

Phillips Theological Seminary Financial Ethics Policy

Financial Ethics Policy

As an integral part of carrying out its mission, the Seminary has adopted a financial ethics policy to guide its board members, employees, volunteers, and contractors in their conduct when acting on behalf of the Seminary. This policy is not intended as a stand-alone policy. It does not embody the totality of the Seminary's ethical standards, nor does it answer every ethical question or issue that might arise. Rather, it is one element of a broader effort to create and maintain a high quality organization that makes ethical conduct the highest priority. As such, this policy should be used in conjunction with policies set forth in the Employee Handbook, Faculty Handbook, and policies set forth by the Board of Directors. Seminary officers and employees involved in financial matters play a key role in assuring that high standards of ethical practice occur related to use of Seminary resources.

It is therefore the policy of Phillips Theological Seminary that all trustees, employees, vendors, contractors, consultants, volunteers, students, and any other parties who are involved in the Seminary's financial transactions ("Seminary Persons") shall act with integrity, care and diligence in carrying out duties involving the Seminary's fiscal resources.

Financial Code of Ethics

Seminary Persons shall:

- Act with honesty and integrity, including handling actual or apparent conflicts of interest between personal and professional relationships in an ethical manner;
- File complete, accurate, timely, and understandable disclosure statements as required by applicable laws, rules, or policies;
- Comply with applicable federal or state laws and local ordinances, and with applicable rules and policies of the Seminary;
- Act in good faith, responsibly, and with due care, competence and diligence, without misrepresenting material facts or allowing one's independence of judgment to be subordinated or compromised;
- Impart knowledge and maintain skills important and relevant to job requirements;
- Respect the confidentiality of information acquired in the course of work and made confidential by law or Seminary policy or practice; and
- Proactively promote ethical behavior in the work environment.

Fraud Prevention

The Seminary prohibits fraud and financial impropriety, as defined below, in the actions of Seminary Persons and others seeking or maintaining a business relationship with the Seminary.

Fraud and financial impropriety shall include but not be limited to:

- Forgery or unauthorized alteration of any document or account belonging or relating to the Seminary.
- Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- Misappropriation of funds, securities, supplies, or other Seminary assets, including employee time.
- Impropriety in the handling of money or reporting of Seminary financial transactions.
- Profiteering as a result of insider knowledge of Seminary information or activities. (See confidentiality certificate)
- Unauthorized disclosure of confidential or proprietary information to outside parties. (See confidentiality certificate)
- Unauthorized disclosure of investment activities engaged in or contemplated by the Seminary. (See confidentiality certificate)
- Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the Seminary, except as otherwise permitted by law or Seminary policy.
- Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
- Failing to provide financial records required by federal, state, or local entities.
- Failure to disclose conflicts of interest as required by law or Seminary policy.
- Any other dishonest act regarding the finances of the Seminary.

Reporting of Fraud or Financial Impropriety (“Whistleblower Policy”)

Any person who suspects fraud or financial impropriety in the Seminary shall report the suspicions immediately to any supervisor, the President, or the Board Chairperson. If deemed necessary, the President or the Board Chairperson shall report any suspected fraud or financial impropriety to local law enforcement. This policy does not apply to matters already covered by the Seminary Employee Handbook or the Faculty Handbook; alleged violations of the Seminary Employee Handbook or the Faculty Handbook shall be reported in accordance with the appropriate handbook’s stated policy.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Every effort will be made to investigate a report of alleged misconduct as quickly and discretely as possible. Because of the need to investigate the

report, correct a problem, or prevent future problems, the Seminary cannot promise complete confidentiality. The President has the authority to retain outside legal counsel, accountants, private investigators, or any other resource deemed necessary to conduct a full and complete investigation of the allegations. All employees involved in an investigation shall be advised to keep information about the investigation confidential. No employee, board member, or other volunteer will be retaliated against, discriminated against, threatened or discharged, or otherwise disciplined for reporting in good faith what he/she believes to be perceived fraud or financial impropriety. Reports may, if necessary, be made anonymously by leaving a message on the President's voicemail or, if the President is suspected of fraud or financial impropriety, on the voicemail of the Executive Vice President or by calling the Board Chair.

If an investigation substantiates a report of fraud or financial impropriety, the President or the President's designee shall meet with the individual to ascertain guilt. In any event, the President or designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration. If a board member or member of administration has a conflict of interest related to the reported act of fraud or financial impropriety, they will conduct themselves and events be handled in accordance with the Conflict of Interest Policy established by the Board.

If an employee is found to have committed fraud or financial impropriety, the President shall take or recommend disciplinary action, which may include termination of employment. If a contractor or vendor is found to have committed fraud or financial impropriety, the Seminary shall take appropriate action, which may include cancellation of the Seminary's relationship with the contractor or vendor.

After any investigation substantiates a report of fraud or financial impropriety, the President shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The President shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct. These measures shall be presented to the Board for review.