

YMCA of High Point Whistleblower Policy and Procedure

In keeping with the policy of maintaining the highest standards of conduct and ethics, the YMCA of High Point will investigate any suspected fraudulent or dishonest use or misuse of the YMCA of High Point's resources or property by staff, board members, consultants, or volunteers.

Staff, board members, consultants, and volunteers are encouraged to report suspected fraudulent or dishonest conduct (i.e., to act as "whistleblower"), pursuant to the procedures set forth below.

Questionable Conduct

This policy is designed to address situations in which an employee suspects another employee has engaged in illegal acts or questionable conduct involving the YMCA of High Point's assets. This conduct might include outright theft (of equipment or cash), fraudulent expense reports, misstatements of any accounts to any manager or to the YMCA of High Point's auditors, or even an employee's conflict of interest that results in financial harm to the YMCA of High Point. The YMCA of High Point encourages staff to report such questionable conduct and has established a system that allows them to do so anonymously.

Reporting Responsibility

It is the responsibility of all directors, officers, and employees to comply with the Whistleblower Policy and to report violations or suspected violations in accordance with this Whistleblower Policy. Volunteers and consultants are also encouraged to report any violations or suspected violations.

Compliance with the YMCA of High Point's Whistleblower Policy is the responsibility and obligation of every staff member. Early identification and resolution of any violation of the Whistleblower Policy is critical to compliance with the Whistleblower Policy and to maintaining the YMCA of High Point's commitments to staff members, volunteers, affiliated organizations, and donors. All staff members are expected to treat compliance with the principles and procedures embodied in the Whistleblower Policy as a critical element of their responsibilities.

Reporting Procedure

1. A person's concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to his or her supervisor or, if suspected by a volunteer, to the staff member supporting the volunteer's work. If, for any reason, a person finds it difficult to report his or her concerns to a supervisor or staff member supporting the volunteer's work, the person may report the concerns directly to the CEO. Alternately, to facilitate reporting of suspected violations where the reporter wishes to remain anonymous, a written statement may be submitted to one of the individuals listed above. The CEO will be notified by supervisors of any complaint. If the complaint involves the CEO a written statement may be submitted to the Governance Chair, Mr. Bill Wheeler, PO Box 2086, High Point, NC 27261

Employees are encouraged to provide as much specific information as possible including names, dates, places, and events that took place, the employee's perception of why the incident(s) may be a violation, and what action the employee recommends be taken. Anonymous written or telephonic communications will be accepted.

2. The report is promptly reviewed by the CEO, as well as the Chief Financial Officer, to determine whether the report constitutes a complaint or a non-complaint, unless one of them is allegedly involved in the misconduct, in which case the report should be reviewed by only one of them. (If both of them are alleged to be involved, the report should go directly to the governance committee chair.)

- A *complaint* means any report involving (i) questionable accounting, auditing, financial reporting, or internal controls; (ii) suspected fraud, theft, or improper use of company assets; (iii) a violation of the YMCA of High Point's conflict-of-interest policy that results in financial harm to the YMCA of High Point; or (iv) a claim of retaliation against any employee making a good-faith report regarding any of the preceding matters.
- A *non-Complaint* means a report of any other matter not involving a misuse of the YMCA of High Point's assets.

3. If the report is deemed to be a complaint, it will be promptly investigated and forwarded to the governance committee chair. If the report is deemed to be a non-complaint, it will be referred to the appropriate branch executive for follow-up. Some non-complaints may involve serious matters and may require prompt investigation, but may nevertheless not involve misuse of the YMCA of High Point's assets.
4. Each complaint is fully investigated, and as far as possible handled to protect the privacy of the employee making the complaint. A written report of the outcome of each investigation is prepared and delivered to the governance committee chair.
5. The governance committee chair decides whether the report involves a matter that is material. If it is deemed material, it is reviewed by the full governance committee, which may forward it for disposition to the board or may direct senior management to take actions to resolve the situation. If the report is deemed nonmaterial, it is not reviewed by the committee but is instead addressed by the CEO, as appropriate.

Handling of Reported Violations

6. The CEO will notify the sender and acknowledge receipt of the reported violation or suspected violation within 3 business days. All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation.

Investigation of Reports

All reported violations will be promptly and thoroughly investigated and acted on appropriately. If a complaint alleging an ethical violation requires additional action, the YMCA of High Point will respond promptly. Staff members must cooperate with any investigation and provide accurate and truthful information. Staff members must not disclose or discuss the fact that an investigation is being conducted or has been conducted and must not disclose the results of any investigation to anyone except to the extent allowed by the CEO. If possible, the staff member making the initial report will be informed about the status of the investigation and the outcome of the matter. However, the YMCA of High Point has an obligation of confidentiality to all staff members, including those being investigated.

Definitions

Baseless Allegations

Allegations made with reckless disregard for their truth or falsity or knowingly false allegations. Individuals making such allegations may be subject to disciplinary action by the YMCA of High Point, and/or legal claims by individuals accused of such conduct.

Fraudulent or Dishonest Conduct

A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include

- Supplying false or misleading information on the YMCA of High Point's financial or other public documents, including its Form 990.
- Providing false information to or withholding material information from the YMCA of High Point's board or auditors.
- Destroying, altering, mutilating, concealing, covering up, falsifying, or making a false entry in any records that may be connected to an official proceeding, in violation of federal or state law or regulations.
- Altering, destroying, or concealing a document, or attempting to do so, with the intent to impair the document's availability for use in an official proceeding or otherwise obstructing, influencing, or impeding any official proceeding, in violation of federal or state law or regulations.
- Embezzling, self-dealing, private inurement (i.e., the YMCA of High Point earnings inuring to the benefit of a director, officer, or senior management) and private benefit (i.e., the YMCA of High Point assets being used by anyone in the organization for personal gain or benefit).
- Paying for services or goods that are not rendered or delivered.
- Using remarks or actions of a sexual nature that are not welcome and are likely to be viewed as personally offensive, including sexual flirtations; unwelcome physical or verbal advances; sexual propositions; verbal abuse of a sexual nature; the display of sexually suggestive objects, cartoons, or pictures; and physical contact of a sexual or particularly personal nature.

- Using epithets, slurs, negative stereotyping, and threatening, intimidating, or hostile acts that relate to race, color, religion, gender, national origin, age, or disability.
- Circulating or posting written or graphic material in the workplace that denigrates or shows hostility or aversion toward an individual or group because of race, color, religion, gender, nationality, age, or disability.
- Discriminating against an employee or potential employee due to a person's race, color, religion, sex, sexual orientation, national origin, age, physical or mental impairment, or veteran status.
- Violating the YMCA of High Point's Code of Conduct, Conflict-of-Interest Policy, Harassment Policy, or Equal Employment Opportunity Policy.
- Facilitating or concealing any of the above or similar actions.

Whistleblower

An employee, consultant, or volunteer who informs a supervisor or the CEO about an activity relating to XYZ which that person believes to be fraudulent or dishonest.

Rights and Responsibilities

Supervisors

Supervisors are required to report suspected fraudulent or dishonest conduct to the CEO. Reasonable care should be taken in dealing with suspected misconduct to avoid

- Baseless allegations
- Premature notice to persons suspected of misconduct and/or disclosure of suspected misconduct to others not involved with the investigation
- Violations of a person's rights under law

Due to the important yet sensitive nature of the suspected violations, effective professional follow-up is critical. Supervisors, while appropriately concerned about "getting to the bottom" of such issues, should not in any circumstances perform any investigative or other follow-up steps on their own. Accordingly, a supervisor who becomes aware of suspected misconduct

- Should not contact the person suspected to further investigate the matter or demand restitution
- Should not discuss the case with attorneys, the media, or anyone other than the chief executive
- Should not report the case to an authorized law enforcement officer without first discussing the case with the CEO

Investigation

All relevant matters, including suspected but unproved matters, will be reviewed and analyzed, with documentation of the receipt, retention, investigation, and treatment of the complaint. Appropriate corrective action will be taken, if necessary, and findings will be communicated to the reporting person and his or her supervisor. Investigations may warrant investigation by independent persons such as auditors and/or attorneys.

Whistleblower Protection

The YMCA of High Point will protect whistleblowers as defined below:

- The YMCA of High Point will use its best efforts to protect whistleblowers against retaliation. Whistle blowing complaints will be handled with sensitivity, discretion, and confidentiality to the extent allowed by the circumstances and the law. Generally, this means that whistleblower complaints will only be shared with those who have a need to know so that the YMCA of High Point can conduct an effective investigation, determine what action to take based on the results of any such investigation, and in appropriate cases, with law enforcement personnel. (Should disciplinary or legal action be taken against a person or persons as a result of a whistleblower complaint, such persons may also have the right to know the identity of the whistleblower.)
- Employees, consultants, and volunteers of the YMCA of High Point may not retaliate against a whistleblower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistleblower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees. Whistleblowers who believe that they have been retaliated against may file a written complaint with the CEO. Any complaint of retaliation will be promptly investigated and appropriate corrective measures taken if allegations of retaliation are substantiated. This protection from retaliation is not intended to prohibit supervisors from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.
- Whistleblowers must be cautious to avoid baseless allegations (as described earlier in the definitions section of this policy).

Accounting and Auditing Matters

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

Disciplinary Action

Any staff member violating the Whistleblower Policy will be subject to disciplinary action, up to and including reprimand, suspension, and termination, and could be subject to civil or criminal legal proceedings.

Self-Disclosure

Staff members shall also disclose any situation involving his or her own conduct that may have the potential to be misinterpreted by others. If a staff member has any questions regarding his or her own conduct, the staff member shall discuss the matter with his or her immediate supervisor or the CEO.

Note: The YMCA of High Point may waive provisions of the Code of Conduct. All requests for waiver of a provision of the Code shall be made in writing to the CEO.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. The YMCA of High Point will treat all communications under this policy in a confidential manner, except to the extent necessary 1) to conduct a complete and fair investigation, or 2) for review of YMCA of High Point operations by the YMCA of High Point's board, its finance committee, the YMCA of High Point's independent public accountants, and the YMCA of High Point's legal counsel.

Acting in Good Faith

Anyone filing a complaint concerning a violation or suspected violation of the Whistleblower Policy must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Whistleblower Policy. 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.

Retaliation Prohibited

Retaliation of any kind against any individual who reports a violation or possible violation of the Whistleblower Policy in good faith is prohibited, as is retaliation of any kind against any individual who cooperates in good faith in any investigation of a violation or possible violation of the Whistleblower Policy, whether conducted internally or by legal authorities. Retaliation of any kind against a staff member who refuses to carry out a directive which, in fact, constitutes a violation of the Whistleblower Policy is also prohibited. Any individual engaging in retaliatory conduct will be subject to disciplinary action. If requested and to the extent possible, every effort will be made to maintain the confidentiality of any report made.