



WHISTLEBLOWER PROTECTION POLICIES

What is a whistleblower (or whistleblower protection) policy? These policies prohibit retaliation against people who complain about an organization's practices. Originally these were specific to employees sounding the alarm about financial or accounting practices, but a robust policy today will cover any complainant (including volunteers or community members) for issues raised about any aspect of a nonprofit's work.

It's important to know that retaliating against whistleblowers is prohibited by federal law as well as laws in the State of Colorado. So having a thoughtfully conceived process for handling complaints is both an assurance of legal compliance but also an affirmation of your organization's commitment to transparency and protection of the rights of your employees and volunteers.

Does my nonprofit need one? A whistleblower protection policy is definitely best practice for all nonprofits. Here are several reasons:

- 1. Prioritizing people and fair practices:** We'd suggest that first and foremost this policy is an assurance that your organization treats people with fairness and has financial and other business practices that you can be proud of.
- 2. Transparency:** You provide employees, volunteers, donors, and the community at large assurance that your organization is transparent about its operations, and that you are open to constructive criticism. This is particularly important for 501(c)(3) nonprofits since your tax exemption is a form of public support and requires a degree of transparency (e.g., your 990 tax forms are available to the public).

***NOTE:** your public-facing 990 tax form includes a checkbox to confirm whether you have a board-approved Whistleblower policy in place. If you do not, this is often cause for concern for donors and grantmakers like YVCF.*

- 3. Consistency:** If a complaint does arise, a policy assures that it will be handled in a consistent and equitable way.
- 4. Privacy/Reputation:** A solid policy will protect the rights and privacy of any complainant. But it will also protect the reputation of the organization by channeling all complaints — whether actionable or not — through a fair and transparent process.
- 5. Efficiency:** As complaints are raised, your policy will simplify decisions about who responds and what actions must be taken. This minimizes the time and effort spent convening a board to make decisions and assign tasks (such group efforts around a complaint would also jeopardize the privacy rights of a complainant).

[Read more](#) for guidance on developing your policy from the National Council of Nonprofits.

Sample #1 – 3 pages: [YVCF](#)

Sample #2 – 2-page template: [National Council of Nonprofits](#)

Questions About Other Policies? YVCF is happy to share our own policies in case they are helpful in developing your own. Find them here: yvcf.org/financials-policies