



Ethics and Integrity Hotline Procedures

Effective: 2023.11.01

I. Introduction:

The University of the Sacred Heart (hereinafter referred to as Sagrado) is committed to promoting the effective and efficient use of resources and fostering a culture ethics and integrity in its administration.

To achieve this, the Ethics and Integrity Hotline has been established with the primary objective of encouraging members of the University Community and private individuals to submit their concerns about possible inappropriate conduct in good faith and in confidence, without fear of retaliation, so that the University can address the situation and take appropriate actions. This policy also aims to protect employees from retaliation if they have provided information, cooperated, or participated in the evaluation or investigation in good faith.

The purpose of this procedure is to outline the process that Internal Audit and all members of the University Community will follow when possible inappropriate conduct is reported.

II. Reporting inappropriate conduct

A. Reporting Channels

Members of the Community are encouraged to report concerns through their supervisory chain or directly through the different reporting channels that includes but are not limited to the Internal Auditor, Organizational Development and Human Resources Office (“ODHR”), Title IX Coordinator, Students Affairs, and the Academic Affairs Office. However, wrongdoing and significant concerns can also be reported confidentially through the Ethics and Integrity Reporting Hotline case management system. With this Ethics and Integrity Reporting Hotline system, members of the University Community could report their concerns anonymously. The reports submitted through this system are received by a third party without the intervention of University personnel. The third part will provide the details to the Internal Auditor or to the assigned investigator, without revealing the identity of the reporter (if the reporter chooses anonymity). Communication between the Internal Auditor or the assigned investigator and the reporter must be possible through the third

party. Once the report is submitted, the case management system processes the complaint, and a report is forwarded to the Internal Auditor for evaluation and canalization. Complaints that specifically involve employee relations and labor matters are remitted the ODHR.

The anonymous Ethics and Integrity Hotline system can be accessed as follows:

- **Website:** <https://ethics.sagrado.edu>
- **Anonymous Reporting App:** Keyword: Sagrado
 - Download the detailed app instructions [here](#)
- **Toll-Free Telephone:**
 - Spanish or English Speaking: **787-200-2020**
- **E-mail:** reports@lighthouse-services.com (must include company name “Sagrado” with report)
- **Fax:** 215-689-3885 (must include company name “Sagrado” with report)

In addition to the anonymous Ethics and Integrity Hotline system explained above, complaints can also be submitted directly to the Internal Auditor through the following methods:

E-mail : auditoriainterna@sagrado.edu

Telephone: 787-728-1515, ext. 5459

Internal Audit Office: Sagrado Corazón Bld. Room AD-201

The Hotline is not a 911 or emergency service and individuals should not use it for those purposes.

B. Roles and responsibilities

1. Internal Auditor

The Internal Auditor is responsible for managing the Ethics and Integrity Hotline and is the designated administrator for the case management system. In case the Internal Auditor position is vacant, access to the case management system will require the approval of the Chairman of the Audit Committee.

Once a complaint report is received, Internal Audit will conduct an initial evaluation of the allegations. When the complaint is received anonymously through the case management system, Internal Audit could contact and communicate with the reporter through the services provider for additional details if needed and as explained in part A of this document. The evaluation will take into consideration the following aspects of the allegation:

1. Risk associated with the affected activity or area.

2. Availability of resources to address the report.
3. Materiality of potential financial losses resulting from the situation.
4. Frequency of similar situations.
5. Relevance of the report and sufficiency of provided evidence.
6. Ongoing or pending audits or evaluations on the same topic.
7. The appropriate level of detail and data provided to start an investigation.

These aspects and the level of cooperation obtained from the reporter will be taken into consideration when determining the course of action.

The results of the initial evaluation, along with recommendations for the course of action, will be discussed with the President for a joint determination of the final action for each case. Any discrepancies in opinion between the President and the internal auditor will be addressed by the President of the Audit Committee or, in their absence, at least two members of the Audit Committee.

In some circumstances, where immediate intervention by Internal Audit is required due to the nature of the allegations presented, the internal auditor may intervene and subsequently communicate the decision to the President at the earliest opportunity.

To conduct the investigation, Internal Audit will, among other procedures, gather appropriate evidence and interview relevant personnel. The investigation will be concluded within thirty (30) calendar days from the date the report was received. If more time is needed due to the sensitivity or complexity of the topic, Internal Audit must seek approval from the president of the Audit Committee.

Internal Audit shall maintain a record of all reports received through all of the reporting methods. This record should include, at a minimum, the date of the report, general information, referral date and to whom it was referred (if applicable), resolution, and closure date.

2. Office of Organizational Development and Human Resources (ODHR)

The ODHR must investigate complaints involving labor and employee relations matters including but not limited to sexual and workplace harassment as established by the applicable University Policies and Procedures.

3. Title IX Coordinators (or individual investigating students sexual harassment complaints)

Must investigate alleged violations related to students' sexual harassment complaints in accordance to applicable state and federal laws and regulations and following University Policies and Procedures.

4. Reporter and members of the University Community

Members of the University Community have the duty to report activities that could violate a state, federal law, or university policy. This includes violations of contracts and grants, ethics policy, financial reporting, fraud, misappropriation of assets or funds, conflicts of interests and other compliance violations of any kind. Refer to Appendix A for a non-exhaustive list of examples of issues that could be reported. It is expected that members of the University Community submit their complaints in good faith and for the benefit of the institution. The reporter and all members of the University Community are expected to cooperate and provide accurate, truthful, and relevant information or evidence to be evaluated by the investigator. The reporter must provide the appropriate level of information to start an investigation.

5. Reports referred to other units

In some cases, and after the initial evaluation performed by the Internal Auditor, the allegations could be referred to other units for evaluation and investigation. The unit will be responsible for the completion of the investigation and its related action plans. In this situation, Internal Audit will monitor the resolution of the claim.

The Internal Auditor must communicate with the reporter and inform about the referral.

C. Reports Involving the President or Trustees

Internal Audit will work directly with the President of the Audit Committee regarding reports of alleged inappropriate conduct involving the President or any Trustee. If the evaluation yields negative impacts, the findings will be presented to the Audit Committee of the Board of Trustees.

D. Reports Involving the Internal Auditor

If the alleged inappropriate conduct involves the Internal Auditor, it will be handled by the President of the Audit Committee for appropriate action. Such actions may require the intervention of Human Resources.

E. Disclosure of Investigation Results

Internal Audit will notify the appropriate level of Management of the investigation results and recommendations for corrective actions to address any deficiencies found, if any. Management will be responsible for establishing a corrective action plan and implementing corrective measures within a reasonable timeframe.

Internal Audit will make every effort to protect the identity of the person making the report. Therefore, the source of information or the name of the person making the report will not be disclosed unless authorized by the individual, deemed necessary for employees to carry out their responsibilities and duties, or in compliance with legislative, judicial, or administrative mandates.

F. When Inappropriate Conduct Is Detected:

If, during the investigation and analysis of evidence, it is concluded that inappropriate conduct has occurred, the cases will be referred to the following units for administrative evaluation:

1. Employee cases: Office of Human Resources. If the inappropriate conduct was allegedly committed by a senior executive in Human Resources, the case will be referred solely to the President.
2. Supplier or representative cases - to the highest executive of the affected unit, with a copy to Legal Affairs.
3. Student cases - Office of Student Affairs.
4. Cases involving the President, Trustees, and Internal Audit - Audit Committee.

This administrative evaluation will serve the purpose of (1) directing recommended corrective actions to resolve the situation described in the report and (2) determining any appropriate and necessary actions that Sagrado may take, including, but not limited to, disciplinary actions that could result in expulsion from the University (for students) or termination of employment (faculty and staff), termination of contractual relationships (suppliers or representatives), or legal action. Management will establish and implement a corrective action plan to address deficiencies identified in the evaluation results.

Internal Audit will keep the President and the Audit Committee informed of the processes outlined in this section.

G. Follow-Up on Recommendations

Internal Audit will review the results of evaluations conducted by Management of cases referred to them. Additionally, Internal Audit will assess the corrective actions implemented to determine if they addressed the situations identified. If it is determined that the situations have been addressed, Internal Audit may close the case.

II. Process for Reporting Retaliation

A. Reporting Retaliation to Management

Management is responsible for making all reasonable efforts to stop any potential acts of retaliation, threats, discrimination, or unjustified disciplinary actions against individuals who provide disclosures to Internal Audit, refuse to engage in potential inappropriate conduct, or contribute to an investigation of possible misconduct. This is achieved through the conduct of a thorough and timely investigation of any known act of retaliation, with the aim of providing protection to the victims and imposing sanctions on alleged perpetrators, as appropriate.

If the reporter directly notifies Management about a retaliation situation under this policy, Management must notify the President and Internal Audit within 5 working days of the situation.

B. Retaliation Claims presented to the Internal Auditor

Once possible retaliation behaviors are received, they will be referred to the following units to initiate their investigation:

- Employee cases - Human Resources Office. If the possible retaliation conduct was carried out by the senior executive of Human Resources, the case will be referred solely to the President.
- Supplier or representative cases - to the highest executive of the involved unit, with a copy to Legal Affairs.
- Student cases - Office of Student Affairs.
- President and Trustees cases - Audit Committee.
- Internal Auditor - President of the Audit Committee, through the Office of the President.

If the reporter of the possible acts of retaliation notifies Internal Audit, they may be asked, if possible, to provide evidence of their allegations.

The units will be responsible for notifying Internal Audit of the status of the investigations and any corrective actions implemented, if any, within thirty (30) calendar days from the date the disclosure was referred.

Internal Audit will keep the President and the Audit Committee informed about the actions taken by the units.

IV. Interpretation of this procedure

This Procedure is approved by the President of the University with the advice and counsel of the office of the General Counsel. Questions about the scope and interpretation of this Policy should be directed to the Office of Internal Audit at 787.728.1515, ext. 5459, or by email at auditoriainterna@sagrado.edu.

If there is any ambiguity in any provision of this Policy, the University reserves the discretion to interpret it in accordance with the purpose for which it was established, the impact to the University's operations and good faith, unless otherwise provided by law.

V. Reporting Violations

Any violation of this procedure by a member of the University Community will lead Sagrado to take appropriate and necessary measures at its discretion, including but not limited to disciplinary action that may include expulsion from the University (students); termination of employment relationship (employees); termination of contractual relationship (suppliers or representatives); and/or corresponding administrative or legal actions.

Violations to this Procedure should be directed to the office of Compliance, Internal Audit and Institutional Integrity at cumplimiento@sagrado.edu. Any violations to this Procedure will be addressed in accordance with the University's policies and procedures.



Gilberto J. Marxuach Torós
President

Definitions

1. University Community - is a broad term that includes any person or legal entity who has an interest in the University's Mission, institutional activities and/or operations (e.g., trustees, faculty, administrative staff, student support services staff, students, stakeholders, third-party, suppliers and vendors).
2. Reporter- is a person member of the University Community who submits a report or a concern through any of the communication channels and methods available at the Institution and as explained in this procedure.
3. Investigator- is the official or unit assigned to execute the investigation. In case of complaints involving labor and employee relations the ODHR will be the assigned investigator. The Internal Auditor will be the assigned investigator to all complaints received and after evaluation, the complaint could be referred to another unit.
4. Case Management System ("CMS")- is a web-based platform used to manage hotline activity and investigations.
5. Designated Administrator-is the University Official with access to the CMS database of reports responsible for managing the hotline program.
6. Retaliation - A broad term that includes unjustified disciplinary actions, punitive acts, threats, or discrimination for: providing information about potential inappropriate behavior, refusing to engage in such potential inappropriate behavior, or collaborating with.
7. Management- Term that includes any official or employee in charge of a unit, area or activity audited. These individual exercises the highest administrative authority within the units, area or activity audited (for example, President, Vice Presidents, Directors, or their equivalents in the University unit).
8. Inappropriate Conduct- Broad term, not legal, that encompasses any action, behavior, or activity that is unethical, illegal, or impermissible¹ carried out by members of the University Community during the performance of their official duties, responsibilities, and obligations or on behalf of Sagrado.
9. Report- An allegation of a violation of applicable laws and/or University rules, policies, or procedures or ethical concerns and/or other allegations of misconduct via the Hotline, or other established means.
10. Hotline Reporting Case Management System- The University's anonymous and confidential reporting system managed by a third-party provider.
11. Good Faith- A good faith report means an allegation made with the honest belief that violations may have occurred.

Appendix A

The following is a non-exhaustive list of examples of what to report:

- violation of any federal or state law or regulation, including but not limited to acts of corruption, bribery, theft, fraudulent claims, fraud, or criminal actions.
- Unauthorized use or misappropriation of University funds or property for purposes not authorized by law or University policies and procedures.
- Voluntary and intentional neglect of duty.
- Intentional violation of Sagrado's internal policies, procedures, rules, or regulations.
- Economic waste, financial irregularities, or manipulation of financial statements.
- Falsification of reports or reports with unreliable or misleading information.
- Threats to the health or safety of the University Community.
- Misconduct or lack of integrity in the performance of duties.
- Unauthorized access, modification, or manipulation of records and files in Sagrado's information and technological systems, including but not limited to the network, equipment, programs, facilities, infrastructure, and any other technological resource.
- Seeking personal benefit or advantage or that of family members in violation of the Code of Ethical Conduct and/or Conflict of Interest Policy to Avoid Conflicts of Interest in Federal Government Contracting.
- Interference with or obstruction of an evaluation or investigation carried out in accordance with Sagrado's policies, including the retention, destruction, or manipulation of documents or other evidence.
- Influencing, coercing, intimidating, or retaliating against whistleblowers, witnesses, or individuals cooperating with an investigation.
- Forgery of information or documents (claims, applications, or others).