

Corporate Compliance Program and Plan

Purpose: To establish and publish the official policy of eQuality, Pathways to Potential regarding the organization's corporate compliance program/plan and assign responsibility for implementation of that plan.

Policy: eQuality, Pathways to Potential is dedicated to the delivery of high-quality services to individuals with developmental disabilities in an environment characterized by strict conformance with the highest standards of accountability for service delivery, human resources, business, marketing, contractual relationships, professional relationships, and financial management. eQuality's governance and management authorities are fully committed to the need to prevent and detect fraud, waste, fiscal mismanagement and misappropriation of funds and therefore, to the development of a formal corporate compliance program to ensure ongoing monitoring and conformance with all legal and regulatory requirements. The organization is also committed to the establishment, implementation, and maintenance of a corporate compliance program that emphasizes: prevention of wrong-doing, whether intentional or unintentional; immediate reporting and investigation of questionable activities and practices without consequences to the reporting party; and timely correction of any situation which puts the organization, its leadership and staff, funding sources or associates at risk. It is the professional responsibility of each staff and board member to adhere to the policies outlined below. By formal resolution and in accordance with this policy, the governance authority has delegated overall responsibility for the Corporate Compliance Program to the Executive Vice Presidents.

Procedure: The following guidelines will govern the design and implementation of eQuality, Pathways to Potential's corporate compliance program.

Designation of a Corporate Compliance Officer: The Executive Vice Presidents, (EVPs) will formally designate a Corporate Compliance Officer, (CCO), monitor the corporate compliance program and ensure that the governance authority is fully informed on all matters pertaining to corporate compliance.

Any person wishing to submit a report of any suspected case of waste, fraud, abuse, or wrongdoing can do so confidentially and without fear, retaliation or reprisal. Reports can be submitted in person or by mail, telephone, fax, or e-mail to the organization's Corporate Compliance Officer:

Carlie LaBree
3717 Colgate Ave.
Minneapolis, MN 55410
612-232-3688 (phone)
612-216-1379 (fax)
carlie@equalityonline.org

Responsibilities of the Corporate Compliance Officer: In the performance of his or her duties, the CCO will serve as eQuality's primary point of contact for all corporate compliance issues. He or she will develop, implement, and monitor eQuality's corporate compliance plan, including all internal and external monitoring, auditing, investigative and reporting processes, procedures and systems. The CCO will also prepare, submit, and present periodic reports on corporate compliance issues to the Executive

Vice Presidents as requested. In the performance of his or her duties, the CCO will have direct access to eQuality's accounting firm or legal counsel on an as-needed basis for matters related to corporate compliance. This provision does not relieve the CCO of keeping the EVPs fully informed of any and all matters that might necessitate direct contact with auditors or legal counsel.

Annual Corporate Compliance Report: The CCO will submit an annual corporate compliance report to the EVPs on behalf of eQuality, Pathways to Potential. Annual reports will include at a minimum:

- A summary of all allegations, investigations, and complaints processed in the preceding 12 months in conjunction with the corporate compliance program.
- A complete description of all corrective actions taken.
- Any recommendations for changes to eQuality's policies and procedures

Organizational Risk Management Assessment: As part of the corporate compliance program, the CCO will schedule and coordinate periodic risk management assessments and/or audits to identify potential problem areas and threats that could put the organization at risk for unusual liabilities such as billing or cash management problems, etc. These assessments will augment eQuality's annual audit of its accounting system and the Quality Evaluation, and provide an additional internal measure of operational accountability in a variety of areas.

Elements of eQuality's Corporate Compliance Plan:

- A formal resolution on corporate compliance that has been adopted by the Board of Directors as a way to document the effective date of implementation.
- Written designation of a Corporate Compliance Officer responsible for monitoring and reporting on matters related to corporate compliance.
- A corporate code of ethics and individual policies regarding service delivery, business practices, marketing practices, financial management, waste and fraud, and potential conflicts of interest.
- A no-reprisal system for employees to use in reporting waste, fraud, abuse, and other questionable activities.
- Written procedures for:
 - Timely investigation of allegations of waste, fraud, abuse, or other wrong-doing.
 - Dealing with violators of organizational ethics in a fair and consistent manner.
 - Dealing with violators of the organization's corporate compliance plan in a fair and consistent manner.
 - Policies and procedures to guide staff members in responding to subpoenas, search warrants, investigations and other legal actions
 - Ongoing training for staff and board members on corporate compliance.

Code of Ethical Conduct:

The essential values and ethical behaviors required include:

- understanding eQuality, Pathways to Potential's mission
- placing personal commitment to eQuality above self-interest
- obedience of and commitment to legal and moral standards
- respect for the value and dignity of all individuals
- honesty
- fairness
- application of resources responsibly

- push for excellence in all work performed
- acceptance as a personal duty the responsibility to keep up to date on emerging issues and to conduct themselves with professional competence, fairness, impartiality, efficiency, and effectiveness.

Ethics Policies

Business Ethics

eQuality, Pathways to Potential adheres to the highest of ethical standards in its operations. These standards or codes are spelled out in its philosophy statement, its policies and procedures, and the codes of ethics of the various organizations and professions represented. All employees and members of the Board of Directors are expected to adhere to these ethical standards. The Board of Directors of eQuality, Pathways to Potential is committed to the provision of effective, stable, and responsive leadership. The Board of Directors is responsible for hiring, evaluating, and maintaining qualified Executive Vice Presidents, who manage day to day operations on behalf of the board and in keeping with the mission established by the Board.

Financial

eQuality, Pathways to Potential is committed to fiscal stability, including management of the organization with responsible business practices and legal requirements, and presentation of the organization's financial statements in accordance with Generally Accepted Accounting Principles (GAAP). eQuality, Pathways to Potential shall incorporate and maintain a timely adjustment process whereby the annual operating budget may be revised to reflect changing cash-flow, operating, or economic circumstances, and so preserve or restore Board-approved policies, expenditure patterns, or profit-margins. The Board of Directors shall review and approve the agency's annual operating budget at the annual meeting, at the start of the fiscal year.

The agency shall maintain adequate cash flow to meet the operational needs of the agency. The Executive Vice Presidents shall monitor the flow of funds and determine if funds are available for investment purposes. Should funds be available, the Executive Vice Presidents will invest the funds within the guidelines stated in the investment policy.

The objective of any investment will be to maintain the safety of the principal and insure liquidity consistent with the agency's cash flow needs. Eligible investments shall include the following instruments or accounts: 1) savings accounts, 2) money market deposit accounts, 3) time certificates of deposit, 4) repurchase agreements backed by U.S. Treasury and agencies, including repo sweep accounts connected to the agency's checking accounts which may be available from the financial institution where the accounts are located, and 5) U.S. Treasury bills and notes. The term or maturity dates of each investment, if applicable, shall be determined by the Executive Vice President, based on the operating needs of the agency.

Marketing

eQuality, Pathways to Potential strives to instill strong ethical conduct in its staff in marketing the image of the organization. eQuality provides training and instruction to its staff in speaking to the public and media, as well as conducting tours and accepting donations. eQuality feels it is important that these representatives be professional and provide accurate and current information to their audiences. All employees regardless of whether they are speaking in front of a group, to the media or to any community member, are urged to be accurate, factual and well informed about the organization.

Human Resources

We consciously follow fair and equal employment practices in hiring, assigning, promoting, and compensating staff members. We endeavour to employ persons solely on the basis of the factors necessary in the performance of the job and the operation of our programs without discrimination on the basis of religious affiliation, race, national origin, gender, sexual preference, or any other factor on which discrimination is prohibited by the laws of the jurisdiction within which our organization is located.

Service Delivery

Staff members will:

- demonstrate that the individuality, dignity, privacy, safety, health and concerns of associates receiving support are important and respected
- respect the autonomy of people receiving their service, acknowledging the associate's role, and sharing the power and decision making;
- work with the associate to determine goals and priorities, involving significant others the associate cares to include.
- work in ways that are compatible with the associates' cultures to assist them to achieve desired outcomes;
- provide appropriate supervision for all associates for whom they have supervisory responsibilities
- provide safe, healthy, and integrated work and social environments for all involved in providing and receiving services.

Waste or Fraud

eQuality, Pathways to Potential promotes responsible use of organizational resources and those of our partners. It is the intent of eQuality to prevent and detect fraud and waste by encouraging reporting of suspected issues immediately. Fraudulent and wasteful behaviors include but are not limited to the following:

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to eQuality or its partners
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Disclosing confidential information to outside parties
- Accepting or seeking anything of material value from eQuality's partners
- Destruction, removal or inappropriate use of records, furniture, fixtures, vehicles, or equipment
- Any similar or related inappropriate conduct

No-Reprisal Reporting System: eQuality seeks to have an "Open Door Policy" and encourages board members and employees to share their questions, concerns, suggestions or complaints regarding the organization and its operations with someone who can address them properly. Employees can report suspected waste, fraud, abuse, ethics violations, and other questionable activities without fear of retaliation. No board member or employee who in good faith reports a violation of a law or regulation requirement shall suffer harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to disciplinary action. Reports can be submitted to the Corporate Compliance Officer in four ways: (1) By mail, (2) By telephone, (3) By fax and (4) By e-mail. Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Contact information for the CCO will be shared with all staff at the time of their orientation to the Corporate Compliance Policy.

Investigation Process: Upon receipt of suspected wrongdoing, the CCO will contact the Executive Vice Presidents and initiate an immediate investigation. The CCO will acknowledge receipt of the reported violation or suspected violation in writing (or by e-mail) to the complainant within five business days.

Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. Investigations will be completed as quickly as possible with results and recommendations provided in writing to the Executive Vice Presidents. The CCO will have direct access to staff members for the purpose of these investigations. Substantiated violations of the corporate compliance program or code of ethics are considered serious matters. Violators will be treated fairly, consistently, and in accordance with eQuality's disciplinary policies, outlined in the personnel policies.

Responding to Search Warrants, Subpoenas, Investigations, and other Legal Actions: In the event that any employee of eQuality, Pathways to Potential receives or is notified of any search warrant, subpoena, investigation, inquiry, or other legal action involving the organization, the EVPs and the CCO will be contacted immediately. Copies of any legal documents served will be given immediately to the CCO and the EVPs. Under no circumstances will any records, files, receipts, or other forms of documentation be released without authorization from the EVPs or CCO, who will have consulted legal counsel.

Training/Education

Staff Members: Each staff member will receive initial training on the corporate compliance program and organizational code of ethics as part of his or her new staff orientation process. The CCO will provide an annual "refresher" training to all staff, reviewing the corporate compliance policy and the organizational code of ethics. Each employee will sign an acknowledgement of this review, which will be maintained in his or her personnel file.

Board Members: Each board member will be provided with a copy of the corporate compliance program and organizational code of ethics at the time of his or her initial orientation to the board of directors.

Other Stakeholders: eQuality's organizational code of ethics will be available on the website.

Professional Responsibility: All employees are responsible for strict conformance with the corporate compliance program, including the organizational code of ethics. In addition, all employees are responsible to follow reporting procedures if they suspect or become aware of a violation of any policies or codes included in the corporate compliance program.

Policy on Conflicts of Interest and Disclosure of Certain Interests

This conflict of interest policy is designed to help directors, officers and employees of eQuality - Pathways to Potential identify situations that present potential conflicts of interest and to provide eQuality - Pathways to Potential with a procedure which, if observed, will allow a transaction to be treated as valid and binding even though a director, officer or employee has or may have a conflict of interest with respect to the transaction. The policy is intended to comply with the procedure prescribed in Minnesota Statutes, Section 317A.255, governing conflicts of interest for directors of nonprofit corporations. In the event there is an inconsistency between the requirements and procedures prescribed herein and those in section 317A.255 the statute shall control. All capitalized terms are defined in Part 2 of this policy.

1. **Conflict of Interest Defined.** For purposes of this policy, the following circumstances shall be deemed to create Conflicts of Interest:

a. **Outside Interests.**

- i. A Contract or Transaction between eQuality - Pathways to Potential and a Responsible Person or Family Member.
- ii. A Contract or Transaction between eQuality - Pathways to Potential and an entity in which a Responsible Person or Family Member has a Material Financial Interest or of which such person is a director, officer, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative.

b. **Outside Activities.**

- i. A Responsible Person competing with eQuality - Pathways to Potential in the rendering of services or in any other Contract or Transaction with a third party.
- ii. Responsible Person's having a Material Financial Interest in; or serving as a director, officer, employee, agent, partner, associate, trustee, personal representative, receiver, guardian, custodian, conservator or other legal representative of, or consultant to; an entity or individual that competes with eQuality - Pathways to Potential in the provision of services or in any other Contract or Transaction with a third party.

c. **Gifts, Gratuities and Entertainment.** A Responsible Person accepting gifts, entertainment or other favors from any individual or entity that:

- i. does or is seeking to do business with, or is a competitor of eQuality - Pathways to Potential; or
- ii. has received, is receiving or is seeking to receive a loan or grant, or to secure other financial commitments from eQuality - Pathways to Potential;
- iii. is a charitable organization operating in Minnesota;
- iv. under circumstances where it might be inferred that such action was intended to influence or possible would influence the Responsible Person in the performance of his or her duties. This does not preclude the acceptance of items of nominal or insignificant value or entertainment of nominal or insignificant value which are not related to any particular transaction or activity of eQuality - Pathways to Potential.

- d. Personal Fund Raising.
 - i. exerting influence or pressure to engage in or support an individual's personal fund raising goals; or
 - ii. utilizing persons served to sell items or solicit funds on behalf of an individual's personal cause.

2. **Definitions.**

- a. A "Conflict of Interest" is any circumstance described in Part 1 of this Policy.
- b. A "Responsible Person" is any person serving as an officer, employee or member of the Board of Directors of eQuality - Pathways to Potential.
- c. A "Family member" is a spouse, domestic partner, parent, child or spouse of a child, brother, sister, or spouse of a brother or sister, of a Responsible Person.
- d. A "Material Financial Interest" in an entity is a financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person's or Family Member's judgment with respect to transactions to which the entity is a party. This includes all forms of compensation.
- e. A "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services, or rights of any kind, the providing or receipt of a loan or grant, the establishment of any other type of pecuniary relationship, or review of a charitable organization by eQuality - Pathways to Potential. The making of a gift to eQuality - Pathways to Potential is not a Contract or Transaction.

3. **Procedures.**

- a. Prior to board or committee action on a Contract or Transaction involving Conflict of Interest, a director or committee member having a Conflict of Interest and who is in attendance at the meeting shall disclose all facts material to the Conflict of Interest. Such disclosure shall be reflected in the minutes of the meeting.
- b. A director or committee member who plans not to attend a meeting at which he or she has reason to believe that the board or committee will act on a matter in which the person has a Conflict of Interest shall disclose to the chair of the meeting all facts material to the Conflict of Interest. The chair shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting.

- c. A person who has a Conflict of Interest shall not participate in or be permitted to hear the board's or committee's discussion of the matter except to disclose material facts and to respond to questions. Such person shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting.
- d. A person who has a Conflict of Interest with respect to a Contract or Transaction that will be voted on at a meeting shall not be counted in determining the presence of a quorum for purposes of the votes. The person having a conflict of interest may not vote on the Contract or Transaction and shall not be present in the meeting room when the vote is taken, unless the vote is by secret ballot. Such person's ineligibility to vote shall be reflected in the minutes of the meeting. For purposes of this paragraph, a member of the Board of Directors of eQuality - Pathways to Potential's participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.
- e. Responsible Persons who are not members of the Board of Directors of eQuality - Pathways to Potential, or who have a Conflict of Interest with respect to a Contract or Transaction that is not the subject of Board or committee action, shall disclose to the Chair or the Chair's designee any Conflict of Interest that such Responsible Person has with respect to a Contract or Transaction. Such disclosure shall be made as soon as the Conflict of Interest is known to the Responsible Person. The Responsible Person shall refrain from any action that may affect eQuality - Pathways to Potential's participation in such Contract or Transaction. In the event it is not entirely clear that a Conflict of Interest exists, the individual with the potential conflict shall disclose the circumstances to the Chair or the Chair's designee, who shall determine whether there exists a Conflict of Interest that is subject to this policy.

4. Confidentiality. Each Responsible Person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interests of eQuality - Pathways to Potential. Furthermore, a Responsible Person shall not disclose or use information related to the business of eQuality - Pathways to Potential for the personal profit or advantage of the Responsible Person or a Family Member.

5. Review of policy.

- a. Each new Responsible Person shall be required to review a copy of this policy and to acknowledge in writing that he or she has done so.
- b. Each Responsible Person shall annually complete a disclosure form identifying any relationships, positions or circumstances in

which the Responsible Person is involved that he or she believes could contribute to a Conflict of Interest arising. Such relationships, positions or circumstances might include service as a director of or consultant to a nonprofit organization, or ownership of a business that might provide goods or services to eQuality - Pathways to Potential. Any such information regarding business interests of a Responsible Person or a Family Member shall be treated as confidential and shall generally be made available only to the Chair, the Executive Vice Presidents, and any committee appointed to address Conflicts of Interest, except to the extent additional disclosure is necessary in connection with the implementation of this Policy.

- c. This policy shall be reviewed annually by each member of the Board of Directors. Any changes to the policy shall be communicated immediately to all Responsible Persons.

Resolution of the Board of Directors

eQuality, Pathways to Potential

Whereas eQuality, Pathways to Potential is dedicated to the delivery of high-quality services to individuals with developmental disabilities in an environment characterized by strict conformance with the highest standards of accountability for service delivery, human resources, business, marketing, and financial management;

Whereas the leadership of eQuality, Pathways to Potential is aware of and fully committed to the need to prevent and detect fraud, waste, abuse, fiscal mismanagement and misappropriation of funds through the development and implementation of a formal Corporate Compliance Program; and

Whereas eQuality, Pathways to Potential is fully committed to the development and implementation of comprehensive policies, procedures and other corporate compliance measures to provide regular monitoring and conformance with all legal and regulatory requirements.

Be it resolved that the Board of Directors of eQuality, Pathways to Potential met and discussed the development of a corporate compliance plan for the organization on this date. The Board of Directors authorized the Executive Vice Presidents to take all actions necessary to immediately and fully develop and implement the organization's Corporate Compliance Program.

It is so approved and effective this date.

Board Secretary name and signature

Date: _____

Approved: _____

Matt Winston, Board President

eQuality-Pathways to Potential

Conflict of Interest Information Form

Name: _____ Date: _____

Please describe below any relationships, positions, or circumstances in which you are involved that you believe could contribute to a Conflict of Interest (as defined in eQuality-Pathways to Potential's Corporate Compliance Policy) arising.

I hereby certify that the information set forth above is true and complete to the best of my knowledge. I have reviewed, and agree to abide by, eQuality-Pathways to Potential's Corporate Compliance Policy that is currently in effect.

Signature: _____ Date: _____