

## **GRATITUDE GENERATION INC WHISTLEBLOWER POLICY**

GRATITUDE GENERATION INC. (the “*Organization*”) requires directors, officers, employees and volunteers to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As employees and representatives of the Organization, we must practice honesty and integrity in fulfilling our responsibilities and comply with all applicable laws and regulations.

### **Reporting Responsibility**

This Whistleblower Policy is intended to encourage and enable employees and others to raise serious concerns internally so that the Organization can address and correct inappropriate conduct and actions. It is the responsibility of all board members, officers, employees and volunteers to report concerns about violations of the Organization’s policies or suspected violations of law or regulations that govern the Organization’s operations.

### **No Retaliation**

It is contrary to the values of the Organization for anyone to retaliate against any board member, officer, employee or volunteer who in good faith reports a violation of the Organization’s policies, or a suspected violation of law, such as a complaint of discrimination, or suspected fraud, or suspected violation of any law or regulation governing the operations of the Organization. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment or volunteer status.

### **Reporting Procedure**

Directors, officers, employees and volunteers should share their questions, concerns, suggestions or complaints with someone who can address them properly. In most cases, employees and volunteers should report to the [*President*].<sup>[1]</sup> However, if an employee or volunteer is not comfortable speaking with the President or is not satisfied with the response, that employee or volunteer is encouraged to report to any director of the Organization.

### **Acting in Good Faith**

Any good faith report, concern or complaint is fully protected by this policy, even if the report, question or concern is, after investigation, not substantiated. Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of the Organization’s policies or applicable law. Any allegations that prove not to be substantiated and have been

made maliciously or with knowledge that they were false will be treated as a serious disciplinary offense.

### **Confidentiality**

Upon the request of the complainant, the Organization will use its best efforts to protect the confidentiality of the complainant for any good faith report. Violations or suspected violations may be submitted on a confidential basis by the complainant. They may also be submitted anonymously by *[filling out a “Whistleblower Reporting Form” and depositing the form in the designated box located at 815 Rosemary Terrace, Deerfield, IL 60015 or by mailing the report to the President at 940 Ivy Lane, Unit C, Deerfield, IL 60015]*. Reports of violations or suspected violations will be kept confidential to the extent possible, with the understanding that confidentiality may not be maintained where identification is required by law or in order to enable the Organization or law enforcement to conduct an adequate investigation.

### **Handling of Reported Violations**

All reports will be promptly investigated and appropriate corrective action will be taken if warranted by the investigation. The complainant will be informed that follow-up has or is occurring within two weeks after the President or board member has received the complaint or report. *[The Executive Committee shall be informed of all such complaints or reports.]*

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[1] CURRENT BOARD PRESIDENT: Lewis Lefteroff, [lewis.lefteroff@gratitudegeneration.org](mailto:lewis.lefteroff@gratitudegeneration.org)

**GRATITUDE GENERATION  
NON-DISCRIMINATION POLICY**

**Gratitude Generation Non-Discrimination Policy**

Gratitude Generation does not and shall not discriminate on the basis of race, color, religion or creed, gender, gender expression, age, national origin, disability, marital status, sexual orientation, or military status, in any of its activities or operations. These activities include, but are not limited to, selection of volunteers, selection of partner organizations and vendors, execution of programs, provision of services, and hiring and firing of staff.

We are committed to providing an inclusive and welcoming environment for all of our volunteers, supporters, clients, vendors, directors and employees and all other people with whom we come into contact as representatives of Gratitude Generation.

# Gratitude Generation Retention and Destruction Policy

## Document Destruction

The Document Retention and Destruction Policy identifies the record retention responsibilities of staff, volunteers, members of the board of directors, and outsiders for maintaining and documenting the storage and destruction of the organization's documents and records.

The organization's staff, volunteers, members of the board of directors, committee members and outsiders (independent contractors via agreements with them) are required to honor the following rules:

- a. Paper or electronic documents indicated under the terms for retention in the following section will be transferred and maintained by the executive director and board of directors;
- b. All other paper documents will be destroyed after three years;
- c. All other electronic documents will be deleted from all individual computers, databases, networks, and back-up storage after one year;
- d. No paper or electronic documents will be destroyed or deleted if pertinent to any ongoing or anticipated government investigation or proceeding or private litigation (check with legal counsel for any current or foreseen litigation if employees have not been notified); and
- e. No paper or electronic documents will be destroyed or deleted as required to comply with government auditing standards (Single Audit Act).

## Record Retention

| Type of Document                              | Minimum Requirement |
|---|---------------------|
| Accounts payable ledgers and schedules        | 7 years             |
| Audit reports                                 | Permanently         |
| Bank reconciliations                          | 2 years             |
| Bank statements                               | 3 years             |
| Checks (for important payments and purchases) | Permanently         |

|   |                 |
|---|-----------------|
| Contracts, mortgages, notes, and leases (expired)   | 7 years         |
| Contracts (still in effect)   | Contract period |
| Correspondence (general)  | 2 years         |
| Correspondence (legal and important matters)  | Permanently     |
| Correspondence (with customers and vendors)   | 2 years         |
| Deeds, mortgages, and bills of sale   | Permanently     |
| Depreciation schedules  | Permanently     |
| Duplicate deposit slips   | 2 years         |
| Employment applications   | 3 years         |
| Expense analysis/expense distribution schedules   | 7 years         |
| Year-end financial statements   | Permanently     |
| Insurance records, current accident reports, claims, policies, and so on (active and expired) | Permanently     |
| Internal audit reports  | 3 years         |
| Inventory records for products, materials, and supplies                                       | 3 years         |
| Invoices (to customers, from vendors)   | 7 years         |
| Minute books, bylaws, and charter   | Permanently     |
| Patents and related papers  | Permanently     |
| Payroll records and summaries   | 7 years         |

|  |             |
|--|-------------|
| Personnel files (terminated employees) | 7 years     |
| Retirement and pension records         | Permanently |
| Tax returns and worksheets             | Permanently |
| Timesheets                             | 7 years     |
| Trademark registrations and copyrights | Permanently |
| Withholding tax statements             | 7 years     |

**Resources**

National Council of Nonprofits [www.councilofnonprofits.org](http://www.councilofnonprofits.org)  
BoardSource Record Retention and Document Destruction Policy—Download 4 Samples (E-Policy Sampler)  
[www.boardsource.org/Bookstore.asp?Type=epolicy&Item=1071](http://www.boardsource.org/Bookstore.asp?Type=epolicy&Item=1071)  
Independent Sector [www.independentsector.org/issues/sarbanesoxley.html](http://www.independentsector.org/issues/sarbanesoxley.html)

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\* Adapted from National Council of Nonprofits.

# **Conflict of Interest and Compensation Policy of Gratitude Generation ("the Organization")**

**Adopted by the Board of Directors on June, 1, 2022**

## **I. Overview**

### **1. Purpose**

The purpose of this Conflict of Interest and Compensation Policy (the "policy") is to protect the Organization's interests when it is considering taking an action or entering into a transaction that might benefit the private interests of a director, officer or **key person**<sup>[1]</sup>, result in the payment of excessive compensation to a director, officer or key person; or otherwise violate state and federal laws governing conflicts of interest applicable to nonprofit, charitable organizations.

### **2. Why is a policy necessary?**

As a nonprofit, charitable organization, the Organization is accountable to both government agencies and members of the public for responsible and proper use of its resources. Directors, officers and employees have a duty to act in the Organization's best interests and may not use their positions for their own financial or personal benefit.

Conflicts of interest must be taken very seriously since they can damage the Organization's reputation and expose both the Organization and affiliated individuals to legal liability if not handled appropriately. Even the appearance of a conflict of interest should be avoided, as it could undermine public support for the Organization.

### **3. To whom does the policy apply?**

This policy applies to all directors, officers and key persons ("you")<sup>[2]</sup>.

## **II. Identifying Conflicts of Interest**

### **1. What is a conflict of interest?**

A potential conflict of interest arises when a director, officer or key person, or that person's **relative**<sup>[3]</sup> or business (a) stands to gain a financial benefit from an action the Organization takes or a transaction into which the Organization enters; or (b) has another interest that impairs, or could be seen to impair, the independence or objectivity of the director, officer or key person in discharging their duties to the Organization.

### **2. What are some examples of potential conflicts of interest?**

It is impossible to list all the possible circumstances that could present conflicts of interest. Potential conflicts of interest include situations in which a director, officer or key person or that person's relative or business:

- has an ownership or investment interest in any third party that the Organization deals with or is considering dealing with;
  - serves on the board of, participates in the management of, or is otherwise employed by or volunteers with any third party that the Organization deals with or is considering dealing with;
  - receives or may receive compensation or other benefits in connection with a transaction into which the Organization enters;
  - receives or may receive personal gifts or loans from third parties dealing with the Organization;
  - serves on the board of directors of another nonprofit that is competing with the Organization for a grant or contract;
  - has a close personal or business relationship with a participant in a transaction being considered by the Organization;
  - would like to pursue a transaction being considered by the Organization for their personal benefit.
3. In situations where you are uncertain, err on the side of caution and disclose the potential conflict as set forth in Section III of this policy.
4. **A potential conflict is not necessarily a conflict of interest.** A person has a conflict of interest only if the audit committee decides, pursuant to Section IV of this policy, that a conflict of interest exists.<sup>[4]</sup>

### III. **Disclosing Potential Conflicts of Interest**

1. You must disclose to the best of your knowledge all potential conflicts of interest as soon as you become aware of them and always before any actions involving the potential conflict are taken. Submit a signed, written statement disclosing all the material facts to the audit committee.
2. You must file an annual disclosure statement in the form attached to this policy. **If you are a director**, you must also file this statement prior to your initial election. Submit the form to the chair of the audit committee.

### IV. **Determining Whether a Conflict of Interest Exists**<sup>[5]</sup>

1. After there has been disclosure of a potential conflict and after gathering any relevant information from the concerned director, officer or key person, the audit committee shall determine whether there is a conflict of interest. The director, officer or key person shall not be present for deliberation or vote on the matter and must not attempt to improperly influence the determination of whether a conflict of interest exists.

2. In determining whether a conflict of interest exists, the audit committee shall consider whether the potential conflict of interest would cause a transaction entered into by the Organization to raise questions of bias, inappropriate use of the Organization's assets, or any other impropriety.
3. A conflict always exists in the case of a **related party transaction** – a transaction, agreement or other arrangement in which a **related party**<sup>[6]</sup> has a financial interest and in which the Organization or any affiliate of the Organization is a participant.<sup>[7]</sup>
4. If the audit committee determines that there is a conflict of interest, it shall refer the matter to the board of directors ("board").

**V. Procedures for Addressing a Conflict of Interest**

1. When a matter involving a conflict of interest comes before the board, the board may seek information from the director, officer or key person with the conflict prior to beginning deliberation and reaching a decision on the matter. However, a conflicted person shall not be present during the discussion or vote on the matter and must not attempt to improperly influence the deliberation or vote.

**2. Additional Procedures for Addressing Related Party Transactions**

a. The Organization may not enter into a related party transaction unless, after good faith disclosure of the material facts by the director, officer or key person, the board or a committee authorized by the board determines that the transaction is fair, reasonable and in the Organization's best interest at the time of such determination.

b. If the related party has a substantial financial interest, the board or authorized committee shall:

i. prior to entering into the transaction, consider alternative transactions to the extent available;

ii. approve the transaction by a vote of not less than a majority of the directors present at the meeting; and

iii. contemporaneously document in writing the basis for its approval, including its consideration of any alternative transactions.

**VI. Minutes and Documentation**

The minutes of any board meeting at which a matter involving a conflict of interest or potential conflict of interest was discussed or voted upon shall include:

- a. the name of the interested party and the nature of the interest;
- b. the decision as to whether the interest presented a conflict of interest;
- c. any alternatives to a proposed contract or transaction considered by the board;  
and
- d. if the transaction was approved, the basis for the approval.

**VII. Prohibited Acts**

The Organization shall not make a loan to any director or officer.

**VIII. Procedures for Determining Compensation**

1. No person shall be present for or participate in board or committee discussion or vote pertaining to:

- a. their own compensation;
- b. the compensation of their relative;
- c. the compensation of any person who is in a position to direct or control them in an employment relationship;
- d. the compensation of any person who is in a position to directly affect their financial interests; or
- e. any other compensation decision from which the person stands to benefit.

2. In the case of compensation of Key Persons, the following additional procedures apply:

- a. The board or a committee authorized by the board shall approve compensation before it is paid.
- b. The board or authorized committee shall base approval of compensation on appropriate data, including compensation paid by comparable organizations (three are sufficient if the Organization's income is less than \$1,000,000) for functionally similar positions, availability of similar services in the geographic area of the Organization, and compensation surveys compiled by independent firms.
- c. The board or authorized committee shall contemporaneously document:
  - i. the terms of compensation and date of determination;

- ii. the members of the board or committee who were present and those who voted for it;
- iii. the comparability data relied on and how it was obtained;
- iv if the compensation is higher or lower than the range of comparable data, the basis for the determination, and;
- v. any actions with respect to consideration of the compensation by anyone on the board or committee who had a conflict of interest with respect to the matter.

Gratitude Generation  
**Conflict of Interest Disclosure Statement**

By signing below, I affirm that:

1. I have received and read a copy of the Conflict of Interest and Compensation Policy;
2. I agree to comply with the policy;
3. I have no actual or potential conflicts as defined by the policy or if I have, I have previously disclosed them as required by the policy or am disclosing them below.

Disclose here, to the best of your knowledge:

1. any entity in which you participate (as a director, officer, employee, owner, or member) with which the Organization has a relationship;
2. any transaction in which the Organization is a participant as to which you might have a conflicting interest; and
3. any other situation which may pose a conflict of interest.

Name:

Position:

Signature:

Date:

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[1] **Key person** means a person, other than a director or officer, whether or not an employee of the Corporation, who:

- a) has responsibilities, or exercises powers or influence over the Corporation as a whole similar to the responsibilities, powers, or influence of directors and officers;
- b) manages the Corporation, or a segment of the Corporation that represents a substantial portion of the activities, assets, income, or expenses of the Corporation; or
- c) alone or with others controls or determines a substantial portion of the Corporation's capital expenditures or operating budget.

[2] Organizations may choose to make the policy applicable to all of their employees, not just key persons.

[3] **Relative** means a person's spouse or domestic partner, ancestors, brothers and sisters (whether whole or half-blood), children (whether natural or adopted), grandchildren, great-grandchildren, and spouses or domestic partners of brothers, sisters, children, grandchildren and great-grandchildren.

[4] Alternatively, the policy could provide for disclosure (1) to the board of directors, in which case, the board would decide both whether there is a conflict and how to handle the conflict; or (2) to a different board committee.

[5] Alternatively, the policy could provide for disclosure (1) to the board of directors, in which case, the board would decide both whether there is a conflict and how to handle the conflict; or (2) to a different board committee.

[6] A **related party** is:

1. a director, officer or key person of the Corporation or any affiliate of the Corporation, or
2. a relative of any individual described in (1), or
3. an entity in which any individual described in (1) or (2) has an ownership or beneficial interest of 35% or more, or in the case of a partnership or professional Corporation, a direct or indirect ownership interest in excess of 5%.

[7] A transaction is not a related party transaction if:

1. the transaction, or the related party's financial interest in the transaction, is *de minimis*;
2. the transaction would not customarily be reviewed by the board or the boards of similar organizations in the ordinary course of business and is available to others on the same or similar terms;
3. the transaction constitutes a benefit provided to a related party solely as a member of a class of the beneficiaries that the Corporation intends to benefit as part of the accomplishment of its mission (and that benefit is available to all similarly situated members of the same class on the same terms).