

Michael Balcomb and the HSA-UWC Board of Directors announce Whistleblower Protection and Conflict of Interest Policies

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The Board of Directors for the Holy Spirit Association for the Unification of World Christianity (HSA-UWC) has approved the Whistleblower Protection Policy and the Conflict of Interest Policy. Both are now official HSA documents that create new obligations for HSA regarding its accountability and transparency, according to a statement from the church's legal department in New York.

The Whistleblower Protection Policy provides an opportunity and procedures for both HSA employees and Church members to raise concerns about a church employee who in their opinion is in serious violation of U.S. laws, Church principles, Conflict-of-interest Policy, etc.

“The Whistleblower Protection Policy is an essential, but not the only step to increase transparency and accountability of the church organization. The success of the process will very much depend on the good will and intentions of both sides of the process – those who raise concerns and those who address them,” according to the explanatory letter from the HSA legal office.

The process for investigating a complaint against an HSA employee or executive involves a prompt inquiry within a subcommittee of the National Council. “Within 10 business days from the start of the initial inquiry, the Committee shall send a notice of the complaint to a Church employee against whom allegations have been made,” according to the Whistleblower rule. The accused person can then request a meeting with the committee to give his or her response. The investigation and hearing from both sides shall be concluded within one month, the rule states. The committee submits its recommendations to the HSA Board of Directors, which makes the final decision.

The Conflict of Interest Policy has been created to guide HSA directors, officers and employees to act in the best interests of the church before their individual and private interests. The Policy provides procedures to prevent intentional and unintentional conflict of interests in case a director, officer or employee is involved in multiple institutions and organizations.

Both documents will be included in the HSA Management Manual, and will be provided to new employees together with the HSA Employee Manual. The HSA Board approved the new rules at its meeting April 15, 2013.

CONFLICT OF INTEREST POLICY FOR DIRECTORS, OFFICERS AND EMPLOYEES

Article I

Purpose

The following statement of policy applies to each member of the board, to each officer of Holy Spirit Association for the Unification of World Christianity (herein after "Church") and to all persons employed by the Church regardless of position.

Article II

Responsibility

Directors, officers, and employees serve the public interest and thus have a clear obligation to this concept. All decisions of the board, officers, and employees of the Church are to be made solely on the basis of a desire to promote the best interests of the Church and the public good. Individuals inevitably are often involved in the affairs of multiple institutions and organizations. Effective boards and organizations will include individuals who have relationships and affiliations that may raise questions about perceived conflicts of interest. Thus, the board requires each director, officer and employee to be familiar with the terms of this policy and disclose any possible personal, familial, or business relationships that reasonably might give rise to a conflict involving the Church. A director or an officer shall make disclosures to the board chair or the President of the Church, an employee - to his/her supervisor.

Article III

Conflict of Interest Defined; Disclosure Required

A "conflict of interest" exists when any financial transaction involving the Church also involves (a) in a capacity other than their role with the Church, a director, officer, employee of the Church, or a member of their extended family, or (b) an organization with which any director, officer, or employee of the Church, or a member of their extended family, has any material financial interest. If a conflict of interest exists, the director, officer, or employee having the affiliation or interest, at the first knowledge of the transaction, shall disclose fully the precise nature of the interest or involvement.

Article IV

Administration

Issues under this policy concerning directors and officers shall be reported initially to the chair of the board for appropriate action. Issues involving other employees shall be disclosed to the President of the Church or the human resources department. Information disclosed under this policy shall be held in confidence by the persons authorized to receive and act upon it except where, in the judgment of any of such persons, the best interest of the organization requires further disclosure.

Article V

Restraint on Participation

A director, officer or employee who has declared or has been found to have a conflict of interest in any proposed transaction or other matter shall refrain from participating in consideration of the proposed transaction or other matter, unless for special reasons the Board of Directors requests information or interpretation from the person or persons involved. In the case of a director, he or she shall not vote on the matter in question and shall not be present at the time of the vote. With respect to restraint on participation by staff, the chair or the President shall take such action as is necessary to assure that the transaction is completed in the best interests of the Church without the substantive involvement of the person who has the possible conflict of interest.

Article IX

Conflict of Interest Policy and Other Church Documents

In case any of the provisions of the present Conflict of Interest Policy contradict provisions on the conflict of interest of any other Church documents (e.g. the Employee Manual), the provisions of the present Policy shall apply. In any case, the Conflict of Interest Policy shall comply with all the applicable mandatory statutory provisions.

Article X

Confidentiality

Each interested person shall exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be adverse to the interest of the Church. Furthermore, an interested person shall not disclose or use information relating to the business of the Church for the personal benefit or advantage of the interested person [or] a family member.

WHISTLE BLOWER PROTECTION POLICY

Article I

Ethics and Conduct Policy

The Holy Spirit Association for the Unification of World Christianity (herein after "Church") requires directors, officers, and employees (herein after "Church employees") to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. The Church employees must practice honesty and integrity in fulfilling their responsibilities and comply with all applicable laws and regulations.

Article II

Whistleblower Policy

The Church is committed to complying with statutory requirements that provide appropriate protections for whistleblowers. In line with this commitment this Whistleblower Policy aims to provide reassurance for whistleblowers, including but not limited to employees and members of the Church, that they will be protected from retaliation for whistleblowing. This Whistleblowing Policy is intended to encourage and

enable individuals to raise serious concerns within the Church prior to seeking resolution outside the Church.

Article III

Whistleblower Protection

1. The Church shall take no retaliatory action, including but not limited to harassment, retaliation, adverse employment consequence, or expulsion from membership in the Church, against a whistleblower who follows the procedures set forth below in disclosing to responsible persons in good faith an activity, policy or practice of any Church employee, which a whistleblower reasonably believes is violating in a serious manner applicable laws and/or Church principles or guidelines as set forth in internal documents of the Church, including but not limited to the Employee Manual, Pastor's Pledge and Conflict of Interest Policy (herein after "illegal or unethical practice").

2. A Church employee who retaliates against someone who has reported a suspected illegal or unethical practice in good faith is subject to discipline up to and including termination of employment.

3. Nothing in this policy shall waive in any way the attorney client privilege. All attorneys representing the Church or any of its subsidiaries must maintain attorney client confidences at all times, and be guided by the applicable rules of professional responsibility, including New York Rule 1.13, regarding the disclosure of confidential information.

Article IV

Procedures for Making a Complaint

1. This Whistleblower Policy suggests that individuals share their questions, concerns, or complaints (hereinafter "complaint" or "complaints") regarding suspected illegal or unethical practice in a written form and with a person in the Church who can address them properly.

2. The Church employees shall refer their complaints to:

- (a) a supervisor, or
- (b) a director of the Church human resources department.

3. Members and other individuals shall refer their complaints to:

- (a) a local/district pastor, or
- (b) a director of the Church human resources department

4. The person receiving the complaint in accordance with Sections 2 and 3 of this Article, shall first attempt to resolve the matter to the satisfaction of the complainant. If this cannot be done, the person receiving the complaint shall promptly report the complaint to a specially formed committee within the National Council (hereinafter "Committee").

Article V

Investigation Procedures by the National Council

1. The Committee shall make initial inquiry on the complaint about the suspected illegal or unethical practice. Within 10 business days from the start of the initial inquiry, the Committee shall send a notice of the complaint to a Church employee against whom allegations have been made. Upon a complainant request, his/her identity will remain anonymous to the Church employee against whom allegations have been made. Within 7 business days upon receipt of the complaint the Church employee can reply to the complaint in a written form or ask for a meeting with the Committee. The complainant has a right to provide his/her written reply to the explanations submitted by the Church employee.

2. Investigation of the complaint shall be prompt and shall generally be completed within one month from the date of receipt of the complaint. The one-month period can be extended if the complaint requires a more extensive investigation. In this case, the investigation period shall not exceed two months altogether. Investigation depends on the facts of the case and the kinds of information the Committee needs to gather.

The Committee can meet with the Church employer to hold interviews and gather documents, interview witnesses over the phone, ask for documents by mail and do other actions necessary for the purposes of investigation. Church employees shall cooperate with the Committee to the best of their ability.

3. At the conclusion of the investigation, the Committee shall make a conclusion on whether the suspected illegal or unethical practices are verified and/or otherwise substantiated and propose an appropriate action against the Church employee against whom the allegations were verified and/or otherwise substantiated or against the complainant in case the complaint was not made in good faith.

Article VI

Decision upon the Complaint

1. The Committee shall submit its conclusions and proposal on appropriate action against the Church employee or the complainant to the Church Board of Directors for a final decision. The Church Board of Directors can:

- (a) endorse the conclusions and proposal for an appropriate action, or
- (b) endorse the conclusions but decide on a different action, or
- (c) dismiss the conclusions and proposal on appropriate action and return the complaint for further investigation in case of material mistakes in investigation, or
- (d) dismiss the conclusions and take a decision on whether the complaint is verified/substantiated in case of mistakes in application/interpretation of the statutory regulations, Church principles, internal documents of the Church, including but not limited to the Employee Manual and Pastor's Pledge.

The complainant and the Church employee against whom the allegations have been made shall be immediately notified of the decision and appropriate action against the Church employee or the complainant, if any.

Article VII

Confidentiality

- (a) Complaints may be submitted on a confidential basis by the employee or may be submitted anonymously. However, this Whistleblower Protection Policy encourages complainants to put their names to complaints because appropriate follow-up questions and investigation may not be possible unless the source of the information is identified.
- (b) Reports of the suspected illegal or unethical practices will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

Article VIII

Acting in Good Faith

Anyone filing a complaint must be acting in good faith and have reasonable grounds for believing the information disclosed indicates an illegal or unethical practice. Any allegation that proves to have been made maliciously or knowingly to be false may result in disciplinary or other action. The decision on the disciplinary or other action shall be made by the Board of Directors upon the proposal of the Committee, in accordance with Article 6 of this Whistleblower Protection Policy.