



## **BUSINESS CONDUCT POLICY**

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# **BUSINESS CONDUCT POLICY**

## **Practice of Ethical Behavior**

The Chamber will always conduct itself with due regard for the highest ethical standards. Unethical actions, or the appearance of unethical actions, are unacceptable. The policies and reputation of the Chamber depend to a very large extent on the following considerations.

Each Chamber representative (employee, volunteer, Board member) must apply his/her own sense of personal ethics, which should extend beyond mere compliance with applicable laws and regulations in business situations, to govern behavior where no explicit regulation provides a guideline. Each employee is responsible for applying common sense in business decisions where specific rules do not provide all the answers. The Chamber's ethical standards and financial policies apply to all contractors engaged by the Chamber.

In determining compliance with this standard in specific situations, representatives should ask themselves the following questions:

1. Is my action legal?
2. Is my action ethical?
3. Does my action comply with Chamber policy?
4. Am I sure my action does not appear inappropriate (i.e. perception of unethical)?
5. Am I sure that I would not be embarrassed or compromised if my action became known within Chamber or publicly?
6. Am I sure that my action meets my personal code of ethics and behavior?
7. Would I feel comfortable defending my actions on the 6 o'clock news?

Each Chamber representative should be able to answer "yes" to all of these questions before taking any action. Companies who enter into contracts and therefore become sub-contractors of Chamber will be considered Chamber representatives.

Each representative is accountable for the ethical business behavior of his/her subordinates. Managers and supervisors must carefully weigh all courses of action suggested in ethical, as well as in economic terms, and base their final decisions on the guidelines provided by this policy, as well as their own sense of right and wrong.

## **Compliance with Laws, Regulations, and Agency Chamber Policies**

The Chamber has a zero-tolerance policy for:

- The willful violation or circumvention of any federal, state, or local law by an employee during the course of that person's employment; and,
- The disregard or circumvention of the Chamber's policy or engagement in unethical dealings.

Chamber representatives should not attempt to accomplish by indirect means, through agents or intermediaries, that which would contravene the Chamber's ethical standards or its financial policies. The performance of all levels of the Chamber's representatives will be measured against these standards.

## **Anti-Corruption Policy**

The policy's goal is to prevent fraud and corruption in the Chamber's programs and projects and events, and in contracts at the local, national, regional and international levels. The policy affirms that:

For program and event activities:

Where it has determined, through an investigation performed by the Executive Board, or another competent entity, that fraudulent, corrupt, collusive or coercive actions have occurred in projects financed through any of the Chamber's programs, the Chamber shall enforce a zero tolerance policy and range of sanctions in accordance with the provisions of applicable regulations and legal instruments. 'Zero tolerance' means that the Chamber will pursue all allegations falling under the scope of this policy and that appropriate sanctions will be applied where the allegations are substantiated. This policy applies to all Chamber-funded activities whether supervised directly by the Chamber or by a partner institution or organization. The Chamber will continue to improve its internal controls, including controls inherent in or pertaining to its project activities, to ensure that it is effective in preventing, detecting, investigating, and remedying fraudulent, corrupt, collusive and coercive practices. The Chamber shall take all necessary actions to protect from reprisals individuals (whistle blowers) who help reveal corrupt practices in its project or grant activities.

Fraud and corruption include, but are not limited to:

- Corrupt practice - offering, giving, receiving, or soliciting, directly or indirectly, anything of value to influence improperly the actions of another party;
- Fraudulent practice - any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, a party to obtain a financial or other benefit or to avoid an obligation;
- Collusive practice - an arrangement between two or more parties designed to achieve an improper purpose, including improperly influencing the actions of another party; and,
- Coercive practice - impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to improperly influence the actions of a party.

## **Conflict of Interest**

### **Introduction**

In the course of business, situations may arise in which a Chamber decision-maker has a conflict of interest, or in which the process of making a decision may create the appearance of a conflict of interest.

All Chamber representatives have an obligation to:

1. Avoid conflicts of interest, or the appearance of conflicts, between their personal interests to include their spouse or significant other and those of the Chamber in dealing with outside entities or individuals.
2. Disclose real or apparent conflicts of interest to the President/CEO or Executive Board.
3. Recuse themselves in writing from participation in any decisions on matters that involve a real or perceived conflict of interest.

### **What Constitutes a Conflict of Interest?**

A conflict of interest arises when an employee, volunteer or board member involved in making a decision is in a position to benefit, directly or indirectly, from his/her dealings with the Chamber or a person conducting business with the Chamber.

Examples of conflicts of interest include, but are not limited to, situations in which a manager or employee:

1. Negotiates or approves a contract, purchase, lease or sale on behalf of the Chamber and has a direct or indirect interest in, or receives personal benefit from, the entity or individual providing or receiving the goods or services;
2. Employs or approves the employment of, or supervises a person who is an immediate family member of the manager or employee;
3. Uses the Chamber's facilities, other assets, employees, or other resources for personal gain;
4. Receives a substantial gift from a vendor, if a Chamber Representative is responsible for initiating or approving purchases from that vendor.
5. A potential conflict of interest exists when the employee, or his/her immediate family or household member owns/receives more than 1% of the benefiting business/profit.

### **Disclosure Requirements**

A Chamber representative who believes that she/he may be perceived as having a conflict of interest in discussion or decision must disclose that conflict to the group making the decision. Most concerns about conflicts of interest may be resolved and appropriately addressed through prompt and complete disclosure. If a conflict arises during the year, the employee or Board member will immediately notify the President/CEO or Executive Board who will decide on an appropriate resolution.

### **Resolution of Conflicts of Interest**

All real or apparent conflicts of interest will be disclosed to the President/CEO. Members of the Board and the Chair, will disclose real or apparent conflicts of interests to the Executive Board. Conflicts will be resolved as follows:

- The unaffected members of the Executive Board will be responsible for making all decisions concerning resolutions of conflicts involving other Board members and staff.

The President/CEO will be responsible for making all decisions concerning resolutions of conflicts related to employees. A CHAMBER representative may appeal the decision that a conflict or the appearance of conflict exists as follows: An appeal must be made to the Chair. If the Chair is accused, he must appeal to the Executive Board.

- Appeals must be made in writing within 30 days of the initial determination.
- Resolution of the appeal will be made by vote of the Executive Board.
- Board members who are the subject of the appeal, or who have a conflict of interest with respect to the subject of the appeal, shall abstain from participating in, discussing, or voting on the resolution, unless their discussion is requested by the remaining members of the Board.

### **Disciplinary Action for Violations of this Policy**

Failure to comply with the standards contained in this policy will result in disciplinary action that may include termination, referral for criminal prosecution, and reimbursement to the Chamber for any loss or damage resulting from the violation. As with all matters involving disciplinary action, principles of fairness will apply. Any employee determined to have violated this policy will be afforded an opportunity to explain his/her actions before disciplinary action is taken.

**Disciplinary action will be taken:**

1. Against any employee who authorizes or participates directly in actions that are a violation of this policy.
2. Against any employee who has deliberately failed to report a violation or deliberately withheld relevant and material information concerning a violation of this policy.
3. Against any supervisor who attempts to retaliate, directly or indirectly, or encourages others to do so, against any employee who reports a violation of this policy.
4. Against a Board member who violates this policy by removal from the Board.

**Policy on Suspected Misconduct****Introduction**

This policy communicates the actions to be taken for suspected misconduct committed, encountered, or observed by employees and volunteers.

Like all organizations, the Chamber faces many risks associated with fraud, abuse, and other forms of misconduct. The impact of these acts, collectively referred to as misconduct throughout this policy, may include, but is not limited to:

- Financial losses and liabilities;
- Loss of current and future funding;
- Negative publicity and damage to the Chamber's public image;
- Negative comments to members that inflict harm on Chamber's public reputation;
- Loss of employees and difficulty in attracting new personnel;
- Deterioration of employee morale;
- Harm to relationships with clients, vendors, bankers, and subcontractors; and
- Litigation and related costs of investigations, etc.

The Chamber is committed to establishing and maintaining a work environment of the highest ethical standards. Achievement of this goal requires the cooperation of the President/CEO and assistance of every employee and volunteer at all levels of the Chamber.

**Definition**

For purposes of this policy, misconduct includes, but is not limited to:

1. Actions that violate Chamber's Business Conduct Policy (see above) (and any underlying policies) or any of the accounting and financial policies included in this policy.
2. Fraud (see below);
3. Forgery or alteration of checks, bank drafts, documents or other records, including electronic records;
4. Destruction, alteration, mutilation, or concealment of any document or record with the intent to obstruct or influence an investigation, or potential investigation, carried out by a department or agency of the government or by the Chamber in connection with any policy;
5. Disclosure to any external party of proprietary information or confidential personal information obtained in connection with employment with or service to the Chamber;
6. Unauthorized personal or other inappropriate non-business use of equipment, assets, services, personnel or other Chamber resources;
7. Acts that violate federal, state, county, or municipal laws or regulations;
8. Accepting or seeking anything of material value from contractors, vendors, or persons providing goods or services to the Chamber (for minor exception: see Gift Policy);

9. Impropriety in the handling or reporting of money in financial transactions; and,
10. Failure to report known instances of misconduct in accordance with the reporting responsibilities described herein, including tolerance by supervisory employees of misconduct of subordinates.

**Fraud is further defined to include, but not be limited to:**

- Theft, embezzlement, or other misappropriation of assets, including assets of or intended for the Chamber, as well as those of our members, subcontractors, vendors, contractors, suppliers, and others with which the Chamber has a formal or business relationship;
- Intentional misstatements in the Chamber's records, including intentional misstatements of accounting records or financial statements or information;
- Authorizing or receiving payment for goods not received or services not performed;
- Authorizing or receiving payments for hours not worked; and,
- Forgery or alteration of documents, including but not limited to checks, timesheets, contracts, purchase orders, and receiving reports.

The Chamber prohibits each of the preceding acts of misconduct on the part of employees, officers, executives, volunteers and others responsible for carrying out the Chamber's activities.

**Reporting Responsibilities**

Every employee, officer, and volunteer is responsible for immediately reporting suspected misconduct to their supervisor, the President/CEO, or the Chair and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act.

When employees receive a report of suspected misconduct, they must immediately report such acts to the President/CEO or the Chair.

**Whistleblower Protection**

The Chamber will consider any reprisal against a reporting individual an act of misconduct subject to disciplinary procedures. A "reporting individual" is one who, in good faith, reported a suspected act of misconduct in accordance with this policy, or provided to a law enforcement officer any truthful information relating to the commission or possible commission of a statutory or civil offense.

**Investigative Responsibilities**

Due to the sensitive nature of suspected misconduct, the President/CEO has the primary responsibility for investigating suspected misconduct involving employees.

The Executive Board has the primary responsibility for investigating suspected misconduct involving the President/CEO, as well as Board members.

Investigation into suspected misconduct will be performed without regard to the suspected individual's position, length of service, or relationship with the Chamber.

In fulfilling its investigative responsibilities, the Executive Board and the President/CEO will have the authority to seek the advice and/or contract for the services of outside firms, including but not limited to law firms, Chartered Accountants, forensic accountants and investigators, etc.

Members of the investigative team, as authorized by the Executive Board or the President/CEO, will have free and unrestricted access to all Chamber records and premises, at all times. They will also have the authority to

examine, copy and remove all or any portion of the contents (in paper or electronic form) of filing cabinets, storage facilities, desks, credenzas and computers without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of an investigation into suspected misconduct or related follow-up procedures. The investigative team will be responsible for protecting, preserving and returning all removed content.

The existence, the status or results of investigations into suspected misconduct will not be disclosed or discussed with any individual other than those with a legitimate need to know in order to perform their duties and fulfill their responsibilities effectively.

### **Protection of Records**

The Chamber prohibits the knowing destruction, alteration, mutilation, or concealment of any record, document, or tangible object with the intent to obstruct or influence the investigation. Violations of this policy will be considered violations of Chamber's Business Conduct Policy and subject to the investigative, reporting, and disclosure procedures described earlier in this Policy on Suspected Misconduct.

### **Disciplinary Action**

Based on the results of investigations into allegations of misconduct, disciplinary action may be taken against violators. The seriousness of misconduct will be considered in determining appropriate disciplinary action, which may include:

- Reprimand
- Probation
- Suspension
- Demotion
- Termination
- Reimbursement of losses or damages
- Referral for criminal prosecution or civil action

This listing of possible disciplinary actions is for illustrative purposes only and does not bind the Chamber to follow any particular policy or procedure.

### **Confidentiality**

The Executive Board and the President/CEO treat all information relative to any allegation of misconduct received confidentially.

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Chamber from potential civil liability.

An employee who discovers or suspects fraudulent activity may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual(s), his or her attorney or representative(s), or any other inquirer should be directed to the Executive Committee or legal counsel.

No information concerning the status of an investigation will be given out. The proper response to any inquiry is "I am not at liberty to discuss this matter." Under no circumstances should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.



The reporting individual should be informed of the following:

1. Do not contact the suspected individual in an effort to determine facts or demand restitution.
2. Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Chamber's legal counsel or the Executive Board.

#### **Disclosure to Outside Parties**

Allegations and information related to allegations of suspected misconduct will not be disclosed to third parties except under the provisions described in this policy, such as disclosure to outside investigators hired by the Chamber to aid in an investigation.

However, all known frauds involving the President/CEO, or members of the Board, as well as all material frauds involving employees below the senior management level, will be disclosed to the Chamber's external auditors.