

NORTHWOOD UNIVERSITY EMPLOYEE HANDBOOK

Allegations of Suspected Improper or Unlawful Activities (Whistleblower Policy)

Northwood University requires all employees to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The University is committed to conducting its affairs in full compliance with the law and with its own policies and procedures.

The University has developed and implemented internal controls and procedures that are intended to detect and prevent or deter improper activities. There may, nonetheless, be both intentional and unintentional violations of laws, regulations, policies and procedures. The University has a responsibility to investigate and, where appropriate, report allegations of suspected improper conduct.

This policy governs reporting and investigations of allegations of suspected improper conduct. The University encourages employees, students and others to use the guidance set forth in this policy to report any and all allegations of suspected improper conduct on a timely basis.

This Policy provides for confidentiality, and confirms that any person who makes a good faith report of suspected improper conduct or who participates in the investigations of such a report will be protected from retaliation by the University or anyone within its control.

It is not intended that this policy alter in any fundamental aspect the responsibility for conducting investigations, but to provide guidance on how reports of suspected misconduct can be made. Individual employee grievances and complaints concerning terms and conditions of employment will continue to be reviewed in accordance with applicable academic and human resources policies and collective bargaining agreements.

Any allegations of improper conduct that may result in disciplinary action against an employee shall be coordinated with the applicable policies. In all cases, the University shall exercise its discretion in determining when circumstances warrant investigation and, in compliance with this policy, the appropriate investigative process to be employed.

This policy is intended to supplement the requirements of the whistleblower protection laws applicable to the University's operations. In the event of any inconsistency between the terms of this policy and applicable law, applicable law shall control.

I. DEFINITIONS

For purposes of this policy the following terms shall have these meanings:

- A. **University Resources:** shall include, but not be limited to the following, whether owned by or under the management or control of the University:
- Cash and other assets, tangible or intangible, real or personal property;
 - Receivables and other rights or claims against third parties;
 - Intellectual property rights;
 - Facilities and the rights to use University facilities;
 - Northwood University 's name, associated symbols, logos or service marks; and University records, including student records.
- B. **Improper Conduct:** any action or activity by an employee that is undertaken in the performance of the employee's official duties or with the appearance or

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representation that it is undertaken in the performance of official duties, whether or not the action or activity is within the scope of his or her employment, and that: (1) is in violation of any federal or state law or regulation, including, but not limited to, corruption, malfeasance, bribery, theft, fraudulent claims, fraud, or conversion; (2) misuse or misappropriation of University property or willful omission to perform duty or intentional violation of a University policy, procedure, rule or regulation that could result in significant harm to the University or its constituents; (3) involves gross misconduct, incompetence or inefficiency or creates for the University potential exposure to liability and financial irregularities; (4) suggests strongly that the action or activity is the result of a criminal act; (5) is a significant threat to the health or safety of members of the University community; (6) is an unauthorized invasion, alteration or manipulation of records and computer files; (7) is in pursuit of a benefit or advantage in violation of the University's Conflict of Interest Policy; (8) interference with a University investigation conducted in accordance with this policy, including the withholding, destruction or tampering with evidence or any effort to influence, coerce, intimidate or retaliate against Whistleblowers or witnesses; or (9) is determined by the President or Chief Financial Officer to be significantly detrimental to the best interests of the University.

- C. **Protected Disclosure:** any report, communication or other disclosure that may evidence Improper Conduct, if made in good faith for the purpose of correcting the conduct or while participating in an investigation of Improper Conduct.
- D. **Whistleblower:** the term for a person making a Protected Disclosure. The Whistleblower is a reporting party, not an investigator, fact finder or one who determines the corrective or remedial action.
- E. **Subject:** a person who is the focus of an investigation.
- F. **Investigators:** persons authorized by the University to conduct fact finding and analysis of cases of alleged improper conduct.

II. Reporting Allegations of Suspected Improper Conduct

Filing a Report

Any person may report allegations of suspected Improper Conduct. Knowledge or suspicion of Improper Conduct may originate from academic personnel, staff or administrators, students, auditors, law enforcement, regulatory agencies, customers, vendors, or other third parties.

Reports of suspected Improper Conduct should be made in writing (except for Compliance Hotline phone calls described below) to assure a clear understanding of the issues raised. Reports should focus on facts, and avoid speculations and drawing conclusions. Including as much specific information as possible will facilitate the evaluation of the nature, extent and urgency of preliminary

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investigative procedures.

Employees of the University are encouraged report allegations of Improper Conduct to the employee's immediate supervisor or other appropriate administrator or manager within the department. However, if an employee believes there is a potential conflict of interest or does not feel comfortable reporting suspected Improper Conduct to one of these individuals within their department or is not satisfied with the response they receive, the employee should report the suspected Improper Conduct to someone in the Human Resources Department or any of the University's Officers whom they are comfortable in approaching. For suspected fraud or other violation of law or University policy of a financial nature, or when the employee is not satisfied or uncomfortable with the process above, individuals should contact the Director of Human Resources directly.

The University recommends that persons who are not employees of the University make reports to the Director of Human Resources. Such reports may be made to another University official whom the reporting person may reasonably expect to have either responsibility over the affected area or the authority to review the alleged Improper Conduct on behalf of the University.

Situations may exist where an employee or other member of the University's community feels uncomfortable reporting an allegation of Improper Conduct directly to any University official. To assist with these particular situations, the University has an agreement with a third party reporting provider, EthicsPoint, Inc, to maintain a Northwood University internet and call center Compliance Hotline for any person to report, either on an identified or anonymous basis, suspected Improper Conduct by a University employee. Any person may access this reporting option on the internet by clicking on the Northwood University/EthicsPoint Compliance Hotline link under the compliance button within the HR Org. tab or by going directly to:

<https://secure.ethicspoint.com/domain/media/en/gui/22907/index.html>

Access is also available by dialing toll-free 1-866-297-9281.

Any anonymous reports of Improper Conduct must include sufficient corroborating evidence to justify initiating an investigation.

III. Disposition of Reports Alleging Improper Conduct

Managers, administrators and employees in supervisory roles who receive a report alleging Improper Conduct are required to promptly provide a copy of the report to the Director of Human Resources. Such supervisors are charged with exercising appropriate judgment in determining which matters can be reviewed under their authority or referred to a higher level of management or to the Director of Human Resources. The supervisor must document in writing what actions were taken regarding the reported alleged Improper Conduct and provide the Director of Human Resources with this documentation.

The Director of Human Resources will determine how reports of alleged Improper Conduct submitted directly to them or referred to them from another source will be administrated.

In the event that any person with a reporting obligation believes that there is a conflict of interest on the part of the person to whom the allegations of suspected

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	<p>Improper Conduct are to be reported, the next higher level of authority shall receive the report.</p> <p>IV. Confidentiality</p> <p>Whistleblowers frequently make their reports in confidence. To the extent possible within the limitations of law and policy and the need to conduct a competent investigation, confidentiality shall be maintained. Whistleblowers should be cautioned that their identity may become known for reasons beyond the control of the investigators or University administrators. Whistleblowers should be prepared to be interviewed by the investigator. If there is a self-disclosure, the University is no longer obligated to maintain confidentiality.</p> <p>The identity of the subject(s) of the investigation shall be maintained in confidence subject to the same limitations.</p> <p>V. Time Limits to Report</p> <p>The allegation of suspected improper conduct must be reported as soon as possible and no later than one (1) year after the event(s) giving rise to the allegation, unless there is good cause to explain the delay.</p> <p>VI. Investigating Alleged Improper Conduct</p> <p>A number of units within the University have responsibility for routinely conducting investigations of certain types of allegations of Improper Conduct and have resources and expertise to apply to such purposes. These units include Human Resources, Finance, Security, and the President's Office. In addition, other University parties may become involved in investigations of matters based on their area of responsibility or expertise, for example, risk management, and academic affairs.</p> <p>The Director of Human Resources shall coordinate the investigation and will enlist the efforts of the appropriate unit within the University to conduct the investigation or may solicit investigative services outside of the University. In addition, the Director of Human Resources shall:</p> <ul style="list-style-type: none">• Assure that all reports of Improper Conduct are reviewed and addressed in a timely manner• Assure that adequate documentation of all reports of Improper Conduct is maintained• assure that all appropriate reporting occurs to the Office of the President, funding and regulatory agencies, Whistleblowers, and others, as necessary;• when required, determine in consultation with the administrators of the affected area the nature and timing of communications regarding allegation of improper conduct to a funding entity or regulatory agency• assure that all appropriate administrative and senior officials are apprised of the allegations, as necessary;• assure that appropriate resources and expertise are allocated in order to effect a timely, comprehensive and objective investigation;• ensure that there are no conflicts of interest on the part of any party involved in specific investigative units;• monitor the progress of the investigation; and
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- coordinate and facilitate as an advisor in determining the corrective and remedial action to be taken. The appropriate University official shall determine the corrective and remedial action to be taken.

Each investigative unit shall conduct its investigation in accordance with applicable laws and established procedures within its discipline.

All University employees have a duty to cooperate with investigations conducted under this policy.

During an investigation an employee may be placed on administrative leave or investigative leave when it is determined that such a leave would serve the best interests of the employee, or the University or both and the granting of such leave is consistent with applicable personnel policies or collective bargaining agreements.

Investigative Responsibilities

Finance is responsible for investigations involving allegations concerning known or suspected misuse of University Resources, including fraud, financial irregularities and the financial consequences of other matters under investigation. If criminal activity is detected, consultation with Security will determine whether the police should be involved.

Security is responsible for investigations of known or suspected criminal acts within the campus environs. In cases involving criminal concerns, Security should work with the police in the investigation.

Procedures for investigations of personnel matters are established by Human Resources. The Office of the Chief Academic officer and campus Provost or Dean are responsible for investigations involving allegations of academic misconduct and student misconduct.

The Director of Human Resources will determine the appropriate individuals to be responsible for investigating reports of other types of alleged misconduct. In cases involving alleged Improper Conduct involving Officers or Trustees, the President and/or Chair of the Board of Trustees shall be responsible for investigating these reports, as appropriate.

VII. Roles, Rights and Responsibilities of Whistleblowers, Investigation, Participants, Subjects and Investigators

A. Whistleblowers

- Whistleblowers provide initial information related to good faith belief that there is improper conduct.
- Whistleblowers shall not obtain evidence to which they do not have a right of access. Whistleblowers are reporting parties, not investigators.
- Whistleblowers must be truthful and cooperative with the Director of Human Resources, investigators or others to whom they make a report of alleged improper conduct.
- Whistleblowers have a right to be informed of the disposition of their disclosure.

B. Investigation Participants

- Investigation participants have a duty to cooperate fully with the

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University investigators.

- Participants should not discuss or disclose the investigation or their testimony with third parties, including, without limitation, others who are reasonably likely to be investigation participants, as well as individuals not connected to the investigation. Under no circumstances shall a participant discuss with the investigation Subject or other witnesses the nature of the evidence requested or provided or the testimony given to the investigator unless agreed to by the investigator.
- The participants' confidentiality will be maintained to the extent possible within the legitimate needs of law and the investigation.
- Participants are entitled to protection from retaliation on account of their participation in an investigation to the extent that Participants cooperate in a truthful, cooperative and candid manner.

C. Investigation Subjects

- Subjects should be informed of the allegations at the outset of a formal investigation and have opportunities for input during the investigation.
- Subjects shall cooperate with investigators to the extent their cooperation will not undermine protection against self-incrimination under federal or state law.
- Subjects have the right to consult with person(s) of their choice, including an attorney.
- Subjects should understand that if the University's legal counsel is involved in the investigation, such counsel represents the University and not the Subject. Subjects shall not interfere with an investigation. They shall not withhold, destroy or tamper with evidence or influence, coerce or intimidate witnesses.
- The standard of evidence to sustain an allegation of Improper Conduct is a preponderance of the evidence.
- Subjects shall be informed of the outcome of the investigation.
- Any disciplinary or corrective action taken against the Subject resulting from an investigation under this policy shall conform to the applicable academic or personnel conduct and disciplinary procedures.

D. Investigators

- Investigators derive their authority and access rights from University policy.
- Investigators shall be reasonably competent to conduct the investigation.
- All investigators shall be independent and unbiased in fact and appearance. In addition, they have a duty to be fair, objective, thorough, ethical and observant of legal and professional standards.
- An investigation shall be undertaken if preliminary consideration establishes that: (a) the allegation, if true, constitutes Improper Conduct; and (b) the allegation is accompanied by information specific enough to be investigated, or (c) the allegation has or directly points to corroborating evidence capable of being pursued.

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	<p>III. Protection Against Retaliation</p> <p>Whistleblowers and others who make protected disclosures in good faith shall not be retaliated against in any manner, with the intent of adversely affecting the terms or conditions of employment or enrollment (including, but not limited to, threats or physical harm, loss of job, adverse or punitive work assignments or impact on salary or wages) and shall be protected from such retaliation by the University. This protection from retaliation is not intended to prohibit supervisors or administrators from taking action, including disciplinary action, in the usual scope of their duties and based upon valid performance-related factors. Whistleblowers and others who believe they are the subject of prohibited retaliation should promptly report such actions to the Director of Human Resources.</p> <p>IX. Sanctions for False Claims</p> <p>A Whistleblower who makes a claim under this policy in bad faith, or knows or has reason to know that such claim is false or materially inaccurate, shall be subject to disciplinary sanctions, including reprimand, suspension, demotion or, under appropriate circumstances, termination. In appropriate cases, the University may also impose a fine on the Whistleblower equal to the costs of conducting the investigation.</p> <p>X. Oversight of Finance and Audit Committee</p> <p>The administration of this policy is subject to the direct oversight of the Finance and Audit Committee of the Board of Trustees in carrying out its responsibility under the Articles of Incorporation and Bylaws of the University. The Finance and Audit Committee shall receive regular reports of all statements of alleged Improper Conduct submitted to a University official or registered with the internet and call center Compliance Hotline and the actions taken by the University in response to these submissions.</p> <p>XI. Status and Amendment of Policy</p> <p>The University reserves the right to amend this policy from time to time as the interests of the University may require. This policy is intended as guidance for the reporting and investigating of allegations of suspected of Improper Conduct. This policy does not create, nor should it be viewed as creating a contractual obligation between the University and any employee, students and other person.</p> <p>XII. Director of Human Resources</p> <p>Contact information:</p> <p>Pamela Christie Northwood University 4000 Whiting Dr. Midland, Michigan 48640 (989) 837-4212 christie@northwood.edu</p> <p>Additional Information: Inquiries regarding this policy should be referred to the Director of Human Resources as indicated above.</p>
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