

Whistle-Blower Policy

Approved 6-7-08

Purpose

Earlham College expects all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The College's internal controls and operating procedures are intended to detect and prevent or deter improper activities. However, even the best systems of control cannot provide absolute safeguards against irregularities.

This policy establishes a procedure for Earlham College employees to report activity that the employee reasonably believes to be illegal, fraudulent, or dishonest conduct involving the College's financial or business affairs. It furthermore prohibits retaliation against employees who in good faith make such reports.

Fraudulent or Dishonest Conduct

Employees who report concerns about improper activities are not expected to be experts on either the law or College policies. However, the following activities are examples of the kind of conduct this policy is meant to address: violations of federal, state, or local laws; billing for services not performed or goods not received; falsification of time records; giving or receiving kickbacks; forgery or alteration of documents; fraudulent financial reporting; unauthorized alteration or manipulation of computer files; or any misappropriation or misuse of the College's resources. Such activity may also involve outside persons or firms doing business with the College.

Filing a Report

Normally, a report by a College employee of suspected fraudulent or dishonest conduct should be made to the reporting employee's immediate supervisor or to any appropriate supervisor within that operating unit. However, such reports may also be made to any Dean or Vice President or directly to the President. When the alleged improper activities involve a Dean, a Vice President or the President, such reports should be made to the Chair of the Audit Committee of the Board of Trustees. In any case, an employee may always elect to report directly to the Chair of the Audit Committee. Individuals wishing to report suspected fraudulent or dishonest conduct to the Chair of the Audit Committee may contact that individual directly or may send a sealed enveloped addressed to Audit Committee Chair, Earlham College Board of Trustees, c/o President's Office, 801 National Road West, Richmond, IN 47374. Sealed envelopes will be delivered intact to the Chair of the Audit Committee.

The employee is encouraged to report his or her concerns in writing. The disclosure should be factual and contain as much specific information as possible. If an employee is unwilling or unable to put a disclosure in writing, he or she can report the activity verbally to the appropriate College official. That official will then prepare a written summary of the individual's disclosure and provide a copy to the individual to verify its accuracy and completeness.

All allegations will be investigated by the appropriate College official. Legal counsel may be obtained as needed. All College employees are expected to cooperate fully in the investigation of the allegations. The appropriate corrective action will be administered if the investigation finds that improper activity did indeed occur.

False Allegations

A report made under this policy can have considerable impact on the personal and professional lives of those charged both during the investigation and long term. An employee shall not intentionally misuse the College's Whistle-Blower Policy and procedures. Intentional misuse includes, but is not limited to, frivolous claims, attempts to treat a personal grievance or personnel dispute as an allegation of wrongdoing, lack of good faith in invoking the policy or any known false, malicious or misleading statements made at any time under the procedures of this policy. Any employee who intentionally misuses the Whistle-Blower reporting procedures is subject to discipline up to and including termination.

Confidentiality

Confidentiality of the employee making a report will be maintained to the extent practicable within the limitation of the law, College policy and the legitimate needs of the investigation. Employees submitting a report should be aware that their public testimony might be needed to prove a case against the suspected employee.

If an employee self-discloses, outside the official investigation process, his or her identity as the individual who filed a report, then the College's duty to endeavor to keep that individual's name confidential ceases entirely.

Although an employee's report may possess merit, comments made to others regarding another employee could constitute defamation, invasions of privacy, or other grounds for civil liability. Employees should not discuss allegations outside of the reporting and investigation process. Only employees whose direct involvement in the investigation is required should be informed that it is taking place.

Employees may choose to report a concern anonymously. However, if such reports do not provide sufficient corroborating evidence, no investigation will commence. Because investigators are unable to question anonymous reporters, it may be more difficult to evaluate the credibility of the allegations and therefore an investigation is less likely to be undertaken.

Protection from Retaliation

An employee who in good faith reports a suspected violation of law or College policy shall not suffer harassment, retaliation or adverse employment consequences from other employees or the College. An employee who retaliates against someone who has reported a suspected violation in good faith is subject to discipline.