

## **Sub-Board I, Inc.**

### **Whistleblower Policy and Procedures**

It is the policy of Sub-Board I, Inc. that illegal or unethical activity, including but not limited to corruption, fraud, criminal activity, abuse and conflict of interest by Members, Officers, Employees, or Employees and/or Officers of an affiliate of Sub-Board I, Inc. or any person having business dealings with an affiliate of Sub-Board I, Inc., (Hereinafter “employees”) will not be permitted, tolerated or condoned. This Whistleblower Policy and Procedure is intended to encourage and enable the raising of concerns in good faith within Sub-Board I, Inc. and without fear of retaliation or adverse employment action.

#### **Reporting illegal or unethical activity**

Employees discovering or otherwise obtaining information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an Employee, Member or Director with respect to investments, travel, the acquisition of real property, the disposition of real and personal property, and the procurement of goods and services shall promptly report such activity, orally or in writing, to one or all of the following:

Sub-Board I, Inc. Ethics Officer  
Sub-Board I, Inc. Legal Counsel  
Sub-Board I, Inc. President

Such activity shall specifically include, without limitation, wrongdoing, misconduct, malfeasance, conflict of interest, waste, intentional reporting of false or misleading information, or abuse of authority by an employee that relates to Sub-Board I, Inc., or other inappropriate behavior with respect to accounting, internal accounting controls or accounting audit matters.

Sub-Board I, Inc. Legal Counsel and President shall be notified by the Ethics Officer of any report of illegal or unethical activity received by him/her, whether written or oral, unless another Sub-Board I, Inc. individual is designated by the Audit Committee to receive such notification.

An employee reporting to Sub-Board I, Inc. pursuant to this policy may do so orally or in writing, and may do so confidentially or anonymously. While Sub-Board I, Inc. cannot ensure the confidentiality of such reporting, it will attempt to maintain confidentiality and anonymity as much as reasonably possible.

Should an employee believe in good faith that disclosing information within Sub-Board I, Inc. would likely subject him or her to adverse personnel action or be wholly ineffective; the employee may instead disclose the information to the Authorities Budget Office or an appropriate law enforcement agency, if applicable. The Authorities Budget Office toll free number (1-800-560-1770) should be used in such circumstances.

#### **Investigation of claims of illegal or unethical activity**

All reporting of alleged illegal or unethical activity or matters involving compliance with laws, regulations and internal procedures, including without limitation, substantive complaints with respect to accounting, internal accounting controls or accounting audit matters, shall be thoroughly and promptly investigated.

Unless otherwise directed by the Audit Committee(s) based on a finding of special circumstances, all investigations conducted by Sub-Board I, Inc. in accordance with these practices and procedures shall be conducted under the direction and supervision of Sub-Board I, Inc. Ethics Officer and Legal Counsel. Sub-Board I, Inc. Ethics Officer and Legal Counsel may utilize any of the following to assist with investigations, as needed: Sub-Board I, Inc. President, Sub-Board I, Inc. Executive Director, representatives of the Legal Department, Human Resources Department, internal or external auditors and/or outside counsel. Investigations shall be conducted in a timely and reasonable manner, which may include referring information to the Authorities Budget Office or an appropriate law enforcement agency.

Unless otherwise directed by the Audit Committee, reported allegations of illegal or unethical activity, which have been referred directly to the Inspector General’s Office, the Authorities Budget Office or other outside governmental authority shall be investigated by the office to which referred, unless referred back to Sub-Board I, Inc. for investigation. Unless otherwise directed by the Audit Committee or the outside governmental authority investigating a report, the Sub-Board I, Inc. Ethics Officer and Legal Counsel shall serve as liaison with such outside governmental authority with respect to their investigations, including the handling of communications, information requests and any draft reports.

### **Reporting**

The findings of investigations conducted by Sub-Board I, Inc. shall, as appropriate, be set forth in a written report which shall include findings of fact, conclusions and recommendations (the "Report"). Sub-Board I, Inc. Ethics Officer and Legal Counsel (or other(s) designated by the Audit Committee(s)) shall, as may be appropriate, provide the Audit Committee(s) with completed Reports prepared under his/her supervision. All investigative reports received by the Agency(ies) from an outside governmental authority shall be referred to the Audit Committee(s). All Reports prepared by outside third parties, including outside counsel, shall be directed to the Audit Committee(s).

Periodically, but not less than once annually, Sub-Board I, Inc. Ethics Officer and Legal Counsel shall provide a written summary to the Audit Committee(s) setting forth the status of pending matters under investigation pursuant to these practices and procedures, including all claims of whistleblower retaliation, as well as disposition of matters since the last report.

### **No retaliation or interference**

It is the policy of Sub-Board I, Inc. that an employee disclosing information concerning wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or Member/Director with respect to investments, travel, the acquisition of real property and the disposition of real and personal property and the procurement of goods and services that the employee reasonably believes to be true and reasonably believes to be a violation of a law, rule, regulation or policy shall not suffer reprisal, retaliation or punitive action by the Agencies or their respective employees. It is a violation of this policy to retaliate or take wrongful punitive action against any employee for the good faith reporting of such alleged activity ("Protected Whistleblower Reporting").

Retaliation and wrongful punitive action can also be a violation of a variety of state and federal laws depending on the facts and circumstances. In particular, New York State law provides that a public employer shall not dismiss or take other disciplinary or other adverse personnel action against a public employee regarding the employee's employment because the employee discloses to a governmental body information: (i) regarding a violation of a law, rule or regulation which violation creates and presents a substantial and specific danger to the public health or safety; or (ii) which the employee reasonably believes to be true and reasonably believes constitutes an improper governmental action. Retaliation and wrongful punitive action can include both adverse employment actions, such as termination from employment and demotion, and the creation of a hostile work environment.

Employees who retaliate or take wrongful punitive action against an employee for "good faith" disclosure of the above-described information, or who attempt to interfere with any individual by improper means aimed at deterring disclosure of potential wrongdoing, shall be subject to disciplinary action, up to and including termination from employment.

### **Reporting and investigation of whistleblower retaliation claims**

Employees who believe that they or another employee has been the subject of illegal retaliation or wrongful punitive action as a result of Protected Whistleblower Reporting should report the same orally or in writing in the manner described above as to initial reports of illegal or unethical conduct, i.e., generally to the Sub-Board I, Inc. Ethics Officer and Legal Counsel and/or the Executive Director. All allegations of retaliation or punitive action will be fully investigated by the Sub-Board I, Inc. in the same manner as set forth above for investigation of claims of illegal or unethical activity. Any allegation of retaliation or interference will be taken and treated seriously, and irrespective of the outcome of the initial complaint, will be treated as a separate matter. Aggrieved employees may also have rights to pursue claims of illegal retaliation action under state and federal laws prohibiting retaliation for the reporting of illegal or unethical activity.

### **Abuse of practices and procedures/meritless claims**

This policy protects those making "good faith" reports. For the purposes of this policy, reports concerning potential wrongdoing will be considered "good faith" when the individual making the disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential wrongdoing. However, it shall be a violation of this policy for any employee to report or disclose information covered by this procedure that the employee knows or reasonably should know to be untrue, unfounded or misleading or for which there is no basis for the claim reported in law, rule, regulation or policy.

### **Disciplinary action**

Disciplinary action brought under these practices and procedures shall be subject to all collective bargaining provisions, laws and regulations applicable to the employee against whom disciplinary action is being taken for alleged violations of these practices and procedures.

### **Other legal rights not impaired**

The Sub-Board I, Inc. Whistleblower Policy and Procedures are not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse action.

a) Specifically, these Whistleblower Policy and Procedures are not intended to limit any rights or remedies that an individual may have under the laws of the State of New York, including but not limited to the following provisions: Civil Service Law § 75-b, Labor Law § 740, State Finance Law § 191 (commonly known as the “False Claims Act”), and Executive Law § 55 (1). b) With respect to any rights or remedies that an individual may have pursuant to Civil Service Law § 75-b or Labor Law § 740, any employee who wishes to preserve such rights shall, prior to disclosing information to a government body, have made a good faith effort to provide the Agencies, or their designee, the information to be disclosed and shall provide the Agencies, or designee, a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety. (See Civil Service Law § 75-b(2)(b); Labor Law § 740(3).)

### **Record retention and administration**

Unless otherwise directed by the Audit Committees, all information obtained and work product prepared pursuant to this practice and procedure, including but not limited to reports, statements, physical evidence, memos and notes shall be maintained by the Agencies in separate and secure files maintained and administered by the Sub-Board I, Inc. Ethics Officer and Legal Counsel.

### **Recusal**

In the event it becomes necessary for Members/Directors, Officers or Employees to recuse themselves from responsibilities assigned to them under these practices and procedures, these practices and procedures shall be administered with such reasonable adjustments as are necessary in furtherance of their purpose.

### **Applicability**

The practices and procedures herein shall apply to all employees, part-time employees, seasonal employees, temporary employees, officers, Members, Directors and interns of Sub-Board I, Inc. and the term “employee” for the purposes of these practices and procedure, shall include all of the foregoing positions.

### **Audit committee responsibilities**

In appropriate cases, information regarding whistleblower reports shall be referred immediately by the Sub-Board I, Inc. Ethics Officer and Legal Counsel (or other authorized Sub-Board I, Inc. Officer) to the Audit Committee. Such information shall be reviewed by the Audit Committee(s) and/or referred by the Audit Committee(s) for review and investigation in the manner provided by this policy.

In the case of allegations received by Sub-Board I, Inc. which involve (or might involve) concurrent responsibilities of more than one Sub-Board I, Inc. Audit Committee, there shall be appropriate coordination which may involve one of the Sub-Board I, Inc. Audit Committees taking the lead in the matter (“Lead Audit Committee”). The Lead Audit Committee, through its Chair or Sub-Board I, Inc. Ethics Officer and Legal Counsel, shall periodically report to the other Sub-Board I, Inc. Audit Committees, as appropriate, regarding the status and disposition of such matters.

The Audit Committee(s) shall take appropriate action upon each completed written Report forwarded to it pursuant to these practices and procedures. Appropriate action may include referral to an outside governmental or law enforcement agency; referral to the Members/Directors for recommended action requiring Member/Director approval; or referral to the Sub-Board I, Inc. President/CEO for recommended disciplinary or administrative action. Periodically, but not less than once annually, the Audit Committees, in consultation with the Sub-Board I, Inc. Ethics Officer and Legal Counsel, shall provide a written summary to the Sub-Board I, Inc. Members/Directors for the period setting forth the status of pending matters reported pursuant to these practices and procedures, including all claims of whistleblower retaliation, as well as disposition of matters since the last report.

# **Sub-Board I, Inc.**

## **Conflict of Interest Policy**

### **Article I** **Purpose**

The purpose of the conflict of interest policy is to protect Sub-Board I, Inc.'s (the corporation's) interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of an officer or director of the corporation, might benefit another organization or entity, or might result in an excessive benefit transaction. This policy is intended to supplement but not replace any applicable state and federal laws governing conflict of interest applicable to nonprofit and charitable organizations.

### **Article II** **Definitions**

#### **1. Conflict of interest**

A situation in which a person has a duty to more than one person or organization, but cannot do justice to the actual or potentially adverse interests of both parties.

#### **2. Affiliate**

Any entity controlled by, in control of, or under common control with such corporation.

#### **3. Independent Director**

A director who:

- a. Is not, and has not been within the last three years, an employee of the corporation or an affiliate of the corporation, and does not have a relative who is, or has been in the last three years, a key employee of the corporation or an affiliate of the corporation;
- b. Has not received, and does not have a relative who has received, in any of the last three fiscal years, more than ten thousand dollars in direct compensation from the corporation or an affiliate of the corporation;
- c. Is not a current employee of or does not have a substantial financial interest in, and does not have a relative who is a current officer of or has a substantial financial interest in, any entity that has made payments to, or received payments from, the corporation or an affiliate of the corporation for property or services in an amount which, in any of the last three fiscal years exceeds the lessor of twenty five thousand dollars or two percent of such entities consolidated gross revenues.

#### **4. Related Party**

- a. Any director, officer or key employee of the corporation or any affiliate of the corporation
- b. Any relative of any director, officer or key employee of the corporation or any affiliate of the corporation

#### **5. Related Party Transaction**

Any transaction, agreement or any other arrangement in which a related party has a financial interest and in which the corporation or any affiliate of the corporation is a participant. All related party transactions are conflicts of interest.

### **Article III** **Procedures**

#### **1. Duty to Disclose**

In connection with any actual or possible conflict of interest, a person must disclose the existence of the interest and be given the opportunity to disclose all material facts to the board of directors.

#### **2. Determining Whether a Conflict of Interest Exists**

After disclosure of the conflict of interest and all material facts, and after any discussion with the interested person, he/she will leave the governing board or committee meeting while the determination of a conflict of interest is discussed and voted upon. The remaining board or committee members shall decide if a conflict of interest exists.

#### **3. Procedures for Addressing the Conflict of Interest**

- a. A person with a conflict of interest may present information concerning the transaction to the board or committee prior to the commencement of deliberations or voting relating thereto.
- b. The person with the conflict of interest is not permitted to be present at or participate in the board or committee deliberation or vote on the matter giving rise to such conflict.

- c. The person with the conflict of interest is prohibited against any attempt to influence improperly the deliberations or voting on the matter giving rise to such conflict.
- d. The president or chairperson of the governing board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
- e. After exercising due diligence, the governing board or committee shall determine whether the corporation can obtain with reasonable efforts a more advantageous transaction arrangement from a person or entity that would not give rise to a conflict of interest.
- f. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the governing board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the corporation's best interest, for its own benefit, and whether it is fair and reasonable. In conformity with the above determination it shall make its decision as to whether to enter into the transaction or arrangement.

#### **4. Violations of the Conflict of Interest Policy**

- a. If the governing board or committee has reasonable cause to believe a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the member's response and after making further investigation as warranted by the circumstances, the governing board or committee determines the member has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

### **Article IV** **Record of Proceedings**

The minutes of the governing board and all committees with board delegated powers shall contain:

- 1. The names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, and any action taken to determine whether a conflict of interest was present, and the governing boards or committee's decision as to whether a conflict of interest in fact existed.
- 2. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

### **Article V** **Compensation**

- 1. A voting member of the governing board who receives compensation, directly or indirectly, from the corporation for services is precluded from being present and voting on matters pertaining to that member's compensation.
- 2. A voting member of any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation for services is precluded from voting on matters pertaining to that member's compensation.
- 3. No voting member of the governing board or any committee whose jurisdiction includes compensation matters and who receives compensation, directly or indirectly, from the corporation, either individually or collectively, is prohibited from providing information to any committee regarding compensation.

### **Article VI** **Annual Statements**

Prior to the initial election of any director, and annually thereafter, such director shall complete, sign and submit to the secretary of the corporation a written statement identifying, to the best of the director's knowledge any entity of which such director is an officer, director, trustee, member, owner, or employee and with which the corporation has relationship, and any transaction in which the corporation is a participant and in which the director might have a conflicting interest.

By signing the statement the director affirms that he/she:

- 1. Has received a copy of the Sub-Board I, Inc. whistleblower policy.

2. Has received a copy of the conflict of interest policy.
3. Has read and understands the policies.
4. Has agreed to comply with the policies, and
5. Understands that the corporation is a charitable entity, and in order to maintain its federal tax exempt status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

## **Article VII**

### **Periodic Reviews**

To ensure that the corporation operated in a manner consistent with charitable purposes and does not engage in activities that could jeopardize its tax-exempt status, periodic reviews shall be conducted. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information and the result of arm's length bargaining.
2. Whether partnerships, joint ventures, and arrangements with management organizations conform to the corporations' written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

## **Article VIII**

### **Use of Outside Experts**

When conducting periodic reviews as provided for in Article VII, the corporation may, but need not, use outside advisors. If outside experts are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

# Sub-Board I, Inc. Board Member Disclosure and Certification.

Name of Board Member (Print) \_\_\_\_\_ Student Government \_\_\_\_\_

I affirm the following:

1. I have received a copy of the Sub-Board I, Inc. whistleblower policy.
2. I have received a copy of the Sub-Board I, Inc. conflict of interest policy.
3. I have read and understands the policies.
4. I agreed to comply with the policies.
5. I understand that Sub-Board I, Inc. is a charitable entity, and in order to maintain its federal tax exempt status it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

Disclosures:

## Related Party of an Affiliate

1. Are you a director, officer or key employee of any affiliate of Sub-Board I, Inc. or do you have an ownership or beneficial interest in any affiliate of the Sub-Board I, Inc.?

Yes \_\_\_ No \_\_\_ If yes, please name the affiliate and explain the nature of the relationship: \_\_\_\_\_

2. Do you have a relative who is director, officer or key employee of any affiliate of Sub-Board I, Inc. or has an ownership or beneficial interest in any affiliate of Sub-Board I, Inc.?

Yes \_\_\_ No \_\_\_ If yes, please name the affiliate and explain the nature of the relationship: \_\_\_\_\_

## Independent Director

1. Are you currently or have you been in the last three years, an employee Sub-Board I, Inc. or an affiliate of Sub-Board I, Inc.?

Yes \_\_\_ No \_\_\_ If yes, please explain \_\_\_\_\_

2. Within the last three years has any relative been a key employee of Sub-Board I, Inc. or any affiliate of Sub-Board I, Inc.?

Yes \_\_\_ No \_\_\_ If yes, please explain \_\_\_\_\_

3. In any of the last three fiscal years, have you received or do you have a relative who has received, more than ten thousand dollars in direct compensation from Sub-Board I, Inc. or an affiliate of Sub-Board I, Inc.?

Yes \_\_\_ No \_\_\_ If yes, please explain \_\_\_\_\_

4. In any of the last three fiscal years, have you been an employee or do you have a substantial financial interest in, any entity that has made payments to or received payments from Sub-Board I, Inc. or an affiliate of Sub-Board I, Inc. for property or services in an amount which exceeds the lessor of twenty five thousand dollars or two percent of such entities consolidated gross revenues?

Yes \_\_\_ No \_\_\_ If yes, please explain \_\_\_\_\_

5. In any of the last three fiscal years, have you had a relative who is a current officer or has a substantial financial interest in any entity that has made payments to or received payments from Sub-Board I, Inc. or an affiliate of Sub-Board I, Inc. for property or services in an amount which exceeds the lessor of twenty five thousand dollars or two percent of such entities consolidated gross revenues?

Yes \_\_\_ No \_\_\_ If yes, please explain \_\_\_\_\_

6. Are you an independent director, as defined by the Sub-Board I, Inc. Conflict of Interest Policy? (If you answered "No" to questions #1 through #5, you are an independent director.)

Yes I am an independent director \_\_\_ No I am not an independent director \_\_\_

## Other

1. List any other known or potential conflicts of interest:

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Signature of Director \_\_\_\_\_

Date \_\_\_\_\_