

**Cottonwood, Incorporated  
Policies and Procedures**

**SECTION:** Administrative

**POLICY NO:** 04-032

**SUBJECT:** Reporting of Waste, Fraud, Abuse, Illegal  
or Unethical Activity (Whistleblower)

**PAGE(S):** 1 of 2

**EFFECTIVE DATE:** August 2003

**Policy:**

Cottonwood, Inc. is committed to providing quality services and practicing ethical fiscal stewardship. To that end, Cottonwood promotes a zero tolerance for waste, fraud, abuse, illegal or unethical activity. Employees are encouraged to ask questions and seek information from management staff about troubling or confusing practices so that a framework exists to help guide them in their decisions. Should an employee suspect that waste, fraud, abuse or illegal and unethical activity has occurred he/she must report it to the Corporate Compliance Officer, who is the Human Resource Director for Cottonwood, or a member of management. The Human Resource Director can be reached at 785-840-1627. Cottonwood will not retaliate against any employee who, in good faith, reports any instance of the above violations of our Code of Ethical Conduct (whistleblower protection).

**Procedures:**

1. Any employee who suspects that waste, fraud, abuse, illegal or unethical activity has occurred at Cottonwood, Inc., Cottonwood Foundation, Inc., Cottonwood Housing Corporation, and Cottonwood Trail, Inc., must report that violation to the Corporate Compliance Officer or member of management immediately. Failure to report is a violation of Cottonwood policy and may result in disciplinary action.
2. A written report may be required based on the complexity of the allegation. A reporter who wishes to remain anonymous must be informed that complete anonymity may not be possible but that only those with a need to know will be informed of the report.
3. The reporter and receiver of the report must protect the confidentiality of all involved as per Cottonwood policy and procedure. Indiscriminate or malicious misuse of the information will be grounds for disciplinary action.
4. All reports will be investigated. An investigation will be initiated as soon as possible but no later than 5 days from receipt of the report. Time frames may change based on advice of legal counsel. Willful and knowing instances of significant waste (defined as gross misuse of company property or funds), fraud, abuse, unethical or illegal activity will be cause for disciplinary action up to and including termination.
5. See policy 05-036 for consumer related issues.

6. Criminal violations will be reported by the Corporate Compliance Officer to the appropriate authorities following an internal investigation to determine the extent and nature of the violations. The internal investigation should be as timely as possible so as to not compromise swift resolution.
7. Records of the investigation shall be maintained by the investigator. These include: documentation of the violations, description of the investigative process, copies of interview notes, list of witnesses interviewed, results of investigations and corrective action taken.
8. Confidentiality generally will preclude giving the reporter a detailed report as to the resolution of the complaint. However, management may share allowable non-confidential information as deemed appropriate and prudent.
9. Annually the Board of Directors will review a Corporate Compliance Summary that will include any allegations of waste, fraud, abuse, illegal or unethical activity.