

COMMUNITY FOUNDATION FOR THE TWIN TIERS POLICY ON SANCTIONING MEMBERS

Preamble: The Community Foundation for the Twin Tiers (CFTT) is committed to best practices and high standards of conduct. It is interested in protecting and preserving the public trust by practicing ethically sound management. This commitment to responsible and effective philanthropy led the CFTT's Board of Directors (BOD) to establish specific procedures for invoking sanctions for possible or proven institutional misconduct by its members.

Initiation: An inquiry of a member will begin once the CFTT becomes aware of alleged violation(s) of legal or ethical practices. All allegations will be reduced to writing and signed by the individual(s) making the allegations and delivered to the Board of Directors. The CFTT will be open and responsive to information obtained from all sources, including organizational members, the media and the general public.

Initial Inquiry: Within two weeks of becoming aware of a potential member violation, the executive committee of the board will conduct an initial inquiry to determine:

- a) Whether the alleged behavior, if true, appears to violate legal or ethical standards; **and**
- b) Based on the evidence, the likelihood that the allegations are true.

Absent adoption of ethical standards by the field, the basis for an inquiry into alleged ethical violations will be based on the standard that the conduct reflects a willful disregard of the Principles and Practices for Effective Grantmaking.

The Executive Committee of the Board (EC) will gather as much information as it can relevant to the allegation. Possible sources of information will include publicly available tax documents, information from websites, and relevant news articles. The EC will also contact the member to notify him/her of the allegation and to request information relevant to the inquiry. While lack of information is always relevant to the inquiry, the failure of a member to respond within the allotted time should not delay the EC from concluding the initial inquiry and reporting to the full BOD.

Initial Report: Upon conclusion of the initial inquiry, the EC will report to the BOD on those cases where it is determined that, a) if true, the alleged behavior appears to be a violation, and b) there is some likelihood the allegations are true. The report will include the name of each organization investigated, the date the allegations came to the CFTT's attention, the nature of the allegation and the facts underlying the conclusions reached. The report also will describe all contact with the member and the nature of those conversations. Based on the information collected and reported on by the EC, the BOD will determine whether an allegation contains sufficient merit to be forwarded to members of the review panel. The EC will periodically provide the BOD with a list of initial inquiries conducted where the EC concludes that the allegations are without merit.

Review Panel: The review panel will be composed of six individuals appointed by the board chair based on recommendations of the BOD. Members of the review panel will be selected from among individuals with a local reputation for integrity. Four of the six members should be individuals who are not considered insiders with respect to the CFTT. Panel members will be asked to serve three-year terms. Service is limited to no more than two consecutive terms. Panel members will work in teams of two to consider cases referred to them by the board chair. The team will evaluate the allegation(s) and determine the next step. Next steps may include:

- No action necessary – the panel notifies the board chair, the decision is documented, the member is notified and the file is closed.

- Further investigation is necessary – the panel reports back to the board chair about what information is missing and sets a deadline for reporting back.
- Member needs time to respond/take corrective action – the panel sets a reasonable deadline and notifies the member. The deadline should follow quickly.
- Impose sanctions – the panel reports to the BOD that sanctions are appropriate and recommends what final action should be taken.

Each case will either be resolved or forwarded to the BOD for consideration within ninety (90) days after the case is referred to the team.

Recommend Sanctions: In recommending sanctions to the BOD, the review panel will tailor the sanctions to match the nature and severity of the allegations. Bearing in mind that the process is not intended to make a determinative finding of guilt or innocence, the decision of what, if any, sanction to recommend will take into account the following factors:

- The likelihood that the alleged behavior is illegal or unethical
- The nature of the behavior underlying the investigation
- Whether the alleged behavior is a single act or omission, or whether it is part of a larger pattern of behavior
- Whether the member has been investigated and/or sanctioned by this or any other CFTT process previously
- The member's cooperation with staff and the review panel in the investigation of the allegation(s)

Available Sanctions: The panel will recommend one or more of the following actions:

- Private censure
- Probation – with or without benefits (for a time or until a triggering event)
- Revocation of membership

In especially egregious situations, the review panel may recommend that the BOD also consider public censure or notification of relevant enforcement authorities. The CFTT will disclose all relevant information it has when required to do so by law and will cooperate with enforcement authorities upon request.

Final Resolution: The BOD will consider the recommendations of the panel and will determine, in its sole discretion, the final course of action to be taken by the CFTT in each situation. The BOD will notify the member of the outcome of the investigation and what, if any, final action is being taken. Members will be given 14 days to correct any factual errors upon which the decision was based. Material changes in fact will be evaluated by the BOD and referred back to the review panel for further consideration if appropriate.

The BOD will make the decision of whether or not, and to what extent to publish the result of any particular inquiry into alleged member misbehavior on a case-by-case basis.

In the event that an organization that is the subject of an inquiry under this process is simultaneously being investigated by the Internal Revenue Service, Attorney General or other enforcement authority, the BOD will consider and determine what, if any, effect such investigation has on this process.