	<b>The Johns Hopkins Health System Policy &amp; Procedure</b>	<i>Policy Number</i>	FIN051
	<i>Subject</i> <b>FEDERAL AND STATE TAX RETURNS</b>	<i>Effective Date</i>	01-01-08
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*Revisions noted by vertical bar in right margin*

**POLICY**

This policy applies to The Johns Hopkins Health System Corp. (JHHS) and the following affiliated entities: The Johns Hopkins Hospital (JHH), Johns Hopkins Bayview Medical Center (JHBMC), Howard County General Hospital (HCGH), Johns Hopkins Community Physicians (JHCP), Johns Hopkins Medical Services Corporation (JHMSC), Johns Hopkins Medicine International (JHMI), Ophthalmology Associates (OA), Johns Hopkins Employer Health Programs (EHP), Johns Hopkins Medical Management Corporation (JHMMC), Priority Partners (PP), Johns Hopkins Pharmaquip, Inc. (JHPQ), Johns Hopkins Home Health Services, Inc. (JHHHS), Johns Hopkins Pediatrics Home, Inc. (JHPAHI), Johns Hopkins HealthCare (JHHC), Johns Hopkins Home Care Group (JHHCG), Suburban Health Center (SHC), Broadway Acquisition and Development, and HCGH OB/GYN Associates Series, LLC (HCGH OBGYN).


Purpose

At various times during the fiscal and calendar year, The Johns Hopkins Health System Corporation (JHHS) and its affiliates must file federal and state income tax, property tax, employment tax, and information returns with the appropriate taxing authority. Failure to file returns and/or pay tax in a timely manner may result in an assessment of penalties and interest.

In an effort to minimize the potential for penalty and interest assessments, the responsibility for filing certain returns shall be centralized at JHHS. The affiliates of JHHS and the various departments within the affiliates shall be responsible for providing, to the Director of Tax Compliance, information which is necessary for the accurate completion of the returns and which cannot be obtained from the JHHS Department of General Accounting.

Generally, the types of returns covered by this policy are as follows:

Form Number	Form Name
940	Employers' Annual Federal Unemployment Tax Return
941	Employers' Quarterly Employment Tax Return
990	Return of Organization Exempt from Income Tax
990-T	Exempt Organization Business Income Tax Return
1065	U.S. Partnership Return of Income
1120	U.S. Corporation Income Tax Return
5500	Annual Return/Report of Employee Benefit Plan
MD 1	Maryland Personal Property Tax Return
MD 500	Maryland Corporation Income Tax Return
MD 510	Maryland Pass-Through Entity Income Tax Return
MW-506	Maryland Employer's Return of Income Tax Withheld
ST-118	Maryland Retail Sales and Use Tax Form
COF-85	Annual Renewal of Registration of Charities
DLLR/OUI	Maryland Unemployment Insurance Contribution Report
PA-W-3	Record of PA Withholding Tax

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VA-16	VA Return of Income Tax Withheld
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Any returns, schedules, attachments, or other forms required by federal or state income tax, property tax, employment tax, or information return statutes shall be filed by the Director of Tax Compliance on behalf of JHHS and its affiliates.

**RESPONSIBILITIES**

JHHS Director of Tax Compliance

Maintain database of JHHS affiliates for which returns must be filed.

Maintain blank copies of federal and state income tax, personal property tax, employment tax, and information return forms which are required to be filed.

Obtain information from JHHS Department of General Accounting and as necessary, departments of the JHHS affiliates needed to accurately and completely prepare the various returns.

Prepare the various returns necessary to maintain compliance with federal and state income tax, property tax, employment tax, or information return statutes within one week of the due date.

Coordinate with the officers of the JHHS affiliates signatory execution of the returns and filing of the returns.

Provide the JHHS Controller with a monthly status update of all required returns.

Correspond with the Internal Revenue Service and/or the Maryland State Office of the Comptroller, Income Tax Division, regarding all income or employment tax notices or requests for clarification.

Departmental Administrators/  
Directors/Chief Financial Officer  
(JHCP)


Provide information, not otherwise available through JHHS General Accounting, or answer questions relating to departmental or affiliate financial information which is necessary to completely and accurately prepare the various returns.

Affiliate Vice President/Chief  
Operating Officer/Chief Executive  
Officer

Review and sign returns provided by the Director of Tax Compliance.

**SPONSOR**

Vice President of Finance/Chief Financial Officer (CFO) and Treasurer, JHHS

 <b>JOHNS HOPKINS</b> MEDICINE JOHNS HOPKINS HEALTH SYSTEM	<b>The Johns Hopkins Health System          Policy &amp; Procedure</b>	<i>Policy Number</i>	FIN051
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**REVIEW CYCLE**

Three (3) years


**APPROVAL**

\_\_\_\_\_  
 President, JHHS

\_\_\_\_\_  
 Date

**PROCEDURES**

1. JHHS Director of Tax Compliance
  - a. Develop a database program which can be used to track the due dates of all returns which must be filed by JHHS and its affiliates. The database must be capable of producing monthly reports indicating the status of all the returns for which the Director has responsibility for preparing.
  - b. Maintain database which includes the name of JHHS, JHHS affiliates and any other organizations for which returns must be filed by the Director as well as the types of returns to be filed. The database must be maintained such that the integrity of the information in the database and the information produced in reports is ensured.
  - c. Maintain blank copies of federal and state income tax, personal property tax, employment tax, and information return forms which are required to be filed. In addition to the forms, federal and state instructions should also be maintained to assist in the preparation of the forms.
  - d. Obtain final trial balances, general ledger reports, roll-ups, and reconciliations from the general ledger to the financial statements for the fiscal year end of JHHD and its affiliates from JHHS Department of General Accounting. In addition to internally prepared documents, obtain a copy of the audited financial statements, if applicable.
  - e. Obtain pension plan valuations and results of non-discrimination testing from Kwasha Lipton (or the current actuaries) for purposes of preparing the Form 5500. In addition, obtain insurance and benefit payment data for use in preparing Form 5500 for welfare benefit plans.
  - f. Obtain payroll reports to verify amounts contained on the Form 941 and various state reporting employment tax information.
  - g. Obtain information from the various departments of JHHS and its affiliates necessary to supplement the information contained in the general ledger and which is necessary to file a complete and accurate return.

 <b>JOHNS HOPKINS</b> MEDICINE JOHNS HOPKINS HEALTH SYSTEM	<b>The Johns Hopkins Health System          Policy &amp; Procedure</b>	<i>Policy Number</i>	FIN051
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- h. Prepare the various returns necessary to maintain compliance with federal and state income tax, property tax, employment ax, or information return statutes within one week of the due date. If returns cannot be filed by the due date, request an extension of time to file from the Internal Revenue Service.
  - i. Provide draft copies of the returns to the respective Finance Departments (Human Resources Department with respect to Form 5500) of JHHS and affiliates so that the return may be reviewed.
  - j. Answer any questions which the respective finance Departments (Human Resources Department with respect to Form 5500) of JHHS and affiliates may have concerning the information contained in the returns. If necessary, make corrections to the return.
  - k. Coordinate with the officers of the JHHS affiliates signatory execution of the returns and file returns. Deliver returns to the office of the appropriate Vice President so that they may review and sign the return. Answer any questions that the Vice President may have concerning the information contained in the return.
  - l. Provide copies of all executed returns filed to the respective Finance Department (Human Resources Department with respect to Form 5500) of JHHS and affiliates.
  - m. Provide the JHHS Controller with a monthly status update of all required returns.
  - n. Correspond with the IRS and/or the Maryland State Office of the Comptroller, Income Tax Division regarding all income and employment tax notices or requests for clarification.
- 2. Department Administrators/  
Directors/Chief Financial  
Officer (JHMSC)
    - a. Provide information, not otherwise available through JHHS General Accounting, necessary to completely and accurately prepare the various returns. In addition, answer questions concerning departmental financial information necessary to clarify the information reported in the general ledger.
  - 3. Affiliate Vice President/Chief  
Operating Officer/Chief  
Executive Officer
    - a. Review returns provided by the Director of Tax Compliance and sign returns when comfortable that the information reported in the returns is correct.