

# Marmot Library Network

## Policy

### Document Destruction and Whistle-Blower/Code of Conduct

The Sarbanes-Oxley Act which was signed into law on July 30, 2002, was designed to add new governance standards for the corporate sector to rebuild public trust in publicly held companies. While the majority of this act deals directly with for profit corporations, two standards in the act, document destruction and whistle-blower protection, cover non-profit corporations.

#### Document Destruction Policy

Marmot Library Network acknowledges its responsibility to preserve information relating to litigation, audits and investigations. The Sarbanes-Oxley Act of July 30, 2002, makes it a crime to alter, cover up, falsify, or destroy any document to prevent its use in an official proceeding. Failure on the part of employees or members to follow this policy can result in possible civil and criminal sanctions against Marmot and its employees and possible disciplinary action against responsible individuals (up to and including termination of employment). Each employee has an obligation to contact the Executive Director and Board President of a potential or actual litigation, external audit, investigation or similar proceeding involving Marmot Library Network that may have an impact as well on the approved records retention schedule.

#### Whistle-Blower/Code of Conduct Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics, Marmot Library Network will investigate any suspected fraudulent or dishonest use or misuse of Marmot's resources or property by staff, board members, or consultants. Marmot is committed to maintaining the highest standards of conduct and ethical behavior and promotes a working environment that values respect, fairness and integrity. All staff and board members shall act with honesty, integrity and openness in all their dealings as representatives for the organization. Failure to follow these standards will result in disciplinary action including possible termination of employment or dismissal from one's board duties and possible civil or criminal prosecution if warranted.

Staff, board members, and consultants are encouraged to report suspected fraudulent or dishonest conduct (i.e. to act as "whistle-blower"), pursuant to the procedures set forth below.

#### **Reporting**

A person's concerns about possible fraudulent or dishonest use or misuse of resources or property should be reported to the Executive Director or Board President. If for any reason a person finds it difficult to report his or her concerns to the Executive Director, the person may report the concerns directly to the Business Manager or Finance Committee.

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.

## **Definitions**

Baseless Allegations: Allegations made with reckless disregard for their truth or falsity. People making such allegations may be subject to disciplinary action by Marmot, and/or legal claims by individuals accused of such conduct.

Fraudulent or Dishonest Conduct: A deliberate act or failure to act with the intention of obtaining an unauthorized benefit. Examples of such conduct include, but are not limited to:

- forgery or alteration of documents;
- unauthorized alteration or manipulation of computer files;
- fraudulent financial reporting;
- pursuit of a benefit or advantage in violation of Marmot's *Conflict of Interest Policy*;
- misappropriation or misuse of Marmot resources, such as funds, supplies, or other assets;
- authorizing or receiving compensation for goods not received or services not performed; and
- authorizing or receiving compensation for hours not worked

Whistle-Blower: An employee, consultant, or member who informs the Executive Director, the Board President, or the Finance Committee about an activity relating to Marmot Library Network, which that person believes to be fraudulent or dishonest.

## **Rights and Responsibilities**

### Executive Director, Board President, or Finance Committee

Employees and consultants are required to report suspected fraudulent or dishonest conduct to the Executive Director, Board President, or Finance Committee.

Reasonable care should be taken in dealing with suspected misconduct 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. Executive Director, Board President, and Finance Committee, 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, the above individuals who become 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, or Finance Committee

- should not report the case to an authorized law enforcement officer without first discussing the case with the Executive Director, Board President, or Finance Committee.

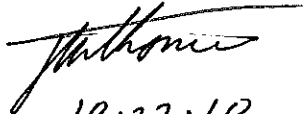
### Investigation

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 back to the reporting person. Investigations may warrant investigation by an independent person such as auditors and/or attorneys.

### Whistle-Blower Protection

Marmot Library Network will protect whistle-blowers as defined below.

- Marmot Library Network will use its best efforts to protect whistle-blowers against retaliation. Whistle-blowing complaints will be handled with sensitivity, discretion and confidentiality to the extent allowed by the circumstances and the law. Generally this means that whistle-blower complaints will only be shared with those who have a need to know so that Marmot 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 whistle-blower complaint, such persons may also have right to know the identity of the whistle-blower.)
- Employees and consultants of Marmot may not retaliate against a whistle-blower for informing management about an activity which that person believes to be fraudulent or dishonest with the intent or effect of adversely affecting the terms or conditions of the whistle-blower's employment, including but not limited to, threats of physical harm, loss of job, punitive work assignments, or impact on salary or fees. Whistle-blowers who believe that they have been retaliated against may file a written complaint with the Executive Director, Board President, or Finance Committee. 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 managers from taking action, including disciplinary action, in the usual scope of their duties and based on valid performance-related factors.
- Whistle-blowers must be cautious to avoid baseless allegations (as described earlier in the definitions section of this policy).



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