

Hebrew Free Loan Society Whistleblower Protection Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics, the Hebrew Free Loan Society (“HFLS”) will investigate any suspected (i) fraudulent or dishonest use or misuse of HFLS resources or property, (ii) illegality or (iii) violation of any adopted policy of HFLS, in each case whether by staff, board members, consultants, or volunteers (“fraudulent or dishonest conduct”).

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.

Reporting

A person’s good faith concerns about possible fraudulent or dishonest conduct 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 executive director. If the concern about possible fraudulent or dishonest conduct involves the executive director, the person should report the concern to the HFLS Board President. 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, as appropriate.

Definitions

Baseless Allegations

Allegations made with reckless disregard for their truth or falsity.

Whistleblower

An employee, consultant, or volunteer who informs a supervisor, the executive director, or the Board President, as appropriate in accordance with this policy, about an activity relating to HFLS which that person believes in good faith to be fraudulent or dishonest conduct.

Rights and Responsibilities

Supervisors

Supervisors are required to report suspected fraudulent or dishonest conduct to the executive director. If the concern about possible fraudulent or dishonest conduct involves the executive director, the supervisor should report the concern to the HFLS Board President. Reasonable care should be taken in dealing with suspected fraudulent or dishonest conduct 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. 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 executive director or Board President, as appropriate; and
- Should not report the case to an authorized law enforcement officer without first discussing the case with the executive director or Board President, as appropriate.

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. Individuals making baseless allegations may be subject to disciplinary action by HFLS, and/or legal claims by individuals accused of such conduct.

Whistleblower Protection

HFLS will protect whistleblowers as defined below:

- HFLS will not retaliate against whistleblowers. Whistleblowing 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 HFLS 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 HFLS may not retaliate against a whistleblower for informing management about an activity which that person believes in good faith to be fraudulent or dishonest conduct 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 executive director or Board President, as appropriate. 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).

Administration

The Director of Finance and Administration shall administer this Policy and report to the Audit Committee as to its operation and implementation.