

## **BUSINESS ETHICS POLICY**

### **I. PURPOSE**

- To state organizational policy for business conduct which shall be applicable to all employees and directors of the board (hereafter “directors”) of United Way of Metropolitan Chicago, spouses, and close family members of all officers and employees. This policy is also applicable to the following board and other key committees of the organization:
  - Executive
  - Chicago Council
  - Nominating
  - Finance
  - Audit
  - Member Advisory
  - Endowment
  - Diversity

All of the above will be collectively referred to as “the UWMC organizational membership”.

- To establish the practice that the UWMC organizational membership will be required, annually or otherwise, to answer and sign a questionnaire disavowing any exceptions to the organization’s business ethics policy.

### **II. CODE OF BUSINESS ETHICS**

#### **A. Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is the foundation on which United Way’s ethical standards are built. All of the UWMC organizational membership must respect and obey the laws of the jurisdictions in which we operate. Although not everyone is expected to know the details of each and every law that governs our organization, it is important to know enough to determine when to seek advice from supervisors and managers.

#### **B. Conflict of Interest**

The UWMC organizational membership is expressly prohibited from participating in any outside business venture for financial gain or otherwise that conflicts with the organization’s on-going or proposed activities. Conflicts can result from dealings with agencies, suppliers, and other individuals and organizations with which United Way conducts business or negotiates agreements and contracts.

- 1) Except for unpaid volunteers<sup>1</sup>, you cannot work for an AGENCY<sup>2</sup>, SUPPLIER<sup>2</sup> or service organization or engage in outside profit-making activities in any area of enterprise in which the organization operates.
- 2) Employees cannot represent any outside commercial interest during normal business hours or while traveling on UWMC business.
- 3) You cannot lend money to, or borrow money from, organizations and individuals affiliated with organizations with whom UWMC conducts business.
- 4) You cannot engage in UWMC business with any firm in which a close relative has an executive position or a significant financial interest unless such transactions are approved in advance by an objective senior officer (president, chief operating officer, or staff ethics officer) and are reported in the conflict of interest questionnaire.
- 5) Business opportunities discovered through use of UWMC property, information or position cannot be diverted to personal gain or benefit.

#### C. Bribes, Kickbacks and Other Improper Payments

Bribes, kickbacks, and illegal payments to or from any individual with whom we do or hope to do business, in any form and for any purpose, are absolutely forbidden, under all circumstances. A supplier (but not an individual employee) legally can provide rebates to customers (but not to individual employees of customers) based on well-established business practices (such as volume discounts).

Other improper payments are expressly prohibited and include any of the following payments:

- 1) Not recorded in a fair manner on the books of the organization with the effect of disguising the true nature of the payments;
- 2) To or for the benefit of a federal, state or local government or its employees, officials or agents with the purpose of obtaining special benefit;
- 3) To any agent, representative, consultant or distributor with the understanding that all or a portion of such payments was to be used by the recipient to or for the benefit of any government or its employees, officials or agents with the purpose of obtaining special benefit;
- 4) To any person who is a government official for the purpose of inducing such official to fail to perform the official's governmental functions;
- 5) To any person holding office, political candidate, ballot issue, committee for a candidate or any other political committee, political party, or any person on their behalf;
- 6) Of any fees or commissions paid to consultants or agents which substantially exceed a reasonable rate for such services;

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<sup>1</sup> Volunteers include members of the board of directors and committees listed in Section I

<sup>2</sup> An AGENCY is defined as an organization receiving funding from UWMC; a SUPPLIER is defined as any entity providing goods or services to UWMC for payment or other similar exchange.

- 7) For entertainment expenses which have benefited, directly or indirectly, government officials or employees.

D. Misappropriation or Disregard of Donor, Employee, Customer or Customer Employee Private Data

It is critical that the UWMC organizational membership respect the private and personal data of UWMC employees, donors, customers and customer employees. Our relationships and services often require us to obtain personal and private data for transacting our business and serving others. Such information includes, but is not limited to, credit card and banking information, addresses, social security numbers, wage, garnishment and other employee payment data.

Due care is to be taken at all times to properly protect such information from leaving the control of the organization. Sale, misappropriation or abandonment of such information is expressly prohibited.

E. Personal Use of United Way Property

United Way property may not be used for personal reasons.

F. Accounting Practices

"Off-book" accounting or similar practices are strictly prohibited. All assets, liabilities, receipts and disbursements must be promptly and accurately entered on the regular books and records of the organization in accordance with generally accepted accounting principles (GAAP); the supporting documentation is to reflect the actual amounts paid or received. Entries are to be so clear as to be self-explanatory to management and to outside auditors. No false or fictitious entries are permitted. No fund or account can be established to facilitate illegal or improper payments. Circumvention of established internal controls is prohibited without the prior written approval of the chief accounting officer.

G. Expense Account Vouchers

The only proper and authorized use for expense account vouchers is for the reimbursement of legitimate business expenses in accordance with the organization's Travel and Expense Policy. Except for very small sums (under \$25), all expenses must be supported by receipts and other documentation.

H. Providing Entertainment

Business-related entertainment in a non-business environment (restaurant, hotel, etc.) can be useful, desirable and a perfectly ethical practice if it is not excessive. You may provide entertainment at United Way's expense if it is authorized in advance, job-related, not overly lavish, and will not place the recipient in a potentially awkward situation with his/her employer or the public. Entertainment of government officials and employees is an area of very great sensitivity and in some instances may be illegal. No entertainment of government officials or employees is to be done without prior approval of a senior officer.

I. Accepting Entertainment

Accepting entertainment is permissible if it is clearly job-related and not overly lavish. Not permitted, however, is the use of supplier/donor-owned homes, boats, or

comparable facilities for holiday or other leisure time use. Overnight and/or illicit activities are not permitted under any circumstances.

J. Receiving Gifts

Receiving gifts from individuals with whom you are involved in existing or potential business relationships is discouraged, particularly if the gift is of more than nominal value (above \$25) or consumable. Gifts should never be solicited. Accepting anything more than a nominal gift - no matter how well-intentioned the donor, and no matter whether in a business or personal setting - could conceivably be construed as an attempt to "compromise" your judgment in future business decisions or to "reward" past ones. If you are in doubt as to whether or not a gift is inappropriate, check with the chief accounting officer or human resources director before accepting. It is each employee's responsibility to communicate the organization's policy on business-related gift giving to a vendors or a potential vendor when circumstances arise.

K. Receiving Prizes

The guidelines for receiving gifts (in J. above) are also generally applicable to prizes above a nominal value awarded by suppliers. Keeping a prize is acceptable only if you win it in an open and strictly competitive contest, for example, a golf tournament.

K. Giving Gifts

Giving business-related gifts is governed by the same general guidelines as those for accepting gifts - only in reverse. Check the potential recipient's company policy before giving any gift worth more than a nominal value (for this purpose, \$25).

L. Political Contributions and Activity

The use of United Way funds or other assets for contributions to federal political candidates and campaigns is absolutely forbidden. It makes no difference how much money is involved, or whether the contribution is made through direct or indirect channels (donors, suppliers, consultants, etc.).

Organizational funds may be used for contributions to state political candidates and campaigns, but only in limited circumstances and must be approved in writing by the president prior to payment. The funds must be specifically designated for in-state use and may not be commingled with a state campaign fund for a federal political candidate.

United Way does not wish to discourage employees from seeking political office or from supporting political candidates and causes of their choice, so long as such activities are conducted on the employee's own time. Nor does the organization wish to discourage employees from making political contributions from their own personal funds, if they choose to do so. When engaging in political activities or making contributions, it is important to avoid any appearance that such activity is by or on behalf of UWMC.

M. Theft, Misappropriation or Destruction of United Way Property

All such activity is prohibited including theft or destruction of confidential information.

N. Discrimination and Harassment

The diversity of United Way employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment of any kind. Examples include derogatory comments based on age, race, religion, sex, ethnic or other characteristics as well as unwelcome sexual misconduct. Please refer to the organization's Workplace Harassment Policy.

O. Health and Safety

United Way strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following appropriate safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees are to report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol.

P. Records/Communications

Business records and communications often become public; accordingly, avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos and formal reports. Records should always be retained or destroyed according to the organization's record retention and destruction policies. In accordance with those policies, in the event of litigation or governmental investigation, you must consult United Way's legal resources.

Q. Other

We wholeheartedly encourage you to ask questions if any of the policies for business conduct are not clear to you. Also, you must bring to the attention of your immediate supervisor or senior management any other concerns or questions you have with respect to appropriate business conduct, or any knowledge you may have of a violation of this policy. If appropriate action is not taken, it is necessary that you bring the matter to the attention of senior management.

### **III. CERTIFICATION PROCEDURE**

- A. This policy statement shall be brought to the attention of the UWMC organizational membership as described in Section I.
- B. Each member of the UWMC organizational membership is annually required to complete, sign and forward responses to a compliance questionnaire addressed to the president.
- C. Each member required to sign the statement must also be furnished a copy of this policy or have access to a prominently displayed copy. Adequate distribution of the policy entails any or all of the following means: on-line access via the organization's internet, intranet or e-mail, paper copies on display in group gathering areas, and inclusion in the organization's employee or other handbooks.

- D. The Staff Ethics Officer will establish procedures to administer the circularization process. Additionally, this individual will summarize the results of the annual certification procedure and report the results to the board of directors in September of each year.

#### **IV. REPORTING ILLEGAL OR UNETHICAL BEHAVIOR**

- A. In addition to the Certification Procedure above, all employees are required to promptly report to supervisors, managers or other appropriate personnel, including organization officers, any observed illegal or unethical behavior and to seek advice when in doubt about a particular situation.
- B. Employees may file a report with EthicsPoint, an anonymous-source facilitator; reports may be filed confidentially and/or anonymously at EthicsPoint.com or by phoning 888-353-5703 or by writing to United Way of Metropolitan Chicago.
- C. All reports will be brought to the attention of the Staff Ethics Officer and Chief accounting officer and the Senior Team; excluded will be any one of this group that is implicated. The Staff Ethics Officer (or alternatively the CEO and COO) will determine the proper path of resolution for all reports made. The following reports will be brought to the attention of the Audit Committee:
- 1) All financial matters; and
  - 2) All other matters involving senior executives or members of the finance department.
- D. In appropriate circumstances, reports may be referred to an outside facilitator for feedback to the individual filing the complaint. Instructions for filing reports with EthicsPoint are available on-line or from the Staff Ethics Officer or chief accounting officer.

#### **V. WHISTLEBLOWER PROTECTION**

- A. A “whistleblower” as defined by this policy is any employee of United Way of Metropolitan Chicago who reports an activity that he/she considers to be illegal or dishonest to one or more of the parties specified in this policy.
- B. Illegal or dishonest activities are violations of federal, state or local laws including any fraudulent or financial wrongdoing. Financial wrongdoing may include, but is not limited to:
- Questionable accounting practices
  - Fraud or deliberate error in financial statements or recordkeeping
  - Deficiencies of internal accounting controls
  - Misrepresentations to UWMC officers or the accounting department (including deviation from full reporting of financial conditions)
- C. UWMC prides itself on its adherence to all federal, state and local laws/regulations and good business ethics. Therefore, employees are encouraged to report in good faith what he/she believes to be violation of the law with respect to financial wrongdoing to the organization or a concern of illegal, dishonest, fraudulent activity.

Such matters are to be brought to the attention of the Staff Ethics Officer, chief accounting officer, the President and/or a member of the UWMC Senior Team, its Board of Directors, or Executive or Audit committees without fear of retaliation.

- D. Confidential, anonymous complaints submitted to one of the above-named parties should describe the matter in as much detail as possible.
- E. All complaints/concerns reported will be treated in confidence insofar as the organization's duty to investigate and the law allows. If the confidentiality cannot be maintained, the employee disclosing the possible violation will be notified.
- F. UWMC management will see to the prompt and fair resolution of all reported complaints/concerns and if needed, take appropriate corrective action based upon organizational policies. An employee's refusal to cooperate with an investigation shall be subject to immediate disciplinary action up to and including termination.
- G. Any employee of UWMC who takes retaliatory action against a whistleblower who in good faith registers a complaint or concern, including, but not limited to termination, suspension, compensation decreases, poor work assignments, threats or harassment will be in violation of this policy and subject to immediate disciplinary action up to and including termination.

**UWMC EXPRESSLY PROHIBITS RETALIATION FOR REPORTS BY EMPLOYEES MADE IN GOOD FAITH OF MISCONDUCT OR VIOLATIONS OF THIS CODE BY OTHERS.**

United Way of Metropolitan Chicago

Attention: \_\_\_\_\_, President

This acknowledges that I have received and read and understand United Way's policy statements titled "Business Ethics Policy" (SP 1.2).

It is fully understood by me that the information contained in this letter and set forth in the questionnaire is designed to assist the organization in determining the nature and extent of any outside interest I may have which might possibly involve a conflict of interest with the affairs of the organization and any other exceptions to the organization's policy for business conduct.

I am aware of no situations that conflict with the policy other than those stated in my responses to the questionnaire (attached or on the reverse side of this letter). I will advise you of any situations that may arise in the future, and will obtain prior approval before engaging in any matters which may conflict with the policy.

This also acknowledges that I do not engage in any outside activities that could conflict with the performance of United Way duties on a full-time basis.

*(after completing the related questionnaire, please sign and complete below)*

_____ Name of employee/volunteer (print)	_____ Signature
_____ Title	_____ Metro or Member Location
_____ Date	_____ Department



United Way of Metropolitan Chicago  
Business Conduct Questionnaire

(Circle response and attach signed explanation of all "yes" answers.)

- A. Are you now, or in the past twelve months have you been:
1. **personally**, either a stockholder, director, officer, creditor, debtor, partner or proprietor of any SUPPLIER or AGENCY, or do you have or have you had any other direct or indirect financial interest in any such SUPPLIER or AGENCY?  
Yes No
  2. **as a trustee**, either a stockholder, security holder, creditor, debtor, partner, or proprietor of any SUPPLIER or AGENCY or do you have or have you had any other direct or indirect financial interests in any such SUPPLIER or AGENCY?  
Yes No
  3. **as a beneficiary of a trust**, any direct or indirect financial interest in any SUPPLIER or AGENCY?  
Yes No
- B. To your knowledge, would any of the answers called for in questions A be in the affirmative if applied to your spouse, any child of yourself, or any other person related to you or your spouse by blood, marriage or adoption?  
Yes No
- C. To your knowledge, do you or your spouse or any child of yourself, or any other person related to you or your spouse by blood, marriage or adoption, now have or possess in the past twelve months any other financial interest in or relationship with any SUPPLIER or AGENCY?  
Yes No
- D. During the past twelve months, have you or your spouse, or any child of yourself, or any other person related to you or your spouse by blood, marriage or adoption, to your knowledge, received from any SUPPLIER or AGENCY of the organization any commissions, fees, compensation of any kind, loans, advances, gifts of money, free services, or any other gifts or benefits? (Note: "Other gifts or benefits" having an aggregate value of less than \$25 given to you in any one year by a single SUPPLIER or AGENCY need not be included in your answer.)  
Yes No
- E. Do you have knowledge of any so called "improper payments" made directly or indirectly by or on behalf of the organization during the last twelve months?  
Yes No
- F. Are you aware of any theft or misappropriation of cash, private or confidential data or other assets, any "off-book" or other accounting irregularities, or failure to disclose to United Way officers any significant risk that could adversely affect the organization or its business?  
Yes No
- G. Are you aware of any other conflicts to or violations of the Business Ethics Policy established by the organization or are you in violation of any provision of the policy?  
Yes No