



Whistleblower Policy and Procedures

Amended through December 7, 2010

General

The Council on Foundations (Council) is committed to lawful and ethical behavior in all of its activities and requires directors, volunteers, employees to act in accordance with all applicable laws, regulations and policies and to observe high standards of business and personal ethics in the conduct of their duties and responsibilities.

The objectives of the Council's Whistleblower Policy are to establish policies and procedures to: prevent or detect and correct improper activities, encourage each Council director, officer, employee and volunteer (Reporting Individual) to report what he or she in good faith believes to be a material violation of law or policy or questionable accounting or auditing matter by the Council, ensure the receipt, documentation, retention of records, and resolution of reports received under this policy, and protect Reporting Individuals from retaliatory action.

Reporting Responsibility

Each Reporting Individual has an obligation to report what he or she believes is a material violation of law or policy or any questionable accounting or auditing matter by the Council, its officers, directors, employees, volunteers, agents or other representatives. Reporters must also notify the Council if an action needs to be taken in order for the Council to be in compliance with law or policy or with generally accepted accounting practices. The types of concerns that should be reported include, for purposes of illustration and without being limited to, the following:

- ✓ providing false or misleading information on the Council's financial documents, grant reports, tax returns or other public documents;
- ✓ providing false information to or withholding material information from the Council's auditors, accountants, lawyers, directors or other representatives responsible for ensuring Council compliance with fiscal and legal responsibilities;
- ✓ embezzlement, private benefit, or misappropriation of funds;
- ✓ material violation of Council policy, including among others, confidentiality, conflict of interest, whistleblower, ethics and document retention;
- ✓ discrimination based on race, gender, sexual orientation, ethnicity, and disability;
- ✓ facilitation or concealing any of the above or similar actions

Reporting Concerns

Employees

Whenever possible, employees should seek to resolve concerns by reporting issues directly to his/her manager or to the next level of management as needed until matters are satisfactorily resolved. However, if for any reason an employee is not comfortable speaking to a manager or does not believe the issue is being properly addressed, the

Reporting Options for Employees

- Employee's Manager (preferred)
- Next level of Management (preferred)
- Director of Human Resources
- General Counsel
- President/CEO
- Audit Committee Chair (financial issues)
- Governance Chair (non-financial issues)

employee may contact the director of Human Resources, the general counsel, or the president/CEO. If an employee does not believe that these channels of communication can or should be used to express his/her concerns, an employee may contact the chair of the Council's Audit Committee for financial matters and the chair of the Council's Governance Committee for non-financial matters. If a report involves financial and non-financial aspects, reporting may be to either committee chair. Whenever practical, reports should be in writing.

Directors and Other Volunteers

Directors and other volunteers may submit concerns to the president/CEO, directly to the chair of the Audit Committee for financial matters or directly to the chair of the Governance Committee for non-financial matters. If a report involves financial and non-financial aspects, reporting may be to either committee chair. If the volunteer or director is not comfortable reporting to any of these individuals or if he/she does not believe the issue is being properly addressed, the volunteer or director may report directly to the board chair. Whenever practical, reports should be in writing.

Reporting Options for Directors/Volunteers

- President/CEO
- Audit Committee Chair (financial issues)
- Governance Chair (non-financial issues)
- Board Chair

Contact Information

Contact information for the president/CEO, general counsel, chair of the Audit Committee, chair of the Governance Committee and board chair may be obtained from the Council's website (www.cof.org) or by calling the Council at 703/879-0600. Concerns may be submitted anonymously. Because it is impossible to seek additional information from a Reporting Individual about anonymous reports, it is essential that such reports contain as much specific information as possible.

Handling of Reported Violations

The Council will investigate all reports filed in accordance with this policy with due care and promptness.

Reports by Employees

Matters reported by employees without initial resolution will be investigated by the president/CEO of the Council to determine if the allegations are true, whether the issue is material and what actions, if any, are necessary to correct the problem. However, the president/CEO shall notify the board chair of any such investigation. After the conclusion of the investigation, Council staff will issue a full report of all financial matters raised under this policy to the Audit Committee and all non-financial matters to the Governance Committee. In situations involving both financial and non-financial matters a complete report of all matters may be provided to both committees. The Audit Committee and/or Governance Committee may conduct a further investigation upon receiving the report from the president/CEO. Upon the conclusion of any investigation or decision not to further investigate, the Audit or Governance Committee shall promptly report its findings to the Executive Committee. For matters reported directly to the Audit Committee chair or the Governance Committee chair, the respective committee chair shall promptly (generally within ten business days) acknowledge receipt of the complaint to the complainant if the identity of the complainant is known and the respective committee shall conduct an investigation to determine if the allegations are true and whether the

issue is material and what, if any, corrective action should be taken. Upon the conclusion of any investigation, the Audit or Governance Committee shall promptly report its findings to the Executive Committee.

Reports from Directors and Volunteers

For matters reported directly to the board chair or reported from external sources to the president/CEO, the board chair or president/CEO shall assign financial matters to the Audit Committee and non-financial matters to the Governance Committee. The respective committee chair shall promptly (generally within ten business days) acknowledge receipt of the complaint to the complainant if the identity of the complainant is known and proceed with an investigation and reporting as described in the preceding paragraph.

In any situation where a complaint containing both financial and non-financial information is referred to both the Governance Committee and the Audit Committee, the chairs of the two committees may determine whether the Governance Committee will investigate only the non-financial complaints and the Audit Committee will investigate only the financial complaints or whether one committee will investigate all issues. In the case where both committees investigate, information and resources may be shared between the committees.

Authority of Audit and Governance Committees

The Audit and Governance Committees shall have full authority to investigate concerns raised in accordance with this policy and may retain outside legal counsel, accountants, private investigators, or any other resource that the Committee reasonably believes is necessary to conduct a full and complete investigation of the allegations.

No Retaliation

This Whistleblower Policy is intended to encourage and enable directors, volunteers, and employees to raise serious concerns within the organization for investigation and appropriate action. With this goal in mind, no director, volunteer, or employee who, in good faith, reports a Concern shall be threatened, discriminated against or otherwise subject to retaliation or, in the case of an employee, adverse employment consequences as a result of such report. Moreover, a volunteer or employee who retaliates against someone who has reported a concern in good faith is subject to discipline up to and including dismissal from the volunteer position or termination of employment.

Acting in Good Faith

Anyone reporting a Concern must act in good faith and have reasonable grounds for believing the matter raised is a serious violation of law or policy or a material accounting or auditing matter. The act of making allegations that prove to be unsubstantiated, and that prove to have been made maliciously, recklessly, with gross negligence, or with the foreknowledge that the allegations are false, will be viewed as a serious disciplinary offense and may result in discipline, up to and including dismissal from the volunteer position or termination of employment. Depending on the circumstances, such conduct may also give rise to other actions, including civil or criminal lawsuits.

Confidentiality

Reports of Concerns, and investigations pertaining thereto, shall be kept confidential to the extent possible. However, consistent with the need to conduct an adequate investigation, the Council cannot guarantee complete confidentiality. Disclosure of information relating to an investigation under this policy by Council staff, directors, or others involved with the investigation of Concerns to individuals not involved in the investigation will be viewed as a serious disciplinary offense and, with respect to Council employees, may result in discipline, up to and including termination of employment. Depending on the circumstances, such conduct may also give rise to other actions, including civil or criminal lawsuits.

Conflicts of Interest

If the complaint involves a member of an investigating committee, Executive Committee, the president and CEO, general counsel and/or the board chair, the involved individual(s) will not be permitted to participate in the consideration of the complaint or the determination of what, if any, action needs to occur with regard to the complaint. If such involvement excludes the majority of a committee from participating in the process, the investigation will be assigned by the board chair to another board committee without similar conflicts. In the event that the board chair has a conflict of interest, the investigation will be assigned by the next individual on the following list without a conflict of interest: governance committee chair, audit chair or president and CEO.