



“He who passively accepts evil is as much involved in it as he who helps perpetrate it”

Dr. Martin Luther King, Jr.

Club Fraud Hotline

If you ever have a concern regarding unethical activity, don't keep it to yourself. Discuss it with the appropriate supervisor or manager. If you prefer to remain anonymous, we have a toll free whistle blower hotline:

24 hours a day, 7 days a week

855-315-7453

Or report anonymously via the internet at www.reportlineweb.com/ClubTax

The **Club Fraud Hotline** is offered by **Club Tax Network, Inc.** an association of CPA's, Attorneys and Consultants dedicated to serving the Private Club Industry, demonstrating their commitment to protecting Club assets.

Visit www.clubtaxnetwork.com to obtain more information regarding frauds perpetrated against Clubs.



Sample Whistleblower Policy

Policy

It is the policy of the club to establish a whistleblower policy which encourages employees to confidentially report suspected waste, fraud, and abuse without fear of retaliation.

Discussion

A whistleblower policy is an industry best practice and important tool to protect the assets of the club.

Fraud costs businesses billions of dollars annually and club members have a reasonable expectation that the club management team is taking all prudent steps to protect club assets.

A well-defined, publicized, and enforced whistleblower policy is an integral part of a sound internal control plan.

Studies have shown that 50% of all fraud is reported by employees.

In order for a whistleblower policy to be an effective part of the club's internal control plan, employees must feel comfortable reporting concerns without fear of retaliation and also trust in the confidentiality of any report.

While ensuring that all employees have clear, and if necessary anonymous, procedures for reporting suspected waste, fraud, and abuse, studies have shown that, of all the methods of reporting concerns, a hotline is the most effective.

Procedures

Employees are encouraged to bring concerns of waste, fraud, and abuse to their immediate supervisor. However, if an employee is uncomfortable doing this for any reason, other avenues of reporting are available including:

- The Human Resource Manager.
- Any other Department Head, Manager, or Supervisor they are comfortable approaching.
- The General Manager.

If an employee wishes to make a report anonymously, the individual to whom the report is made will scrupulously honor that request. All reports will be considered strictly confidential and will be passed on to the General Manager who will direct the appropriate course of action to investigate the matter.

The club also has a strict policy of no retaliation for any employee who reports suspected waste, fraud, abuse.

Responsibilities

The Controller is responsible for preparing a whistleblower policy for the General Manager's approval.

The Human Resources Manager is responsible for:

- ensuring that the policy receives the widest, ongoing, and consistent distribution to all employees. Distribution will include inclusion in employee and managers' handbooks, new hire orientations, bulletin board posters, and periodic reminders in any and all ongoing communications to employees.
- investigating a cost-effective means to provide "hotline" reporting of concerns by employees.

Department Heads, Managers, and Supervisors are responsible for becoming familiar with the policy and assisting in ongoing, periodic dissemination of the policy to their employees.

All management staff who become aware of any report of waste, fraud, and abuse are responsible for maintaining strict confidentiality to protect both the individual making the report and any ensuing investigation.