiscal sponsor for Honor Flight Network of Kansas City, Kendallwood Hospice was obligated and committed to protect the veterans and the donors by ensuring that the donations were used for the intended purpose. Since the beginning of the fiscal sponsorship arrangement, Honor Flight Network of

Kansas City

submitted receipts/invoices to Kendallwood Hospice for Honor Flight Kansas City expenses, and Kendallwood Hospice paid the vendors directly from the Honor Flight donations. In March of 2013, Honor Flight Network of

Kansas City

attempted to unilaterally terminate the fiscal sponsorship agreement with Kendallwood Hospice and demanded that all remaining donated funds be distributed to Honor Flight directly. This was contrary to the terms of the fiscal sponsorship agreement and Kendallwood Hospice's obligation as the fiscal sponsor. It has always been Kendallwood Hospice's obligation and

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priority as the fiscal sponsor of Honor Flight to ensure that the donated funds be used for their intended purpose of paying for the cost of transporting our local veterans to visit the Washington, D.C. war memorials.

Contrary to reports, Kendallwood Hospice only removed an Honor Flight officer as a signatory on the Kendallwood Hospice Honor Flight donations account because that officer was no longer an employee of Kendallwood Hospice. That person only had authority on the Kendallwood Hospice Honor Flight donations bank account in her capacity as an employee of Kendallwood Hospice, not as an officer of Honor Flight. If Honor Flight officers had the ability to withdraw funds directly from the Kendallwood Hospice Honor Flight donations account then there would be no need for Kendallwood Hospice to be the fiscal sponsor. Kendallwood Hospice was engaged by Honor Flight Network of Kansas City to be the guardian of the funds, accept donations and disburse the funds directly to its vendors.

Also contrary to reports, Kendallwood Hospice did not close its bank account that held the designated Honor Flight funds. It was the bank's decision to close the account on April 5, 2013 and issue Kendallwood Hospice a cashiers' check for the account balance. Kendallwood Hospice deposited that check directly in the Kendallwood Hospice donations account at Patriots Bank (now Bank Liberty). Until October 16, 2013, those funds remained in the Kendallwood Hospice donations account and were not spent or otherwise used by Kendallwood Hospice for any purpose.

On October 16, 2013, Kendallwood Hospice transferred the funds directly to Honor Flight's national office (a tax-exempt 501(c)(3) organization) and has agreed to provide the Attorney General with a copy of its donations account bank statements. Upon receipt and satisfactory review of these items, the Missouri Attorney General has agreed to dismiss its lawsuit against Kendallwood Hospice. The Honor Flight national office will now assume responsibility for distributing these funds for their intended purpose.

Kendallwood Hospice provides a holistic program of specialized care and support services for individuals with life limiting illness. The program encompasses family and friends to ensure every patient has a quality end of life experience with compassion and dignity.

SOURCE Kendallwood Hospice