ROSE-HULMAN INSTITUTE OF TECHNOLOGY

Policy for Dealing with Allegations of Financial and/or Operational Misconduct

A. Introduction

Rose-Hulman Institute of Technology "The Institute" has a responsibility for the stewardship of Institute resources and the public and private support that enables it to pursue its mission. The Institute is committed to compliance with the laws and regulations to which it is subject and to providing policies and procedures that strengthen and promote ethical practices and treatment of all members of the Rose-Hulman Community as well as those who conduct business with the Institute.

Rose-Hulman’s internal control and operating procedures are intended to detect and prevent or deter improper conduct. However, even the best systems of control may not provide absolute safeguards against irregularities. As a result, intentional or unintentional violations of law, regulations, policies, and procedures may occur. The Institute has a responsibility to investigate and report, when appropriate, allegations of financial and/or operational misconduct and the subsequent actions taken. This Policy addresses this responsibility and is applicable to all employees of RHIT.

B. Policy

Prior to filing a complaint under this policy ("Whistleblower Complaint"), all Institute Employees have an obligation to first inform their supervisors, an area Vice-President, or the President if they have reasonable grounds to suspect financial and/or operational misconduct. If the results of these efforts are unsatisfactory to the Institute Employee, or the nature of the misconduct makes this approach impractical, the Institute Employee is encouraged to follow this policy and file a Whistleblower Complaint disclosing the activity as soon as possible to one or both of the following individuals:

(1) The Chairman of the Audit Committee of the Board of Trustees

James Coles via e-mail at: Contact_Audit_Chair@rose-hulman.edu

(2) The Treasurer of the Board of Trustees

Thomas Dinkel via e-mail at: Contact_Board_Treasurer@rose-hulman.edu
For the purposes of this policy, financial and/or operational misconduct includes:

1. Violation of any law
2. Gross Mismanagement
3. Gross waste or misappropriation of Institute funds
4. Creation of a substantial and specific danger to Institute health and safety
5. Substantial abuse of authority

If the Chairman of the Audit Committee and/or the Treasurer of the Board of Trustees determine the allegations in the Whistleblower Complaint do not meet the definition of financial and/or operational misconduct under this policy, the Institute Employee will be directed to the appropriate Institute policy or office for resolution.

Whistleblower Complaints which appear to the Chairman of the Audit Committee and/or to the Treasurer of the Board of Trustees to meet the definitions for financial and/or operational misconduct described in this policy will be investigated by the Audit Committee Chairman, the Treasurer of the Board of Trustees, and/or his/her designee, and will involve Institute personnel as necessary and appropriate. The confidentiality of the Institute Employee will be maintained to the fullest extent possible throughout the investigation process.

The result of the investigation will include recommended actions to address any confirmed misconduct in accordance with Institute policy, state and federal law. At the conclusion of the investigation, no later than 45 days after a Whistleblower Complaint is submitted with notification of inappropriate activity, the Audit Committee Chairman and/or Treasurer of the Board of Trustees will notify the Institute Employee of the status of the investigation.

No adverse personal or other action may be taken against an Institute Employee in knowing retaliation for a good faith lawful disclosure of financial and/or operational misconduct in a Whistleblower Complaint under the policy. If the Institute Employee disclosing an act of misconduct believes he/she is the subject of adverse personnel action the Institute Employee may file a retaliatory Whistleblower Complaint ("Retaliatory Complaint"). The Retaliatory Complaint should be directed to the Chairman of the Audit Committee and/or Treasurer of the Board of Trustees for investigation and/or resolution. Unless an Institute Employee has previously filed a Whistleblower Complaint such Employee may not file a Retaliatory Complaint.

Any person(s) found to have taken an adverse personnel or other action against an Institute Employee as a result of good faith Whistleblower Complaint under this policy shall be disciplined, up to and including termination, in accordance with existing Institute policy. Any Institute Employee who knowingly makes false allegations of financial or operational misconduct will be subject to discipline, up to and including termination of employment or expulsion, in accordance with Institute policies and procedures.
DEFINITIONS

1. Substantial abuse of authority: a material action taken which is clearly outside the scope of the alleged violator’s position, scope of duties, or level of authority as authorized by the Institute President or designee.

2. Adverse personnel or other action: Discharging, threatening, discriminating, or retaliating against an employee in any manner that affects his/her employment or enrollment, including compensation, rights, promotions, or privileges.

3. Gross waste or misappropriation of Institute funds: Action or decision either (a) outside the scope of the alleged violator’s spending or budgetary authority, or (b) would be considered by a reasonable person to be grossly excessive, wasteful, or an improper use of Institute funds.

4. Gross Mismanagement: Action or decision which either, (a) grossly exceeds the alleged violator’s scope of responsibilities, or (b) would be considered by a reasonable person to be grossly excessive or unfair.

5. Institute Employee: a person who is currently employed by the Institute or a person who was employed by the Institute within six (6) months prior to submitting a Whistleblower Complaint under this policy.

6. Violation of law: A material violation of local, state, or federal law or regulation that is applicable to the Institute or its employees.

7. Whistleblower complainant ("complainant"): An Institute Employee who in good faith lawfully disclosed alleged financial or operational misconduct in a Whistleblower Complaint or who subsequently is subject to an adverse personnel or other action as a result of making the prior disclosure and files a Retaliatory Complaint.