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Reckenen, Accountants and Consultants
855-873-2536
info@reckenen.com
www.reckenen.com

Part VI Q.13

Whistleblower Policy

General

{organization name} (Organization) Code of Ethics and Conduct (“Code”) requires directors, officers and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

Reporting Responsibility

It is the responsibility of all directors, officers and employees to comply with the Code and to report violations or suspected violations in accordance with this Whistleblower Policy.

No Retaliation

No director, officer or employee who in good faith reports a violation of the Code shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns within the Organization prior to seeking resolution outside the Organization.

Reporting Violations

The Code addresses the Organization’s open door policy and suggests that employees share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, an employee’s supervisor is in the best position to address an area of concern. However, if you are not comfortable speaking with your supervisor or you are not satisfied with your supervisor’s response, you are encouraged to speak with someone in the Human Resources Department or anyone in management whom you are comfortable in approaching. Supervisors and managers are required to report suspected violations of the Code of Conduct to the Organization’s Compliance Officer, who has specific and exclusive responsibility to investigate all reported violations. For suspected fraud, or when you are not satisfied or uncomfortable with following the Organization’s open door policy, individuals should contact the Organization’s Compliance Officer directly.

Compliance Officer

The Organization’s Compliance Officer is responsible for investigating and resolving all reported complaints and allegations concerning violations of the Code and, at his discretion, shall advise the Executive Director and/or the audit committee. The Compliance Officer has direct access to

the audit committee of the board of directors and is required to report to the audit committee at least annually on compliance activity. The Organization's Compliance Officer is the chair of the audit committee.

Accounting and Auditing Matters

The audit committee of the board of directors shall address all reported concerns or complaints regarding corporate accounting practices, internal controls or auditing. The Compliance Officer shall immediately notify the audit committee of any such complaint and work with the committee until the matter is resolved.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Code must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Code. Any allegations that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Handling of Reported Violations

The Compliance Officer will notify the sender and acknowledge receipt of the reported violation or suspected violation within five business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Audit Committee Compliance Officer

{organization name} Management Staff

Sample Whistleblower Policy

The following should be considered in developing and implementing a policy such as the example that follows:

- Consider state regulatory requirements, if any, in reporting instances of complaints.
- Determine, if possible, whether the complainant notified any regulatory or other industry and/or watchdog group(s) or press.

ABC Organization Whistleblower Policy

The ABC Organization Code of Conduct (hereinafter referred to as the Code) requires directors, other volunteers, and employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. Employees and representatives of the organization must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

**ABC Sample Nonprofit Organization
Whistleblower Policy**

I. Introduction.

As representatives of the ABC Sample Nonprofit Organization, staff members and organization committee members shall conduct business in a lawful, ethical and professional manner. This policy identifies procedures to be followed when those practices are not followed.

II. Related ABC Staff Policies.

Section I of the ABC Employee Handbook contains the following policies related to the proper and improper actions of the national office staff.

- a. Harassment.
- b. Conflict of interest.
- c. Sports gambling.
- d. Addressing staff member questions, concerns or complaints.
- e. Computer usage policy.

III. Purpose.

The national office staff and the committee members representing the Association, as stewards of Association funds, shall:

- a. Investigate allegations of suspected improper use of Association resources.
- b. Establish basic principles to conduct business to avoid even the appearance of improper behavior.
- c. Promote open, honest and accountable management of Association resources.
- d. Maintain the highest standards of personal and institutional integrity while maintaining the reputation of the Association.

IV. Definitions.

The following definitions shall apply:

- a. Improper Association activities. Any activity by representatives of the ABC or its staff that is:

1. In violation of any state or federal law or regulation, including, but not limited to, corruption, malfeasance, bribery, theft of Association property, fraudulent claims, fraud, coercion, conversion, malicious prosecution, misuse of Association property or willful omission to perform duty, or
 2. Economically wasteful, or involves gross misconduct, incompetence, or inefficiency.
- b. Protected disclosure. A good-faith communication that may evidence an improper Association activity or a health or safety concern where the disclosure is made for the purpose of remedying that condition. A protected disclosure is an official whistleblower complaint and provides protection from later retaliation.
- c. Illegal Order. Any directive to violate or assist in violating a law, rule, or regulation or any order to work in conditions that would unreasonably threaten the health or safety of staff or the public. An example of illegal order might be a manager directing an employee to process inappropriate and illegal payments.
- d. Whistleblower. A person or entity making a protected disclosure is commonly referred to as a whistleblower. Whistleblowers may be national office staff members, committee members, vendors, contractors or any person representing the Association's interests.

The whistleblower's role is as a reporting party. They are not investigators or finders of fact, nor do they determine the appropriate corrective or remedial action.

Whistleblowers may file complaints anonymously.

- e. Whistleblower Coordinator. Responsible for receiving complaints and ensuring appropriate referral to members of the Investigations Group (IG).

V. Reporting Responsibilities and Authority.

- a. Whistleblower. While protected disclosures can be made to any supervisor, manager or other person in authority, the ABC encourages all such issues to be referred to the Association's Whistleblower Coordinator.
1. Managers and other responsible authorities are expected to report any such allegations to the Whistleblower Coordinator.
 2. Complaints and allegations against the Whistleblower Coordinator shall be reported to the ABC president.

3. Allegations against the ABC president shall be reported to the chair of the Executive Committee.
- b. Investigations Group (IG). The investigations group is responsible for:
1. Informing appropriate ABC officials of allegations.
 2. Ensuring proper reporting occurs as required by law and policy.
 3. Ensuring proper resources are brought to bear to cause timely and thorough review of allegations.
 4. Ensuring proper investigative channels are used.
 5. Ensuring there are no conflicts of interest in specific investigations.
 6. Facilitating and coordinating communications across investigative channels.
 7. Monitoring progress of investigations.
 8. Providing and coordinating advice on corrective or remedial actions.
- c. Managers. National office managers are expected to:
1. Report allegations whether reported as a protected disclosure by their subordinates or discovered in the course of performing their duties.
 2. Document oral reports by a written transcription. Internal communications regarding allegations of improper Association activities normally should be in writing.
 3. Consult with the Whistleblower coordinator to make a determination, if the manager is not certain that an issue is appropriate for referral or reporting.
 4. Ensure that subordinate supervisors are aware of and comply with this policy.
- d. Finance Committee. The Whistleblower Coordinator will make an annual report to the Finance Committee on any whistleblower activity that:
1. Represents a significant internal control or policy deficiency that is likely to exist at other units or across the Association.
 2. May receive media or other public attention.
 3. Involves the misuse of Association resources or creates exposure to a liability of at least \$25,000.

4. Involves a significant threat to the health and safety of employees or the public.
5. Is significant or sensitive for other reasons.
6. Alleges an improper activity by the president, the Whistleblower Coordinator or other senior executives.

VI. Whistleblower Coordinator.

The Whistleblower Coordinator shall be the Senior Vice-President for Administration and CFO. The Whistleblower Coordinator will:

- a. Determine if the complaint warrants further investigation internally or externally.
- b. Assign the case to the appropriate investigative unit(s), based on the individual circumstance of each complaint. The individual responsible for those units are:
 1. Managing Director of Human Resources. Investigations of personnel matters or misconduct.
 2. Managing Director of Finance and Operations. Investigations of allegations of Association resources, fraud or other financial irregularities
 3. Associate General Counsel. Investigations of allegations that may have legal ramifications for the Association or staff or committee member.
- c. Communicate allegations to the president, unless the allegation?s are against the president.
- d. Any appeals resulting from the decision making of the Whistleblower Coordinator shall be handled by the ABC Audit Committee.

VII. Rights and Responsibilities of Individuals.

A whistleblower's right to protection from retaliation does not extend immunity for any complicity in the matters that are the subject of the allegations or ensuing investigation.

- a. Whistleblowers, generally, will be informed of the outcome of their complaint.
 1. Whistleblowers must provide complete and accurate information and have a reasonable belief that improper activity has occurred.
 2. Intentional filing of a false report is, in itself, an improper Association activity upon which the Association has the right to act.
 3. Whistleblowers shall not obtain evidence for which they do not have a right of access.

4. Whistleblowers should be prepared to be interviewed by internal or external investigators.
- b. Investigators Rights and Responsibilities.
1. Whistleblower investigations should be conducted after preliminary consideration shows that the allegation, if true, constitutes an improper activity or use of Association resources.
 2. Is accompanied by information specific enough to be investigated or includes or directly points to corroborating evidence that can be pursued.
 3. Investigators will derive their authority and access rights from Association policy when acting within the course and scope of their responsibilities.
 4. Investigators will have competency in the area under investigation.
 5. Investigators have a duty of fairness, objectivity thoroughness, ethical behavior and observance of legal and professional standards.
- c. Subjects of Investigations Rights and Responsibilities.
1. Identification of subjects will be confidential to the extent possible given the legitimate needs of law and the investigation.
 2. Subjects will be informed of a formal investigation and have opportunities for input during the investigation.
 3. Subjects have a duty to cooperate that shall not infringe upon self incrimination protections in criminal cases.
 4. Subjects have a right to consult with a person of their choice, including having legal representation.
 5. During investigations a staff member may be placed on an administrative leave or investigatory leave when it is determined that such a leave would serve the best interests of the staff member, the Association or both.
 6. Such a leave is not to be interpreted as an accusation or conclusion of guilt or innocence of any individual including the person on leave.
- d. Investigation Participants Rights and Responsibilities.
1. Association staff members who are interviewed, asked to provide information or otherwise participate in an investigation have a duty to fully cooperate with the Association's authorized investigators.
 2. Participants should refrain from discussing investigations or testimony with those not connected to the investigation.

3. Confidentiality requests by participants will be honored to extent possible within the legitimate needs of law and the investigation.
4. Participants are entitled to protection from retaliation for having participated in an investigation.

VIII. Recommended Steps.

All ABC staff members and committee members must work together to ensure that the business of the ABC is conducted with the highest professional and ethical standards. In situations where there is uncertainty:

- a. Make sure the Whistleblower has all the facts.
- b. Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable the Whistleblower to focus on the specific question and provide responses. Use your judgment and common sense.
- c. Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- d. Discuss the problem with your supervisor, the Whistleblower Coordinator, human resources representative, or any member of management or the legal staff. This is the basic guidance for all situations. In many cases, these individuals will be more knowledgeable about the issues and will appreciate being brought into the decision-making process. It is our joint responsibility to help solve problems.
- e. Seek help from Association resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor, talk with the Whistleblower Coordinator, human resources representative, any member of management, or the legal staff.
- f. You may report ethical violations in confidence and without fear of retaliation. If your situation requires that your identity is kept secret, your anonymity will be protected to the extent possible. The ABC does not permit retaliation of any kind against employees for good-faith reports of ethical violations.
- g. Ask first, act later: If you are unsure of what to do in any situation, always seek guidance before you act.

IX. Retaliation Protection.

Individuals who make protected disclosures shall not be retaliated against in any manner and are protected from such acts. An ABC staff member may not:

- a. Retaliate against another staff member or applicant for employment who has made a protected disclosure or who has refused to obey an illegal order.
- b. Directly or indirectly use or attempt to use the official authority of influence of his or her position or office for the purpose of interfering with the right of applicant or staff member to make a protected disclosure.