

**Rabbinical Council of America (“RCA”)
Whistleblower and Conflict of Interest Policies
Passed by Executive Committee, March 2016**

General Purpose of Whistleblower and Conflict of Interest Policies

The RCA knows that the trust and confidence of its membership and the community at large depend, in part, on continuing to maintain the highest standards of ethical, lawful, and halachic conduct. Accordingly, the RCA requires its Executive Committee members, Officers, employees, and volunteers (hereafter defined as “Key RCA Parties”) to

- observe high standards of honesty, integrity, and business and personal ethics in the conduct of their RCA duties and responsibilities; and,
- comport themselves so that there is not even the appearance of conflict between their personal interests and those of the RCA; and,
- comply with all applicable laws and regulations; and,
- ensure that they individually, and the RCA as a whole, follow RCA policies.

The Whistleblower and Conflict of Interest Policies implemented herein advance, in part, the above purposes. They enable, require, and encourage RCA members, employees, and others to raise for adjudication within the RCA their good faith concerns about possible breaches in the above requirements.

Compliance Committee

The Executive Committee shall establish a standing Compliance Committee to investigate Whistleblower Items and Conflict of Interest Items (each as defined below).

The RCA President shall nominate two non-RCA members to serve on this Committee, one of whom shall serve as its Chairperson. The President shall also nominate three RCA members who are not Key RCA Parties to serve on this Committee. In case of a vacancy, the President shall, at or before the next regularly scheduled Executive Committee meeting, nominate a replacement. No nominee may serve unless the Executive Committee has voted to accept him or her.

Independence

Compliance Committee members may neither serve as an Officer or member of the Executive Committee nor accept a nomination to run in an RCA Election to serve as an Officer or Executive Committee member. They also may not discuss employment opportunities at the RCA.

Whistleblower Items

The following is a comprehensive list of “Whistleblower Items” about which a Reporter can make a Report: fraud, theft, and embezzlement of RCA assets; irregularities in the RCA’s accounting and auditing procedures; bribery and kickbacks relating to RCA affairs; misuse of the RCA’s assets; violations of the RCA’s policies and governance procedures (including but not limited to its Conflict of Interest Policy); regulatory, legal, and compliance violations by the RCA; and similar issues and concerns relating to the RCA’s corporate operations and governance.

The following are not Whistleblower Items: an RCA employee’s problem with a co-worker or manager; allegations of employment discrimination or sexual or any other form of unlawful harassment; or, matters pertaining to individual chaverim that are otherwise subject to the jurisdiction, as per the RCA Constitution, of the Beth Din HaKovod.

Conflict of Interest Items

General Background

The RCA is incorporated under New York State’s Membership Corporation Law, the precursor to the state’s present Not-for-Profit Corporation Law. The Conflict of Interest statutes in the latter law focus primarily on the

duty of loyalty of Key RCA Parties, commanding them to be faithful to their organization's best interests and to refrain from using their organizational position or knowledge to advance a personal agenda at the organization's expense. This RCA Conflict of Interest Policy supplements but does not replace this or other applicable New York State or federal laws governing conflicts of interest. Neither New York State law nor this Policy prohibits every transaction which has a conflict of interests, permitting, instead, the RCA to manage conflicting interests appropriately. If the Compliance Committee determines that a potentially conflicting transaction is in the best interests of the RCA, it may lawfully be undertaken.

Definitions

- "Compensation" means: direct and indirect remuneration as well as gifts or favors that are substantial in nature.
- "RCA Parties" means: any Key RCA Party or member of an RCA Committee.
- "Related Parties" means: (i) an RCA Party; or (ii) relatives of an RCA Party, including and limited to: spouses or domestic partners; parents or grandparents; siblings and half-siblings or their spouses; natural or adopted children; grandchildren, great-grandchildren or their spouses); or (iii) any entity in which any individual described in (i) or (ii) above has thirty-five percent (35%) or greater ownership or beneficial interest, or if the entity is a partnership or professional corporation, any ownership in excess of five percent (5%); or (iv) any other entity or trust in which any individual in (i) or (ii) serves as a director, trustee, officer, or employee.
- "Related Party Transaction" means: any transaction, agreement or other arrangement, including Compensation, in which one or more Related Parties would have a financial interest and the RCA would be a participant.
- "Conflict of Interest Item" means: each proposed transaction, agreement or other arrangement, including Compensation, which (i) is a Related Party Transaction; or (ii) which may include an actual or perceived conflict of interest for some other reason, including any transaction, agreement or other arrangement in which the interests of a Related Party could be seen as competing with the interests of the RCA.
- "Confidential Information" includes but is not limited to RCA's membership or donor lists, research data, financial data, and computer software and equipment information.

Conflict of Interest Duties of RCA Parties

- 1) RCA Parties must ensure that the RCA makes decisions solely to promote its own best interests.
- 2) RCA Parties must protect the security and integrity of all Confidential Information. They may not disclose or use any such information for personal benefit or for non-RCA related purposes.
- 3) A) In general, RCA Parties may not obtain for themselves or a Related Party a material benefit of any kind (other than, in the case of an employee, salary and benefits approved by the Executive Committee) from their association with the RCA, or from knowledge gained therefrom.
B) If, however,
 - i. an organization offers Compensation to an RCA Party to speak about RCA-related matters at a non-RCA event; or
 - ii. the RCA offers Compensation to a Related Party to work for the RCA as an intern or volunteer then the RCA Party (in case i.) or the RCA Executive Vice President (in case ii.) must make a Report (as defined below) of this Compensation to the Compliance Committee Chairperson. If the Compliance Committee determines, according to its good judgment and by majority vote, that such Compensation should be permitted, then such Compensation may be paid without permission from the Executive Committee. The Compliance Committee Chairperson must report this Report and its related determination to the Executive Committee at its next regularly scheduled meeting.
- 4) If an RCA Party believes that he or she may now be, or later become, party to a Conflict of Interest Item, he or she must
 - immediately leave any committee meeting (including Executive Committee) in which that Conflict of Interest Item is discussed; and,

- have no further contacts, discussions, or communications about the Conflict of Interest Item – formal or informal, private or otherwise – with any RCA Party; and,
- disclose, in writing, to the Compliance Committee Chairperson the existence and nature of the Conflict of Interest Item and his or her financial interest therein.

Dereliction of an RCA Party's Conflict of Interest Duty

If the Compliance Committee has reasonable cause to believe that an RCA Party has violated or not fulfilled a Conflict of Interest Duty, its Chairperson shall inform that RCA Party of the basis of its belief and afford that person a full opportunity to explain his or her actions and/or inactions to the Compliance Committee. If, after considering this presentation and making such further investigation as may be warranted in the circumstances, the Compliance Committee determines, by majority vote, that the person violated or failed to fulfill a Conflict of Interest Duty, it shall report that determination to the Executive Committee at or prior to its next regularly scheduled for it to determine how to proceed.

Initial and Annual Conflict of Interest Statements

Prior to the nomination, appointment, or hiring of any Key RCA Party and not later than December 31 of each year thereafter, the RCA's Executive Vice President shall collect, on behalf of the RCA's Secretary, a written disclosure statement (herein, "Disclosure Statement") from each Key RCA Party. Each Key RCA Party must complete, sign, and submit a Disclosure Statement, affirming that he or she has

- 1) received a copy of this document
- 2) read and understood it
- 3) agreed to comply with it
- 4) identified, to the best of his or her knowledge
 - a. any entity or trust of which he or she is an officer, director, trustee, member, owner or key employee and with which the RCA has a relationship; and
 - b. any transaction in which the RCA is a participant and the individual or a Related Party might have a conflict of interest; and
 - c. any other interests which could give rise to a conflict of interest.

The Executive Vice President shall transmit, in a timely fashion, all completed Disclosure Statements to the Compliance Committee Chairperson and to the Audit Committee Chairman for review and investigation as needed. Any member of the Executive Committee may also request these forms from the Executive Vice President.

Making a Report to the Compliance Committee

Mandated and other Reporters

Key RCA Parties must, and other individuals may, report a Whistleblower Item or a Conflict of Interest Item (each as defined below) to the Chairperson of the Compliance Committee. (Hereafter, such a report is a "Report"; the person making a Report is a "Reporter".)

How to Make a Report

A Reporter may make a Report orally, electronically, or in writing. The RCA Office shall make this document as well as the name, email address, and telephone number of the Compliance Committee Chairperson visible at http://www.rabbis.org/contact_us.cfm.

Anonymity and Confidentiality

The Compliance Committee will keep the Reporter's identity confidential, except to the minimum degree required in order to conduct any investigation it undertakes. If a Reporter does not fully identify him/herself, then the Compliance Committee Chairperson shall tell the Reporter of any negative impact that this anonymity has on the Committee's ability to evaluate and investigate his or her Report.

Good faith

A Reporter must act in good faith, having reasonable grounds for believing that the information disclosed in his or her Report is both true as well as a potential Whistleblower Item or Conflict of Interest Item (as defined below). If the Committee's investigation of a Report made by an RCA member or RCA Key Party finds it to be unsubstantiated and reveals that its Reporter made it maliciously or with knowledge of its falsehood, then the Committee Chairperson shall report that finding to the Executive Committee at or prior to its next regularly scheduled meeting for it to determine how to proceed.

Retaliation

No Reporter who in good faith makes a Report shall suffer intimidation, harassment, discrimination, adverse employment consequences, or other retaliation. A Reporter who believes that he or she experienced retaliation may make a Report of the alleged retaliation to the Compliance Committee Chairperson, who shall treat it as an independent Report to be handled as per below ("Evaluating a Report").

Evaluating a Report

Deciding Whether to Investigate a Report; Communication with Reporter

Within five business days of receiving a Report, the Compliance Committee Chairperson must (1) acknowledge its receipt, by letter or by email, to the Reporter; and (2), transmit it to the Compliance Committee. If two or more of the Committee's five members vote to investigate it, then the Committee shall promptly do so. Within five business days of deciding whether to investigate a Report, the Compliance Committee Chairperson shall inform, in writing, the Reporter of this decision.

Compliance Committee Investigation

In order to gather all information needed to make its required determinations, as described below, the Compliance Committee shall consult, as needed, with relevant RCA members, Key RCA Parties, the RCA Audit Committee, and appropriate outside professionals including but not limited to attorneys, accountants, and investigators. If the Compliance Committee wishes to pay outside professionals, the President must place its request for such funding, to be presented by its Chairperson, on the agenda of Executive Committee, no later than at its next regularly scheduled meeting

Failure to Cooperate with Investigation

If an RCA member or Key RCA Party fails to respond promptly and fully to any question posed by the Compliance Committee during its investigation of a Report, then the Committee Chairperson shall report that failure to the Executive Committee at or before its next regularly scheduled meeting for it to determine how to proceed.

Addressing a Whistleblower Item

Regarding a Report that is a Whistleblower Item, the Compliance Committee shall investigate to find out all facts required for it to determine, by majority vote, the propriety of the Report's Whistleblower Item. The Chairperson of the Compliance Committee shall present its findings and determination to the Executive Committee at no later than its next regularly scheduled meeting for the Executive Committee to determine how to proceed.

Addressing a Conflict of Interest Item

Analyzing a Conflict of Interest Item

The Compliance Committee shall analyze a Conflict of Interest Item by comparing it with similar transactions negotiated by parties dealing at "arm's length" (i.e., parties that have an exclusively economic relationship who base their decisions on rational economic interests). The Compliance Committee shall make this comparison by finding alternative(s) to the Conflict of Interest Item by obtaining, if available, comparable market data (among other objective tests). If it wishes, the Compliance Committee may seek guidance from the Audit Committee regarding such comparisons.

After concluding these comparison(s), the Compliance Committee shall determine, by majority vote, whether the RCA can obtain a more advantageous arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest. The Compliance Committee Chairperson shall report this determination to the Executive Committee at its next meeting.

Determining Whether to Proceed with a Conflict of Interest Item

If the Compliance Committee's above determination is 'yes', then the Executive Committee may not permit the relevant Related Parties to enter into the Related Party Transaction.

If the Compliance Committee's above determination is 'no' then, after considering whether the Related Party Transaction materially impacts the financial, reputational or other interests of the RCA, the Executive Committee shall determine whether, and under what conditions if any, to permit the relevant Related Parties to enter into the Related Party Transaction.

Executive Committee Minutes Regarding a Conflict of Interest Item

The Recording Secretary shall enter the following items regarding each Conflict of Interest Item into the Executive Committee minutes:

- the relevant RCA Parties and Related Parties
- the Conflict of Interest Item, including the financial interests therein
- the relevant determination of the Compliance Committee, including any alternative transactions to the Conflict of Interest Item and comparable market data
- the determination of the Executive Committee whether to permit the Related Party Transaction, and any related conditions
- the names and votes of Executive Committee members regarding the Related Party Transaction.