

Policy on Reporting Suspected Misconduct

YMCA of Greater Richmond

Introduction

Like all organizations, the YMCA of Greater Richmond ("YMCA") is faced with risks from wrongdoing, misconduct, dishonesty, and fraud (hereafter "Misconduct"). As with all business exposures, we must be prepared to manage these risks and their potential impact in a professional way.

The impact of Misconduct may adversely affect the ability of the YMCA to carry out its Mission and may also include the following:

- An actual financial loss incurred
- Damage to the reputation of the YMCA and our employees
- Negative publicity
- The cost of investigation
- Loss of members, donors, volunteers and employees
- Damaged relationships with contractors and suppliers
- Litigation
- Damaged employee morale

Our goal is to maintain an environment of fairness, ethics, and honesty for our members, donors, volunteers, employees, suppliers and anyone else with whom the YMCA has a relationship. The YMCA is committed to the deterrence, detection, and correction of Misconduct. To maintain such an environment requires the active assistance of the Association Board of Directors ("Board of Directors") and employees.

Purpose

The purpose of this document is to communicate YMCA policy regarding the deterrence and investigation of suspected Misconduct by employees and others, and to provide specific instruction regarding appropriate action in case of suspected violations.

Definition of Misconduct

For purposes of this policy, Misconduct may include but is not limited to the following:

- Acts which violate the YMCA's Code of Ethics
- Theft or other misappropriation of assets, including assets of the YMCA, our members, suppliers or others with whom we have a relationship
- Misstatements and other irregularities in YMCA records and/or financial reports including the intentional misstatement of the results of operations
- Violation of accounting or internal control policies
- Forgery or other inappropriate alteration of documents
- Fraud and other unlawful acts
- Wrongdoing

The YMCA specifically prohibits these and other illegal activities in the actions of its employees and others responsible for carrying out the YMCA's activities.

Responsibilities

Each employee is responsible for bringing to the YMCA's attention, in the manner described below, any circumstances that the individual believes constitutes an act of Misconduct, including any apparent or suspected violations involving the YMCA's financial reports, accounting, or internal control policies and procedures. **Failure by an employee to discharge this responsibility may be considered as serious as the violation itself.**

Members of the Board of Directors are expected to report suspected Misconduct in the manner described below.

Any retaliation against any employee or other reporting individual because that individual, in good faith, reported a violation is strictly forbidden.

To facilitate reporting of suspected violations, especially in those situations where the reporting individual wishes to remain anonymous, the YMCA has established a hotline for employees which may be accessed as follows:

Telephone: 1-888-340-2420

Internet: www.ethicspoint.com

NOTE: This hotline is managed and staffed by a third party service provider which is not associated with the YMCA of Greater Richmond. Any individual utilizing this hotline to provide information regarding Misconduct HAS THE OPTION TO REMAIN ANONYMOUS. If an employee wishes to provide their name so that the YMCA can follow up with the individual, the YMCA will maintain confidentiality to the extent possible.

Information regarding suspected violations may also be reported by employees or Board Members orally or in writing in any manner as follows:

- Contacting YMCA Executive Management
- Employees may contact their supervisor
- Email: ethics@ymcarichmond.org
- Mail: YMCA of Greater Richmond
2 W. Franklin Street
Richmond, VA 23220
ATTENTION: Jan Klenke
Vice President of Human Resources & Leadership Development

Suspected violations will be reported to the Vice President of Human Resources & Leadership Development and who will determine the appropriate course of action, which generally will include a prompt investigation of the reported matter. All matters will also be reported to the Audit Committee, including the results of the investigation and related actions taken. Frivolous complaints, unrelated to suspected Misconduct as defined above, are not an appropriate use of the hotline. Likewise, non-specific, broad allegations cannot be acted upon. As a result, an individual making a good faith complaint must provide as much detail as is available. Further, nothing in this policy abrogates the YMCA's discrimination and/or anti-harassment complaint procedures which remain in full effect and should be followed if someone believes they have been the victim of, or have witnessed, discrimination or harassment.

Any apparent or suspected violation by a member of the Board of Directors or Executive Management received via the YMCA's independent, hotline service will also be reported directly to the Chairman of the Audit Committee and the President & Chief Executive Officer (CEO). Any such violations otherwise coming to the attention of the Vice President of Human Resources & Leadership Development will also be reported immediately to the Chairman of the Audit Committee and CEO. YMCA representatives are expected to cooperate fully with investigations of Misconduct and can do so without fear of retaliation. Upon determination that a violation has occurred, appropriate action will be taken including disciplinary action, up to and including dismissal, where appropriate, referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

Additional Responsibilities of Supervisors

Supervisors, when made aware of such potential acts by subordinates, must immediately report such acts to the Vice President of Human Resources & Leadership Development. 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, under any circumstances, perform any investigative or other follow up steps on their own. All relevant matters, including suspected but unproved matters, should be referred immediately to the Vice President of Human Resources & Leadership Development.

All employees have a responsibility to report suspected violations. However, employees with supervisory responsibilities at any level have additional deterrence and detection duties. Specifically, personnel with supervisory or review responsibilities have three additional responsibilities.

- First, you must become aware of what can go wrong in your area of authority.
- Second, you must put into place and maintain effective monitoring, review, and control procedures designed to prevent acts of wrongdoing.
- Third, you must put into place and maintain effective monitoring, review, and control procedures designed to detect acts of wrongdoing promptly should prevention efforts fail.

Authority to carry out these three additional responsibilities is often delegated to subordinates. However, accountability for their effectiveness cannot be delegated and will remain with supervisors.

Assistance in effectively carrying out these additional responsibilities is available upon request through the Vice President of Human Resources & Leadership Development or Controller.

Responsibility and Authority for Follow-Up and Investigation

The Vice President of Human Resources & Leadership Development has the primary responsibility for all investigations involving the YMCA and may engage the assistance of others in conducting the investigation. Properly designated members of the investigative team will have:

- Free and unrestricted access to all YMCA records and premises.
- The authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets and other storage facilities (whether in electronic or other form) without the prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of investigative or related follow-up procedures.

All investigations of alleged wrongdoing will be conducted in accordance with applicable laws and YMCA procedures.

Reported Incident Follow-Up Procedure

Care must be taken in the follow-up of suspected Misconduct to avoid acting on incorrect or unsupported allegations, and to avoid making statements which could adversely affect the YMCA, an employee, or other parties.

Accordingly, the general procedures for follow-up and investigation of reported incidents are as follows:

1. Employees and others must immediately report all factual details of suspected violations.
2. The Vice President of Human Resources & Leadership Development has the responsibility for follow-up and, if appropriate, investigation of all reported incidents.

3. All records related to the reported incident will be retained.
4. Do not communicate with the suspected individuals or organizations about the matter under investigation, unless authorized by the Vice President of Human Resources & Leadership Development.
5. If the matter involves a member of the Board of Directors or Executive Management, the Chairman of the Audit Committee and CEO will be informed immediately.
6. All inquiries from an attorney or any other contacts from outside of the YMCA, including those from the law enforcement agencies or from the employee under investigation, should be referred to the Vice President of Human Resources & Leadership Development immediately.
7. All reported matters will be reported to the Audit Committee, including the results of the investigation and related actions taken.

Investigative or other follow-up activity will be carried out without regard to the suspected individual's position, level, or relationship with the YMCA.

Affirmation of Policy on Reporting Suspected Misconduct

Employees and members of the Board of Directors, upon beginning employment or service to the YMCA, will be issued a copy of this Policy and will be required to acknowledge, in writing, the acceptance of its terms as a condition of employment or service to the YMCA. Annually, full-time employees and members of the Board of Directors will be required to reaffirm, in writing, their commitment to the Policy. Other volunteers (upon beginning of service to the YMCA and thereafter annually) and part-time staff (annually) will be notified of the existence of the Policy, how it may be accessed, and the importance of their commitment to the Policy.

Questions or Clarifications Related to This Policy

All questions or other clarifications of this policy should be addressed to the YMCA's Vice President of Human Resources & Leadership Development.

Approvals: Audit Committee – April 16, 2008

Board of Directors - April 24, 2008

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My signature confirms that I have read the YMCA of Greater Richmond's Policy on Reporting Suspected Misconduct and that I understand my responsibilities related to the reporting of suspected Misconduct. I further acknowledge that I am not aware of any activity that would require disclosure under this or other existing policy of the YMCA of Greater Richmond.

Signature: _____

Printed Name: _____

Date Signed: _____