

Livonia Community Foundation

Document Destruction and Whistle-Blower/Code of Conduct Policy

The **Livonia Community Foundation** acknowledges its responsibility to preserve information relating to litigation, audits and investigations. The Sarbanes-Oxley Act of July 30, 2002 makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. Failure on the part of employees to follow this policy can result in possible civil and criminal sanctions against the **Livonia Community Foundation** and its employees and possible disciplinary action against responsible individuals (up to and including termination of employment). Each employee has an obligation to contact the President, Comptroller or Vice President of a potential or actual litigation, external audit, investigation or similar proceeding involving the **Livonia Community Foundation** that may have an impact as well on the approved records retention schedule.

Whistle-Blower/Code of Conduct Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics, the **Livonia Community Foundation** will investigate any suspected fraudulent or dishonest use or misuse of the Foundation's resources or property by staff, board members, consultants or volunteers. The Foundation is committed to maintaining the highest standards of conduct and ethical behavior and promoting a working environment that values respect, fairness and integrity. All staff, board members and volunteers shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including possible termination of employment, dismissal from the board or volunteer duties and possible civil or criminal prosecution, if warranted.

Trustees and employees are encouraged to report suspected fraudulent or dishonest conduct (i.e.. to act as "whistle-blower") pursuant to the procedures set forth below.

Reporting

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 President of the **Livonia Community Foundation Board of Trustees**, Comptroller or any Vice President.

Definitions

Baseless Allegations: Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by the **Livonia Community Foundation**, and/or legal claims by individuals accused of such conduct.

Livonia Community Foundation

Document Destruction and Whistle-Blower/Code of Conduct Policy

Fraudulent or Dishonest Conduct: A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- Forgery or alteration of documents;
- Unauthorized alteration or manipulation of computer files;
- Fraudulent financial reporting;
- Pursuit of a benefit or advantage in violation of the **Livonia Community Foundation's Conflict of Interest Policy**;
- Misappropriation or misuse of **Livonia Community Foundation** resources such as funds, supplies or other assets;
- Authorizing or receiving compensation for goods not received or services not performed; and
- Authorizing or receiving compensation for hours not worked

Whistle-Blower: An employee, consultant or volunteer who informs a supervisor, Comptroller, President or any Vice President of the Board of Trustees about an activity relating to the **Livonia Community Foundation** which that person believes to be fraudulent or dishonest.

Rights and Responsibilities

Trustees are required to report suspected fraudulent or dishonest conduct to the President, Comptroller or any Vice President.

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; and
- 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. Trustees, 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 Trustee who becomes aware of suspected misconduct:

1. Should not contact the person suspected to further investigate the matter or demand restitution.
2. Should not discuss the case with attorneys, the media or anyone other than the President, Comptroller or a Vice President

Livonia Community Foundation

Document Destruction and Whistle-Blower/Code of Conduct Policy

3. Should not report the case to an authorized law enforcement officer without first discussing the case with the President, Comptroller or a Vice President.

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 back to the reporting person and his or her supervisor. Investigations may warrant investigation by an independent person such as auditors and/or attorneys.

Whistle-Blower Protection

The **Livonia Community Foundation** will protect whistle-blowers as defined below. The **Livonia Community Foundation** 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 whistle-blower complaints will only be shared with those who have a need to know so that the **Livonia Community Foundation** 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 whistle-blower complaint, such persons may also have the right to know the identity of the whistle-blower.)

Employees, consultants and volunteers of the **Livonia Community Foundation** may not retaliate against a whistle-blower 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 whistle-blower's impact on salary or fees. Whistle-blowers who believe that they have been retaliated against may file a written complaint with the President, Comptroller or a Vice President. 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.

Whistle-blowers must be cautious to avoid baseless allegations as described earlier in the definitions section of this policy.

Reviewed and adopted by the
Board of Trustees with corrections
noted on April 21, 2005