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## RECORD RETENTION AND DESTRUCTION

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| <b>Policy Area:</b> Administration   | <b>Number:</b> 200.E  |
| <b>Initial Effective Date:</b> 12-19-2013<br><b>Revised Policy Effective Date:</b> 12-02-2019<br><b>Revised Policy Effective Date:</b> 07-27-2022<br><b><u>Revised Policy Effective Date:</u></b>  | <b>Initial Approved Date:</b> 12-19-2013<br><b>Revision – Date Approved:</b> 12-02-2019<br><b>Revision – Date Approved:</b> 07-27-2022<br><b><u>Revision – Date Approved:</u></b> |
| <b>Approved by:</b> NAHAC Board of Directors   |   |
| <p><b>PURPOSE:</b></p> <p>The purpose of this Policy includes (a) retention and maintenance of documents necessary for the proper functioning of the organization as well as to comply with applicable laws and regulations; (b) destruction of documents which no longer need to be retained; and (c) guidance for the Board of Directors, Officers, employees and other constituencies with respect to their responsibilities concerning document retention and destruction.</p> <p><b>POLICY:</b></p> <p>NAHAC, with respect to the retention and destruction of documents and other records, will adhere to all federal and State of Nevada requirements, as well as any relevant agreements, for both hard copy and electronic media (which may merely be referred to as “documents” in this Policy). NAHAC will establish procedures to ensure that this requirement is met.</p> <p><u><i>Responsibilities of Management</i></u></p> <p>As directed by the Board of Directors, NAHAC’s CEO/COO or equivalent management official, shall enforce the administration of this policy with responsibilities including, at a minimum, supervising and coordinating the retention and destruction of documents pursuant to this Policy and particularly the Document Retention Schedule included below. The CEO/COO or equivalent management official shall also be responsible for documenting the actions taken to maintain and/or destroy organization documents and retaining such documentation. The CEO/COO or equivalent management official may modify the Document Retention Schedule from time to time as necessary to comply with law and/or to include additional or revised document categories as may be appropriate to reflect organizational policies and procedures. The CEO/COO or equivalent management official may appoint or delegate certain tasks in carrying out these responsibilities; however, ultimate responsibility for administration of this policy is retained by the CEO/COO or equivalent management official. The CEO/COO or equivalent management official shall communicate this policy to all relevant third parties.</p> <p><u><i>Responsibilities of Constituencies</i></u></p> <p>This Policy also relates to the responsibilities of Board members, employees, and third parties with respect to maintaining and documenting the storage and destruction of the organization’s documents. Employees of the organization shall be familiar with this policy, act in accordance therewith, and assist the CEO/COO or equivalent management official, as requested.</p> |   |

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Responsibilities of Constituencies (Continued):

The responsibility of authorized third parties with respect to this policy shall be to produce specifically identified documents upon the request of management, if the authorized third party still retains such documents. In that regard, after each project in which an authorized third party has been involved, or each term which the authorized third party has served, it shall be the responsibility of the CEO/COO or equivalent management official to confirm whatever types of documents the authorized third party retained and to request any such documents which the CEO/COO or equivalent management official feels will be necessary for retention by the organization (not by the authorized third party). In particular circumstances, the CEO/COO or equivalent management official may require that the contract with the authorized third party specify the particular responsibilities with respect to this policy.

Suspension of Document Destruction; Compliance

The organization becomes subject to a duty to preserve (or halt the destruction of) documents once litigation, an audit or a government investigation is reasonably anticipated. Therefore, if the CEO/COO or equivalent management official becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, the CEO/COO or equivalent management official shall immediately order a halt to all document destruction under this Policy, communicating the order to all affected constituencies in writing. The CEO/COO or equivalent management official may thereafter amend or rescind the order only after conferring with legal counsel. If any member of NAHAC's Board of Directors or any NAHAC employee becomes aware that litigation, a governmental audit or a government investigation has been instituted, or is reasonably anticipated or contemplated, with respect to the organization, and they are not sure whether the CEO/COO or equivalent management official is aware of it, they shall make the CEO/COO or equivalent management official aware of it. Failure to comply with this policy, especially including disobeying any destruction halt order, could result in repercussions that include, without limitation, disciplinary action including possible termination.

Electronic Documents; Document Integrity

Documents in electronic format shall be maintained just as hard copy or paper documents are, in accordance with the Document Retention Schedule. Due to the fact that the integrity of electronic documents, whether with respect to the ease of alteration or deletion, or otherwise, may come into question, the CEO/COO or equivalent management official shall attempt to establish standards for document integrity, including guidelines for handling electronic files, backup procedures, archiving of documents, and regular checkups of the reliability of the system; provided, that such standards shall only be implemented to the extent that they are reasonably attainable considering the resources and other priorities of the organization.

Privacy

It shall be the responsibility of the CEO/COO, or equivalent management official~~Director~~, after consultation with counsel, to determine how privacy laws will apply to the organization's documents from and with respect to employees and other constituencies; to establish reasonable procedures for compliance with such privacy laws; and to allow for their audit and review on a regular basis.

### Emergency Planning

Documents shall be stored in a safe and accessible manner. Documents which are necessary for the continued operation of the organization in the case of an emergency shall be regularly duplicated or backed up and maintained in an off-site location. The CEO/COO, or equivalent management official shall develop reasonable procedures for document retention in the case of an emergency.

### Document Creation and Generation

The CEO/COO, or equivalent management official shall discuss with employees the ways in which documents are created or generated. With respect to each employee or organizational function, the CEO/COO, or equivalent management official shall attempt to determine whether documents are created which can be easily segregated from others, so that, when it comes time to destroy (or retain) those documents, they can be easily culled from the others for disposition. For example, on an employee-by-employee basis, are e-mails and other documents of a significantly non-sensitive nature so that they might be deleted, even in the face of a litigation hold with respect to other, more sensitive, documents? Are there various drafts or versions of documents that should each be independently preserved? This dialogue may help in achieving a major purpose of the policy – to conserve resources – by identifying document streams in a way that will allow the policy to routinely provide for destruction of documents. Ideally, the organization will create and archive documents in a way that can readily identify and destroy documents with similar expirations.

### **DOCUMENT RETENTION SCHEDULE:**

Assuming there is no active litigation, audit, or government investigation regarding suspension of applicable retention protocols, the following protocols shall generally apply.

| <b>Document Type</b>                              | <b>Retention Period</b>          |
|---|----------------------------------|
| <b>Accounting and Finance</b>                     |                                  |
| Accounts Payable                                  | 7 years                          |
| Accounts Receivable                               | 7 years                          |
| Annual Financial Statements and Audit Reports     | Permanent                        |
| Bank Statements, Reconciliations & Deposit Slips  | 7 years                          |
| Canceled Checks – routine                         | 7 years                          |
| Canceled Checks – special, such as loan repayment | Permanent                        |
| Credit Card Receipts                              | 3 years                          |
| Employee/Business Expense Reports/Documents       | 7 years                          |
| General Ledger                                    | Permanent                        |
| Interim Financial Statements                      | 7 years                          |
| <b>Contributions/Gifts/Grants</b>                 |                                  |
| Contribution Records                              | Permanent                        |
| Grant Records                                     | 7 yrs. after end of grant period |
| <b>Corporate and Exemption</b>                    |                                  |
| Articles of Incorporation and Amendments          | Permanent                        |



|   |           |
|---|-----------|
| Bylaws and Amendments                                   | Permanent |
| Minute Books, including Board & Committee Minutes       | Permanent |
| Annual Reports to Attorney General & Secretary of State | Permanent |
| Other Corporate Filings                                 | Permanent |

#### DOCUMENT RETENTION SCHEDULE (CONTINUED):

|   |           |
|---|-----------|
| IRS Exemption Application (Form 1023 or 1024) | Permanent |
| IRS Exemption Determination Letter            | Permanent |

#### Corporate and Exemption (Continued)

|  |           |
|--|-----------|
| State Exemption Application (if applicable)          | Permanent |
| State Exemption Determination Letter (if applicable) | Permanent |
| Licenses and Permits                                 | Permanent |
| Employer Identification (EIN) Designation            | Permanent |

#### Correspondence and Internal Memoranda

Hard copy correspondence and internal memoranda relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate.

|  |           |
|--|-----------|
| Hard copy correspondence and internal memoranda relating to routine matters with no lasting significance | Two Years |
|--|-----------|

|  |                              |
|--|------------------------------|
| Correspondence and internal memoranda important to the organization or having lasting significance | Permanent, subject to review |
|--|------------------------------|

#### Electronic Mail (E-mail) to or from the organization

Electronic mail (e-mail) relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document to which they relate, but may be retained in hard copy form with the document to which they relate.

|   |                              |
|---|------------------------------|
| E-mails considered important to the organization or of lasting significance should be printed and stored in a central repository. | Permanent, subject to review |
|---|------------------------------|

|  |           |
|--|-----------|
| E-mails not included in either of the above categories | 12 months |
|--|-----------|

#### Electronically Stored Documents

Electronically stored documents (e.g., in pdf, text or other electronic format) comprising or relating to a particular document otherwise addressed in this Schedule should be retained for the same period as the document which they comprise or to which they relate, but may be retained in hard copy form (unless the electronic aspect is of significance).

|   |                              |
|---|------------------------------|
| Electronically stored documents considered important to the organization or of lasting significance should be printed and stored in a central repository (unless the electronic aspect is of significance). | Permanent, subject to review |
|---|------------------------------|



Electronically stored documents not included in either of the above categories

Two years

#### DOCUMENT RETENTION SCHEDULE (CONTINUED):

##### Employment, Personnel and Pension

|                    |                               |
|--------------------|-------------------------------|
| Personnel Records  | 10 yrs. after employment ends |
| Employee contracts | 10 yrs. after termination     |

##### Insurance

|   |           |
|---|-----------|
| Property, D&O, Workers' Compensation and General Liability Insurance Policies | Permanent |
| Insurance Claims Records  | Permanent |

##### Legal and Contracts

|  |                           |
|--|---------------------------|
| Contracts, related correspondence and other supporting documentation | 10 yrs. after termination |
| Legal correspondence   | Permanent                 |

##### Management and Miscellaneous

|                                |                                       |
|--------------------------------|---------------------------------------|
| Strategic Plans                | 7 years after expiration              |
| Disaster Recovery Plan         | 7 years after replacement             |
| Policies and Procedures Manual | Current version with revision history |

##### Property – Real, Personal and Intellectual

|   |                            |
|---|----------------------------|
| Property deeds and purchase/sale agreements | Permanent                  |
| Property Tax                                | Permanent                  |
| Real Property Leases                        | Permanent                  |
| Personal Property Leases                    | 10 years after termination |
| Trademarks, Copyrights and Patents          | Permanent                  |

##### Tax

|  |           |
|--|-----------|
| Tax exemption documents & correspondence     | Permanent |
| IRS Rulings                                  | Permanent |
| Annual information returns – federal & state | Permanent |
| Tax returns                                  | Permanent |



## PROGRAM COMPLIANCE

|  |   |
|--|---|
| <b>Policy Area:</b> Program  | <b>Number:</b> 300.A  |
| <b>Initial Effective Date:</b> 12-19-2013<br><b>Revised Policy Effective Date:</b> 01-27-2021<br><b>Revised Policy Effective Date:</b> 07-27-2022<br><b><u>Revised Policy Effective Date:</u></b>  | <b>Initial Approved Date:</b> 12-19-2013<br><b>Revision – Date Approved:</b> 01-27-2021<br><b>Revision – Date Approved:</b> 07-27-2022<br><b><u>Revision – Date Approved:</u></b> |
| <b>Approved by:</b> NAHAC Board of Directors   |   |
| <b>PURPOSE:</b><br><br>NAHAC may obtain funding from various sources including individuals, companies, or governmental agencies. This policy aims to ensure that these funds are used to provide assistance to eligible Nevada homeowners, and comply with the terms of any applicable <u>laws, regulations</u> , contracts or agreements.<br><br><b>POLICY:</b><br><br>All programs administered by NAHAC should be adequately documented and appropriate to accomplish the mission and vision of the organization. Such documentation should include underwriting guidelines, or equivalent documentation, to ensure compliance with all applicable contractual or other requirements; and to provide for the efficient and effective administration of the program. These guidelines should be designed to prevent and detect errors and/or fraud in providing assistance to only qualified Nevada homeowners. In addition, these guidelines, along with any related procedures, should be reviewed by NAHAC Management at least annually to ensure that the objectives of those guidelines are still being met, including the terms and conditions set forth in the HFA agreement <u>(or other applicable requirements)</u> . If quality control procedures performed by NAHAC determine that changes to these guidelines or related procedures should be made, such changes should be completed in a timely manner. All required program related reporting shall be made in a timely manner as required by contract, agreement, laws, or other regulations. |   |

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## MONTH-END CLOSE AND JOURNAL ENTRIES

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| <b>Policy Area:</b> Finance  | <b>Number:</b> 400.D   |
| <b>Initial Effective Date:</b> 12-19-2013<br><b>Revised Policy Effective Date:</b> 12-02-2019<br><b>Revised Policy Effective Date:</b> 07-27-2022<br><b>Revised Policy Effective Date:</b>   | <b>Initial Approved Date:</b> 12-19-2013<br><b>Revision – Date Approved:</b> 12-02-2019<br><b>Revision – Date Approved:</b> 07-27-2022<br><b>Revision – Date Approved:</b> |
| <b>Approved by:</b> NAHAC Board of Directors   |  |
| <b>PURPOSE:</b><br><br>In order to provide the Organization and Board of Directors with timely accurate information, and to ensure journal entries entered into the accounting system are both appropriate and authorized.<br><br><b>POLICY:</b><br><br>The CEO/COO, or equivalent management official, shall designate an individual within the accounting department to be responsible for maintaining the books of the organization, including the monthly financial close process. The monthly financial close process will typically be performed within approximately <del>40</del> <u>20</u> days after month-end, but always prior to the end of the following month. Invoices received after the month has been closed shall generally be recorded in the month received, except for at year-end. All balance sheet accounts will be reconciled by the 20th day of the following month, or within 20 days from the receipt of an account statement in the case of credit card accounts.<br><br>General journal entries are made when necessary to record transactions to the appropriate period and account classification. Such entries should be limited to those individuals with management responsibility over the accounting and financial reporting functions and will include a detailed description of the purpose for the entries and relevant supporting documentation. All journal entries will include a detailed description of why the entry is being made, along with supporting documentation. |  |

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## CASH DISBURSEMENTS

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| <b>Policy Area:</b> Finance  | <b>Number:</b> 400.M   |
| <b>Initial Effective Date:</b> 12-19-2013<br><b>Revised Policy Effective Date:</b> 12-02-2019<br><u><b>Revised Policy Effective Date:</b></u>  | <b>Initial Approved Date:</b> 12-19-2013<br><b>Revision – Date Approved:</b> 12-02-2019<br><u><b>Revision – Date Approved:</b></u> |
| <b>Approved by:</b> NAHAC Board of Directors   |  |
| <p><b>PURPOSE:</b></p> <p>To provide general guidance on formulating cash disbursement policies and procedures. Cash disbursement policies and procedures should ensure that cash is disbursed only for valid business purposes after approvals by authorized persons and in compliance with applicable donor, sponsor or regulatory requirements.</p> <p><b>POLICY:</b></p> <p>Cash disbursements include all forms of disbursement, including but not limited to: checks, wires, ACH transactions, etc. All vendor, supplier, consultant and contractor invoices shall be routed to the accounting department for processing. Personnel with responsibility over accounts payable shall process the invoices in a timely fashion and in accordance with the terms and conditions of the purchase agreements. All invoices must be matched to the proper supporting documentation and must be approved by authorized personnel acting within the scope of their authority (see Authorization Matrix). Approved invoices shall be paid within 30 days of receipt. Check requests are required when no invoice is available per contract. All electronic fund <del>wires</del> <u>payments</u> shall be initiated and authorized by separate individuals.</p> <p>Work orders are required for all purchases of services, including appropriate authorization, prior to securing services. Purchase orders are required for all purchases of goods, including appropriate authorization, prior to purchase. In lieu of the above forms, a check request form may be used so long as adequate approvals and documentation is included.</p> <p><b>RESOURCES:</b></p> <p>See Appendix VI – Authorization Matrix – Finance<br/>See Appendix VII – Authorization Matrix –Payroll and HR</p> |  |

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## TRAVEL

|  |   |
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| <b>Policy Area:</b> Finance  | <b>Number:</b> 400.P  |
| <b>Initial Effective Date:</b> 12-19-2013<br><b>Revised Policy Effective Date:</b> 12-02-2019<br><b>Revised Policy Effective Date:</b> 07-27-2022<br><b><u>Revised Policy Effective Date:</u></b>  | <b>Initial Approved Date:</b> 12-19-2013<br><b>Revision – Date Approved:</b> 12-02-2019<br><b>Revision – Date Approved:</b> 07-27-2022<br><b><u>Revision – Date Approved:</u></b> |
| <b>Approved by:</b> NAHAC Board of Directors   |   |
| <b>PURPOSE:</b> <p>NAHAC will reimburse employees for reasonable and necessary expenses incurred in connection with approved travel on behalf of the organization. NAHAC strongly encourages use of travel discounts when making travel arrangements.</p> <p>Travelers seeking reimbursement should incur the lowest reasonable travel expenses and exercise care to avoid impropriety, or the appearance of impropriety. Reimbursement is allowed only when travel is related to the business of NAHAC and reimbursement has not been, and will not be, received from other sources. If a circumstance arises that is not specifically covered in this travel policy, then the most conservative course of action should be taken.</p> <p>Business travel policies are aligned with organization reimbursement rules. All business-related travel paid for with NAHAC funds must comply with organization disbursement and procurement policies.</p> <b>POLICY:</b> <p>Employee travel must be authorized in advance. Travelers should verify that planned travel is eligible for reimbursement before making travel arrangements. Within 30 days of completion of a trip, the traveler must submit a Travel Reimbursement form and supporting documentation to obtain reimbursement of expenses.</p> <p>An individual may not approve his or her own travel or reimbursement. Travel reimbursements under \$1,000 must be approved by the CEO/COO or equivalent management official, or their designee. Travel reimbursements over \$1,000 or reimbursed to the CEO/COO or equivalent management official must be approved by a member of the Board of Directors. Designated approval authorities are required to review expenditures and withhold reimbursement if there is a reason to believe that the expenditures are inappropriate or extravagant.</p> <b>DETAILS:</b> <p><i>Personal funds</i></p> <p>Travelers should review reimbursement guidelines before spending personal funds for business travel to determine if such expenses are reimbursable. NAHAC reserves the right to deny reimbursement of travel-related expenses for failure to comply with policies and procedures.</p> |   |

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Travelers who use personal funds to facilitate travel arrangements will not be reimbursed until after the trip occurs and proper documentation is submitted.

***Vacation in conjunction with business travel***

In cases in which vacation time is added to a business trip, any cost variance in airfare, car rental or lodging must be clearly identified on the Travel Request form. NAHAC will not prepay any personal expenses with the intention of being “repaid” at a later time, nor will any personal expenses be reimbursed.

***Exceptions***

Occasionally it may be necessary for traveler to request exceptions to this travel policy. Requests for exceptions to the policy must be made in writing and approved by the CEO/COO or equivalent management official or their designee. Exceptions related to the CEO/COO or equivalent management official’s expenses must be submitted to the Board Chairperson for approval. In most instances, the expected turnaround time for review and approval is five business days.

**Travel Expenses/Procedures**

***General information***

Authorized business travel for employees that includes prepayments must be pre-approved.

Reimbursement of parking, mileage, and ferry or bus passes do not require advanced requests if they are ~~under~~ \$400 or less; however, they would follow other NAHAC policies and procedures related to reimbursements or check requests. Requests for reimbursement of travel expenses are to be submitted on a Travel Reimbursement form.

***Permissible prepaid travel expenses***

Before the travel, NAHAC may issue prepayments for airfare, rail transportation, rental vehicles, conference registration fees and cash advances. Applicable policies and methods of payments for these prepayments follow.

**Airfare.** Travelers are expected to obtain the lowest available airfare that reasonably meets business travel needs. Airfare may be prepaid by NAHAC.

Travelers are encouraged to book flights at least 30 days in advance to avoid premium airfare pricing. First-class tickets are not reimbursable.

Coach/economy class tickets, or its equivalent, must be purchased for domestic or international flights (defined as flight time totaling less than five consecutive hours excluding layovers). A higher-priced coach ticket cannot be purchased for a subsequent upgrade in seating.

A less-than-first-class ticket (i.e., business class) may be purchased at NAHAC’s discretion for domestic or international flights (defined as flight time exceeding five consecutive hours excluding layovers).



**Rail transportation.** NAHAC will prepay rail transportation provided that the cost does not exceed the cost of the least expensive airfare.

**Rental vehicles.** NAHAC will pay for approved use of a rental vehicle. See the section on reimbursements below in this section.

**Conference registration fees.** Conference registration fees can be prepaid with a credit card or check from NAHAC. Business-related banquets or meals that are considered part of the conference can be paid with the registration fees; however, such meals must be deducted from the traveler's per diem allowance. See Meals (per diem) for more detail.

**Travel advances.** Cash advances are authorized for specific situations that might cause undue financial hardship for business travelers. These situations are limited to employees traveling on behalf of NAHAC. A maximum of 80 percent of the total estimated cost can be advanced.

Expenses associated with the travel must be reconciled and substantiated within 30 days of the return date. The traveler must repay NAHAC for any advances in excess of the approved reimbursable expenses. The department initiating the travel is responsible for notifying the accounting department to deposit any excess funds into the appropriate departmental account.

Travel advances are processed by submitting completed request forms to NAHAC. Reimbursement for any remaining expenses is processed on a form approved by the designated approval authority.

#### ***Reimbursements***

Requests for reimbursements of travel-related expenses are submitted on a completed form. This form must be accompanied by supporting documentation. If the requested reimbursement exceeds 20 percent of the total pre-trip estimate, the form must be signed by the CEO/COO or equivalent management official, or their designee.

These forms must be submitted to the accounting department within 30 days after the trip is completed. Travel reimbursement forms not submitted within this time frame requires exception approval from the CEO/COO or equivalent management official, or their designee.

Reimbursement of travel expenses is based on documentation of reasonable and actual expenses supported by the original, itemized receipts. Reimbursements that may be paid by NAHAC are shown below.

**Airfare.** If the airfare was not prepaid by NAHAC, an original itemized airline receipt, an e-ticket receipt/statement or an Internet receipt/statement is required. The receipt must show the class of airfare that was purchased, the method of payment, and indicate that payment was made. An email with the appropriate information is also acceptable.

Travelers are expected to obtain the lowest available airfare that reasonably meets business travel



needs. Travelers are encouraged to book flights at least 30 days in advance to avoid premium pricing.

Coach class or economy tickets must be purchased for short duration domestic or international flights (defined as flight time totaling less than five consecutive hours excluding layovers). A higher-priced coach ticket cannot be purchased for a subsequent upgrade in seating.

A less-than-first-class ticket (i.e., business class) may be purchased at NAHAC's discretion for long duration domestic or international flights (defined as flight time exceeding five consecutive hours excluding layovers).

First-class tickets are not reimbursable.

**Rail transportation.** NAHAC will pay for rail transportation provided that the cost does not exceed the cost of the least expensive airfare.

If rail transportation was not prepaid by NAHAC, an original itemized receipt, original e-ticket receipt/statement or Internet receipt/statement is required. The receipt must show the class of ticket purchased, the method of payment, and indicate that payment was made. An email with the appropriate information is also acceptable.

**Automobile (personally owned—domestic travel).** A valid driver's license issued within the United States and personal automobile insurance are required for expenses to be reimbursed. Drivers should be aware of the extent of coverage (if any) provided by his or her automobile insurance company for travel that is business or not personal in nature.

Reimbursement for use of a personal automobile is based on the Internal Revenue Service's (IRS) standard mileage rates applicable at the time.

In order for NAHAC to maintain appropriate insurance coverage regarding business use of personal vehicles, all employees and independent contractors driving on behalf of NAHAC may be requested to provide a copy of their active auto insurance policy at least annually.

**Automobile (rental—domestic travel).** Reimbursement for a commercial rental vehicle as a primary mode of transportation is authorized only if the rental vehicle is more economical than any other type of public transportation, or if the destination is not otherwise accessible. Vehicle rental at a destination city is reimbursable. Original receipts or equivalent documentation are required.

NAHAC authorizes reimbursement for the most economic vehicle available. In certain circumstances larger vehicles may be rented, with approval by the CEO/COO, or equivalent management official. The rental agreement must clearly show the date and the points of departure/arrival, the class of vehicle rented, as well as the total cost. Drivers must adhere to the rental requirements, and restrictions must be followed. Original receipts or equivalent documentation are required.

When vehicle rentals are necessary, NAHAC encourages travelers to purchase collision damage waiver (CDW) and loss damage waiver (LDW) coverage. NAHAC will reimburse the cost of CDW and LDW coverage; all other insurance reimbursements will be denied.

Drivers should be aware of the extent of a coverage (if any) provided by his or her automobile insurance company for travel that is business or not personal in nature.

Parking fees, tolls and other incidental costs associated with the vehicle use are not covered by the rental agreement.

Travelers are strongly encouraged to fill the gas tank before returning the vehicle to the rental agency to avoid service fees and more expensive fuel rates. Reasons for deviating from this rule should be documented.

**Conference registration fees.** If the conference fee was not prepaid, NAHAC will reimburse these fees, including business-related banquets or meals that are part of the conference registration. Original receipts to support the payment are required. If the conference does not provide a receipt, then a cancelled check, credit card slip/statement or documentation that the amount was paid is required for reimbursement.

A prorated amount for the meals provided must be deducted from the traveler's per diem. See Meals (per diem) for more detail. Entertainment activities such as golf outings and sightseeing tours will not be reimbursed.

Registration fees paid directly by an individual will not be reimbursed until the conference is completed.

**Lodging (commercial).** The cost of overnight lodging (room rate, tax, and resort fee when applicable) will be reimbursed to the traveler if the authorized travel is 45 miles or more from the traveler's home or primary worksite. Exceptions to this restriction may be approved in writing by the CEO/COO or equivalent management official or by the Board Chairperson.

NAHAC will reimburse lodging expenses at reasonable, single occupancy or standard business room rates. When the hotel or motel is the conference or convention site, reimbursement will be limited to the conference rates.

Only single room rates are authorized for payment or reimbursement unless the second party is representing the agency in an authorized capacity. If the lodging receipt shows more than a single occupancy, the single room rate must be noted. If reimbursement for more than the single room rate is requested, the name of the second person must be included. Additional charges for room service, consumption of mini bar items, and similar fees will not be reimbursed and/or will be deducted from the per diem payment for meals.

**Meals (per diem).** Per diem allowances are reimbursable for overnight travel that is 45 miles or more from the traveler's home or primary worksite.



NAHAC per diem rates are paid using U.S. General Services Administration (GSA) per diem rates for the applicable locality. The current rates can be located at the GSA website, as found at [www.gsa.gov](http://www.gsa.gov). Incidental expenses, unless specifically cited in this policy, will not be otherwise reimbursed.

Per diem reimbursements are based on departure and return times over the entire 24-hour day and are prorated accordingly.

If a free meal is served on the plane, included in a conference registration fee, built in to the standard, single hotel room rate or replaced by a legitimate business meal, the per diem allowance for that meal may not be claimed. Deductions for such amounts should use rates found under the "Meals and Incidental Expenses (M&IE) Breakdown" section of the [www.gsa.gov](http://www.gsa.gov) website.

Receipts are not required for per diem allowances. Per diem allowances are reimbursed after the trip is completed.

**Business expenses.** Reasonable business expenses, including faxes, photocopies, Internet charges, data ports and business telephone calls incurred while on travel status can be reimbursed. Original itemized receipts are required.

**Parking.** Original receipts are required for parking fees (including airport parking). The lodging bill can be used as a receipt when charges are included as part of the overnight stay.

**Telephone calls.** The costs of personal telephone calls are the responsibility of the individual.

**Tolls.** Original receipts are required for tolls. Toll routes should only be used when necessary, and not just for convenience. Alternate routes without tolls should be used when available and reasonable.

**Miscellaneous transportation.** Original receipts are required for taxi, bus, subway, metro, ferry and other modes of transportation for each occurrence.

**Visa, passport fees and immunizations.** If these items are required for international travel, their reimbursement is left to the discretion of the CEO/COO or equivalent management official. If approved by the designated authority, original itemized receipts are required.

#### **Non-reimbursable Travel Expenses**

The following items that may be associated with business travel will not be reimbursed by NAHAC:

- Airline club memberships.
- Airline upgrades.
- Business class for domestic flights or first class for all flights.
- Child care, babysitting, house-sitting, or pet-sitting/kennel charges.
- Commuting between home and the primary work location.
- Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion.
- Evening or formal wear expenses.





- Haircuts and personal grooming.
- Laundry and dry cleaning.
- Passports, vaccinations and visas when not required as a specific and necessary condition of the travel assignment.
- Personal entertainment expenses, including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theater movies, social activities and related incidental costs.
- Travel accident insurance premiums or purchase of additional travel insurance.
- Other expenses not directly related to the business travel.

**Travel for Non-Employees**

Additional costs for travel, lodging, meal or other travel expenses for spouses or other family members will not be reimbursed unless the individual has a bona fide organization purpose for engaging in the travel or attending the event. Such travel is generally limited to senior management and should occur infrequently.



## DRAWS

|  |   |
|--|---|
| <b>Policy Area:</b> Finance  | <b>Number:</b> 400.U  |
| <b>Initial Effective Date:</b> 12-19-2013<br><b>Revised Policy Effective Date:</b> 12-02-2019<br><b>Revised Policy Effective Date:</b> 07-27-2022<br><b><u>Revised Policy Effective Date:</u></b>  | <b>Initial Approved Date:</b> 12-19-2013<br><b>Revision – Date Approved:</b> 12-02-2019<br><b>Revision – Date Approved:</b> 07-27-2022<br><b><u>Revision – Date Approved:</u></b> |
| <b>Approved by:</b> NAHAC Board of Directors   |   |
| <b>PURPOSE:</b><br><br>Specific procedures are necessary to be followed by NAHAC for all Capital Draw Requests related to program involvement.<br><br><b>POLICY:</b><br><br>NAHAC will ensure that proper, specific, and tested procedures exist to allow for all Capital Draw Requests pertaining to NAHAC's programs. Appropriate documentation shall be maintained to support draw requests and ensure that they meet the requirements of any relevant laws, regulations, or agreements. All requests for draws <del>from the HHF funds</del> shall be prepared by NAHAC Management and submitted to the grantor or applicable oversight agency for approval. In requesting the draw, NAHAC will <del>certify</del> <u>ensure</u> the following: <ul style="list-style-type: none"><li>• No default or Event of Default has occurred and is continuing as of the date and on the funding date;</li><li>• Each of the representations and warranties made by NAHAC is true and correct on and as of such date, as is made on and as of the date and on the Funding date;</li><li>• NAHAC is in compliance with the covenants and other agreement set forth in all relevant agreements or contracts with grantors or other regulatory agencies, which shall remain in full force and effect;</li><li>• All data and information set forth in the Capital Draw request, including the Capital Draw Schedule, is true and correct in all aspects; and</li><li>• To NAHAC's best knowledge, there have been no Acts of Bad Faith by any program recipient.</li></ul> |   |

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EMPLOYEE HANDBOOK

|  |   |
|--|---|
| Policy Area: Payroll and Human Resources   | Number: 500.B   |
| Initial Effective Date: 12-19-2013<br>Revised Policy Effective Date: 11-18-2015<br>Revised Policy Effective Date: 06-09-2017<br>Revised Policy Effective Date: 12-02-2019<br>Revised Policy Effective Date: 04-26-2021<br>Revised Policy Effective Date: 07-27-2022<br><u>Revised Policy Effective Date:</u> | Initial Approved Date: 12-19-2013<br>Revision – Date Approved: 11-18-2015<br>Revision – Date Approved: 06-09-2017<br>Revision – Date Approved: 12-02-2019<br>Revision – Date Approved: 04-26-2021<br>Revision – Date Approved: 07-27-2022<br><u>Revision – Date Approved:</u> |
| Approved by: NAHAC Board of Directors  |   |

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## **Employee Handbook**

### **I. INTRODUCTION**

#### **A. Description of the Handbook**

This handbook is intended to provide employees of NAHAC (or the "Organization") with a general understanding of employment policies, benefits and work rules at the Organization. Employees are requested to familiarize themselves with its content and keep it available as a reference.

A handbook is a summary of human resource and payroll-related business policies and cannot anticipate every situation or answer every employment question about employment or business practices. The handbook is not an employment contract and is not intended to create contractual obligations of any kind. The Organization reserves the rights to modify, revoke, suspend, terminate, or change any and all such plans, policies or procedures, in whole or in part, at any time, and with or without notice. Employees will be notified of any material changes in a timely fashion.

If any employee has any questions regarding the material covered in this handbook, they are encouraged to contact their supervisor and may request a copy of policies and procedures for future information. If there is any conflict between the information in the handbook and the information in the Organization's policies, the policies will prevail. The information in this manual is current as of the publication date, but is subject to change. Additional operational policies exist outside of this employee handbook. Employees are also expected to be familiar with, and abide by, any and all operational policies of the Organization.

#### **B. Confidentiality**

Non-public information about the Organization, the skills and aptitudes of its employees, its applicants, its suppliers, and its vendors must be kept confidential and divulged only to individuals within the Organization with both a need to receive and authorization to receive the information. If in doubt as to whether information should be divulged, err in favor of not divulging information and promptly discuss the situation with a supervisor.

All records and files maintained by the Organization are confidential and remain the property of the Organization. Records and files are not to be disclosed to any outside party without the express permission of the CEO/COO or equivalent management official. Confidential information includes, but is in no way limited to: financial records; business and strategic plans; personnel and payroll records regarding current and former employees; the identity of, contact information for, and any other account information on applicants, vendors, and suppliers; programs, techniques, and processes; and any other documents or information regarding the Organization's operations, procedures, or practices.

This policy is not intended to prevent employees from talking about their wages, talking about the conditions under which they work, or otherwise engaging in discussions that the law protects.

#### **C. Employment At-Will**

It is the goal of the Organization to provide a healthy and productive work environment. The Organization is aware that personnel changes may be initiated by employees and management alike; in this regard, it is expressly understood that employment at the Organization shall continue only so long as it is mutually agreeable to both the employee and the Organization. Either the employee or the Organization may terminate employment for any reason, with or without cause, and at any time. No section of this handbook is meant to be

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construed, nor should be construed, as establishing anything other than an employment-at-will relationship, nor does it limit management's discretion to make personnel decisions at any time, and for any lawful reason, with or without notice. Employment begins after an applicant accepts an offer of employment, a date of hire is agreed upon by the Organization, and the employee actually begins work. All employment is at-will. The Organization will endeavor to regularly review an employee's job performance throughout the course of employment.

An employee will be responsible to perform any duties as are necessary to the fulfillment of the functions of the assigned job. Other duties may be assigned from time to time. As the Organization program guidelines and needs are subject to change, job description duties are not meant to be finite or all-inclusive. They serve as a general guide to the employee's essential job responsibilities and the qualifications and other requirements of the positions. The Organization reserves the right to change or modify any aspect of an employee's job duties.

Continued at-will employment with the Organization is contingent upon continued funding and is for no specific duration.

### **D. Equal Opportunity Employment**

The Organization endorses the rights of equal opportunity found within local, state and federal legislation. The Organization offers equal opportunity for all people regardless of race, color, sex, sexual orientation, gender identity, gender expression, pregnancy (including childbirth, and related medical conditions), age, disability (mental and physical), national origin or ancestry, religious preference or creed, military or veteran status, genetic information, or any other legally protected category. Employment selection procedures enhance this commitment as well as providing an environment that encourages training and promotional opportunities free of discrimination.

The Organization will make reasonable accommodations for known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee to enable that individual to perform the essential functions of the position, unless undue hardship would result, or unless to do so would create a risk of harm to an employee or others.

Any applicant or employee who believes they have been subjected to any form of unlawful discrimination, or who believe they require an accommodation in order to perform the essential functions of the job, is encouraged to contact their supervisor or any member of management. The Organization will not retaliate against anyone who comes forward in good faith with a complaint or concern of discrimination, who participates in any investigation pertaining to a claim of discrimination, or who requests a reasonable accommodation as discussed above. Anyone who believes they have been subjected to retaliation is encouraged to report it to their supervisor or any member of management immediately.

### **E. Nepotism, Employment of Relatives and Personal Relationships**

The Organization wants to ensure that corporate practices do not create situations such as conflict of interest or favoritism. This extends to practices that involve employee hiring, promotion and transfer. The Organization prohibits an employee from working under the immediate supervisor or in the direct line of authority of either (a) someone with whom he/she is having a dating, romantic, or sexual relationship or (b) a close relative (meaning a spouse, registered domestic partner, parent, parent-in-law, grandparent, child, child-in-law, uncle, aunt, nephew, niece, sibling, sibling-in-law, step-relative, cousin, or relative of a registered domestic partner). If employees begin one of the relationships described above, or become relatives, partners or members of the

## Employee Handbook

same household, and if one party is in a supervisory position, that person is required to inform the CEO/COO or equivalent management official, and the Board of Directors. The Organization reserves the right to apply this policy to situations where there is a conflict of interest or the potential for a conflict of interest, or where circumstances otherwise warrant, because of the relationship between employees, even if there is no direct reporting relationship or authority involved.

Employment of a relative requires the written approval of the Board of Directors.

### F. Employee Relative - Vendor Transactions

This section covers restrictions on the use of employee relative-vendor relationships, as suppliers of goods and services (including consultant services).

A relative is defined as an employee's spouse, child, parent, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, sister-in-law, and step-relatives in the same relationship. Near relative also includes an employee's registered domestic partner and individuals with one of the above relationships to the domestic partner.

It is the policy of the Organization to separate an employee's private interests from the Organization's business in order to safeguard the Organization and its employees against charges of favoritism in acquisition of goods and services. No vendor arrangements with relatives or near relatives, as defined, are permitted.

### G. Harassment

The Organization will not tolerate any form of unlawful harassment in the workplace. This includes harassment on the basis of race, color, sex, sexual orientation, gender identity, gender expression, pregnancy (including childbirth, and related medical conditions), age, disability (mental and physical), national origin or ancestry, religious preference or creed, military or veteran status, genetic information, or any other legally protected category.

No employee should be subjected to unwelcome verbal or physical conduct that is sexual in nature or that shows hostility to any employee because of the employee's sex, gender, gender identity, gender expression, or any of the other categories described above.

Forms of harassment may include, but are not limited to the following:

**Verbal Harassment;** i.e.: suggestive, insulting, or derogatory comments, innuendoes, sounds, jokes, teasing, whistling, or slurs and unwanted sexual propositions or threats.

**Physical Harassment;** e.g. impeding or blocking movement, or any unwanted physical contact or interference with normal work or movement, unwanted gender advances, including touching, pinching, brushing the body, sexual contact or assault.

**Visual Harassment,** i.e.: derogatory posters, cartoons, suggestive objects, pictures, letters, or drawings; also such actions as leering or obscene gestures.

Sexual harassment is defined as any unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature that, (1) has been made explicitly or implicitly a term or condition of an



## **Employee Handbook**

individual's employment, (2) is used as a basis for employment decisions such as promotions and benefits affecting such individual, or (3) substantially interferes with an individual's work performance or creates an intimidating, hostile, or offensive working environment.

The Organization's policy against harassment applies to employees and anyone who enters the Organization's premises or interacts with its employees. Any employee who believes they have been harassed by a co-worker, supervisor, vendor, applicant or agent of the Organization, or any other third party, is encouraged to immediately report the facts of the incident(s) and the names of the individuals involved to their supervisor or any member of management. Organization

After a report is received, an investigation will be undertaken promptly. Any supervisor, agent or other employee who has been found by the Organization, after investigation, to have harassed another employee in violation of this policy will be subject to discipline. Discipline may range from a warning to termination of employment.

The Organization will not retaliate against anyone who comes forward in good faith with a complaint or concern of harassment, or who participates in any investigation pertaining to a claim of harassment. Anyone who believes they have been subjected to retaliation is encouraged to report it immediately. Individuals found to have retaliated in violation of this policy will be subject to discipline including the possibility of termination.

If an employee has any questions concerning this policy, they are encouraged to contact their supervisor, or any member of management.

### **H. Open Door Policy**

The Organization is always ready to listen to an employee's good faith complaints or concerns. Any employee who encounters a problem in the workplace should promptly bring it to the attention of a supervisor, the Human Resources Generalist, and/or the CEO/COO or equivalent management official. After a concern or complaint is expressed, if the circumstances warrant, an investigation will be undertaken promptly. Any supervisor, agent or other employee who has been found by the Organization, after investigation, to have violated Organization policy will be subject to discipline. Discipline may range from a warning to termination of employment.

## **II. EMPLOYMENT POLICIES AND PRACTICES**

### **A. Background Checks**

To ensure that individuals who join the Organization are well qualified, and given the nature of the Organization's business, it is the Organization's policy to conduct pre-employment background checks on all applicants who accept an offer of employment.

The Organization reserves the right to investigate an individual's prior employment history, criminal background, credit history, DMV records, personal references, educational and other background, as well as other relevant information that is reasonably available to the Organization and to the fullest extent by law.

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All offers of employment are conditioned on receipt of a background check report that is acceptable to the Organization. Background checks are conducted in conformity with applicable law. Reports are kept confidential and are only viewed by individuals involved in the hiring process.

The Organization also reserves the right to conduct a background check for current employees to determine eligibility for promotion or reassignment in the same manner as described above.

### **B. Immigration Compliance**

The Organization will comply with applicable immigration laws, including the Immigration Reform and Control Act of 1986 and the Immigration Act of 1990. As a condition of employment, every individual must provide satisfactory evidence of their identity and legal authority to work in the United States. Applicants may provide any form of acceptable identification from a list of documents provided when completing the Form I-9.

### **C. Employment Classifications**

#### **1. Regular Employees**

Regular employees are those who are hired to work on a regular schedule. Regular employees may be classified as full-time or part-time.

#### **2. Full-Time Employees**

Full-time employees are those who are regularly scheduled to work 40 hours per week.

#### **3. Part-Time Employees**

Part-time employees are those who are regularly scheduled to work less than 40 hours per week. Part-time employees who are regularly scheduled to work at least 30 hours per week are eligible for the benefits described in this handbook (although any such benefits are subject to the terms of any plan agreements or summary plan descriptions, which supercede the terms of this handbook and are subject to change in the discretion of the benefits providers). PTO hours may be pro-rated for employees regularly working less than 40 hours per week.

Part-time employees who are regularly scheduled to work less than 30 hours per week are not eligible for benefits.

#### **4. Temporary Employees**

Generally, temporary employees are those employed for temporary or short-term assignments. Temporary employees are not eligible for employee benefits except where mandated by law.

#### **5. Inactive Status**

Employees who are on an approved leave of absence that exceeds 3 months will be placed on inactive status. During the time the employee is on inactive status, PTO time will not accrue unless otherwise required by law.

## **Employee Handbook**

### **6. Temporary Transfers**

Employees who request a transfer to another job for medical reasons may be considered for a temporary transfer if a position exists at the time the transfer is requested and the employee is qualified to perform the job. The employee will be paid in accordance with the responsibilities and duties of the temporary job unless otherwise required by law.

### **7. Job Duties**

During the job training period, the employee will be trained in the primary job responsibilities and performance standards. From time to time, employees may be asked to work on a special assignment or to assist with other work necessary or important to the operation of the Organization.

The Organization reserves the right, at any time, with or without notice, to alter or change job responsibilities, reassign or transfer job positions, or assign any additional responsibilities.

### **8. Exempt Employees**

Employees who are classified as “exempt” are exempt from the overtime provisions of the Fair Labor Standards Act. These employees generally are paid on a salary basis. They are not eligible for and will not receive overtime compensation.

### **9. Non-Exempt Employees**

Non-exempt employees are paid for time worked. They receive overtime for hours worked in excess of forty (40) per week and otherwise as required by law.

### **D. Work Schedules**

The Organization’s normal business hours are Monday through Friday between the hours of 8:00 a.m. and 5:00 p.m. Exempt employees are expected to work whatever hours are necessary to fulfill the duties and responsibilities of their positions. Employees are expected to work normal business hours unless the CEO/COO or equivalent management official approves an alternative work schedule. The Organization reserves the right to request employees to work other schedules, including evenings and weekends, if needed to carry out the mission of the Organization.

The workday (a consecutive 24-hour period) begins at 12:01 a.m. and ends at midnight. The workweek begins on Monday and ends on Sunday.

### **E. Meal/Rest Periods**

The Organization requires employees to take all meal and rest periods to which they are entitled. The scheduling of meal periods at the Organization is set by the employee’s immediate supervisor with the goal of providing the least possible disruption to organization operations. If any employee believes they are being denied any meal or rest break to which they are entitled, they should report this immediately to their supervisor or any member of management. The CEO/COO or equivalent management official should also be notified immediately.

## Employee Handbook

### 1. Mandatory Meal Period

Employees who work at least 8 consecutive hours will be provided a meal break not to exceed 60 minutes. Non-exempt employees are to be completely relieved of all job duties while on meal breaks and must record the starting time and ending time of their meal periods on their timesheet. Meal periods are unpaid and should not be included in the total hours of work per day.

### 2. Rest Breaks

Employees are permitted a 10-minute rest break for each four hours of work (or major fraction thereof). This means the following:

- (1) If the employee works at least 3.5 hours, but less than 7 hours of continuous work, the employee is entitled to one 10-minute rest period.
- (2) If the employee works at least 7 hours, but less than 11 hours of continuous work, the employee is entitled to two 10-minute rest periods.
- (3) If the employee works at least 11 hours, but less than 15 hours of continuous work, the employee is entitled to three 10-minute rest periods.
- (4) If the employee works at least 15 hours, but less than 19 hours of continuous work, the employee is entitled to four 10-minute rest periods.

Employees on rest breaks are not required to clock in and clock out because rest breaks are paid and considered time worked.

### 3. Impermissible Use of Meal Period and/or Rest Breaks

Neither the meal period nor the rest break(s) may be used to account for an employee's late arrival or early departure or to cover time off for other purposes—for example, rest breaks may not be accumulated to extend a meal period, and rest breaks may not be combined to allow an extended break from work.

### F. Personnel Records

Employees have a right to inspect certain documents in their personnel file, as provided by law, in the presence of a Organization representative at a mutually convenient time. Employees may also request copies of certain portions of their personnel files. Employees may provide documentation for any disputed item which will be maintained in the personnel file along with the original document.

The Organization will restrict disclosure of the personnel file to authorized individuals within the Organization. Any request for information from personnel files must be directed to a designated management representative. Only a designated management representative may release information about current or former employees.

Disclosure of personnel information to outside sources is limited. However, the Organization will cooperate with requests from authorized law enforcement, or local, state or federal agencies conducting official investigations and as otherwise legally required.

## **Employee Handbook**

### **G. Employee References**

All requests for references must be directed to the Administrator/Human Resources Generalist. No Organization manager, supervisor, or employee is authorized to release references for current or former employees. The Organization's policy regarding references for former employees is to send the reference request to the Administrator/Human Resources Generalist, who will disclose dates of employment and the job title of the last position held.

If a current or former employee authorizes such disclosure in writing, the Organization may also provide a prospective employer (or other third party authorized by employee) with information on the amount of salary or wage earned.

### **H. Termination of Employment**

#### **1. Reductions in Force**

While the Organization hopes to continue providing employment opportunities for as long as it has funding, business conditions, applicant demands, and other factors are unpredictable. Changes or downturns in any of these or other areas could create a need to restructure or to reduce the number of people employed.

In determining which employees will be subject to layoffs, the Organization will take into account, among other things, operational requirements, and the skill, productivity, ability, past performance and length of service of employees. No one factor is guaranteed to control. On the last day of employment, the employee must return all Organization property, including keys, identification cards, organization credit cards, and computers.

#### **2. Discipline and Involuntary Terminations**

Compliance with Organization policies and rules is expected of all employees. Where employees fail to comply with Organization expectations, the Organization reserves the right to utilize discipline that may include verbal warnings, written warnings, demotion, suspension and termination. The system does not guarantee that discipline will be used in any particular order, or that each form of discipline will be used in each circumstance. The Organization may, at its sole discretion, utilize whatever form of discipline is deemed appropriate for the circumstances, up to and including termination of employment without regard to lesser forms of progressive discipline. The Organization's policy of discipline does not limit or alter the at-will employment relationship. When notified of the termination, the employee must return all Organization property and must leave the premises by the date specified.

#### **3. Voluntary Termination**

An employee who voluntarily resigns their employment or fails to work for three (3) consecutively scheduled workdays without notice to, or approval by the appropriate supervisor will be considered to have voluntarily terminated employment with the Organization. All Organization-owned property must be returned in good working order immediately upon termination of employment.

## **Employee Handbook**

### **III. STANDARDS OF CONDUCT**

#### **A. Prohibited Conduct**

In order to ensure productive operations and provide the best possible work environment, the Organization expects employees to follow rules of conduct that will protect the interests and safety of all personnel and further the mission and objectives of the Organization. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace, but the following are examples of infractions of rules of conduct that may result in disciplinary action, including suspension, demotion or termination of employment without resort to lesser or progressive forms of discipline.

- Falsification of employment records, employment information, or other records.
- Falsification of timesheets (their own or another employee's).
- Unauthorized use of Organization equipment, time, materials, or facilities.
- Possessing, distributing, selling, transferring, or using or being under the influence of alcohol or illegal drugs or willful misuse of lawful or prescription drugs in the work area or on work time.
- Provoking a physical fight, or physically fighting at any time during working hours or on any premises owned or occupied by the Organization.
- Carrying firearms or any other dangerous weapons, at any time during working hours or on premises occupied by the Organization.
- Insubordination, including but not limited to failure or refusal to obey the lawful orders or instructions of any supervisor or management representative.
- Failing to notify the appropriate supervisor when unable to report to work.
- Excessive unexcused absenteeism.
- Failing to obtain permission to leave work for any reason during normal working hours.
- Failing to observe working schedules, including rest and lunch periods.
- Failing to provide a physician's certificate of fitness for work when requested or required to do so.
- Wearing unprofessional or inappropriate styles of clothing or hair while working (note, however, that hairstyles that are associated with the protected classifications discussed in the Equal Employment Opportunity policy are not considered either unprofessional or inappropriate).
- Violating any safety, health, or security policy, rule or procedure of the Organization.
- Committing a fraudulent act or a breach of trust in any circumstances.
- Concealing or failing to disclose an actual or potential conflict of interest.
- Unauthorized distribution or release of confidential information.

This statement of examples of prohibited conduct does not alter or limit the Organization's policy of employment at-will.

#### **B. Drug and Alcohol Abuse**

The Organization is concerned about the use of alcohol, illegal drugs or controlled substances as it affects the workplace. Use of these substances can adversely affect an employee's work performance, efficiency, safety, and health. In addition, the use or possession of these substances on the job constitutes a potential danger to the

## Employee Handbook

welfare and safety of other employees and exposes the Organization to the risks of property loss or damage, or injury to other persons. Furthermore, abuse of prescription drugs and/or over-the-counter drugs also may affect an employee's job performance.

The following standards of conduct apply to all employees, either on Organization property or during the workday, and forbid:

- Possession or use of alcohol, or being under the influence of alcohol while on the job.
- Driving a vehicle while under the influence of alcohol or any drugs that could impair the ability to safely operate a vehicle.
- Distribution, sale or purchase of an illegal or controlled substance while on the job.
- Possession or use of an illegal, controlled substance or being under the influence of an illegal or controlled substance while on the job.
- Abuse of prescription or over-the-counter drugs in a manner that impairs the employee.

In order to enforce this policy, the Organization reserves the right to conduct searches of Organization property or employees' property including, but not limited to employee lunch boxes, baggage, private vehicles parked on Organization premises or work-site, and to implement other measures necessary to deter and detect abuse of this policy.

An employee who is using prescription or over-the-counter drugs that may impair the employee's ability to safely perform the job, or affect the safety or wellbeing of others, must notify their supervisor of such use immediately before starting or resuming work.

An employee's conviction on a charge of illegal use, sale or possession of any controlled substance while off Organization property will not be tolerated. In accordance with the Drug Free Workplace Act of 1988, the Organization will take appropriate action against a convicted employee up to and including termination, or the satisfactory participation in a drug abuse assistance or rehabilitation program, depending upon the circumstances of each employee's situation.

The Organization will make reasonable accommodations for known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee to enable that individual to perform the essential functions of the position, unless undue hardship would result, or unless to do so would create a risk of harm to the employee or others.

The Organization will encourage and reasonably accommodate employees with chemical dependencies (alcohol and/or drugs) to seek treatment and/or rehabilitation. Employees desiring such assistance should request a leave of absence in order to obtain treatment or rehabilitation. The Organization is not obligated, however, to continue to employ any person whose performance of essential job duties is impaired because of illegal drug or alcohol use, nor is the Organization obligated to re-employ any person who has participated in treatment and/or rehabilitation if that person's job performance remains impaired as a result of dependency. Additionally, employees who are given the opportunity to seek treatment and/or rehabilitation, but fail to successfully overcome their dependency or problem, will not automatically be given a second opportunity to seek treatment and/or rehabilitation.

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### C. Punctuality and Attendance

The Organization expects all employees to report to work on a reliable and punctual basis. Unexcused absenteeism, early departures from work, and late arrivals burden other employees and the Organization. If an employee cannot avoid being late to work or is unable to work as scheduled, they are required to notify their supervisor as soon as possible. Once on premises, employees are expected to begin performing their required job tasks. 'Social hour' gatherings that interfere with maintaining employee workloads or that may result in delays in fulfilling job duties (including meeting with Organization clients) will not be tolerated, and those participating in excessive socialization may be subject to discipline.

An employee is required to inform their supervisor of the expected duration of any absence. The Organization will comply with any applicable laws relating to time off from work but it is the employee's responsibility to provide sufficient information to enable the Organization to make a determination. If a leave is granted, then as the leave of absence is nearing completion, it is the employee's responsibility to either provide a return to work note from his or her medical provider or, if additional leave time is needed, to request and obtain an extension of the leave before the previously approved leave is exhausted.

Excessive unexcused absenteeism may lead to disciplinary action, up to and including termination of employment. However, the Organization will make reasonable accommodations for known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee to enable that individual to perform the essential functions of the position, unless undue hardship would result, or unless to do so would create a risk of harm to the employee or others.

### D. Employee Dress and Appearance

Employees contribute to the culture and reputation of the Organization in the way they present themselves. To provide a positive impression to our applicants and other members of the public, all employees must present a professional business appearance at work. Applicants will be seen on Organization premises throughout the work week and as such, professional attire and professional behavior are expected at all times during business hours. The following are some guidelines:

- Clothing must be clean and neat and not constitute a safety hazard.
- All employees should practice common sense regarding good taste and comfort, and avoid any extremes in dress, accessories, fragrances or hair. (Please note, however, that hairstyles that are associated with the protected classifications listed in the Equal Employment Opportunity policy do not violate this policy.)
- Khakis are considered appropriate business attire.
- Undergarments should not be visible.
- Provocative, tight or revealing clothing is prohibited.
- Jeans which are shredded, contain holes or are cut-off are prohibited, as are tank tops, muscle shirts, crop tops, shorts, halter tops, T-shirts with inappropriate slogans, leggings, jogging suits, flip flops, and slippers.
- Gym wear, beach wear or club apparel is not permitted at any time.

Management may make exceptions to the dress code for special occasions. Business casual is permitted on Fridays except when suspended based on business needs. Employees are encouraged to contact their supervisor for specific information regarding acceptable attire.



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If an employee reports to work dressed or groomed inappropriately, they will be asked to clock out and will be sent home to change. The employee may request vacation time or unpaid time off to change clothing. Repeated incidents may result in disciplinary action up to and including termination of employment.

### **E. Use of Social Media**

Employees may not post the Organization's trade secrets, or information about or belonging to the organization's clients, on the Internet or any social media site. Employees are also prohibited from posting obscenities, racial slurs (or slurs based on other classifications discussed in the organization's Equal Employment Opportunity policy) or malicious, obscene, physically threatening, or intimidating statements that could (1) damage the reputation of the organization or its clients; (2) create, foster, or further a hostile work environment amongst Organization employees; or (3) constitute a violation of any contractual or other confidentiality obligations that the Organization owes to third parties.

This policy is not intended to prevent employees from talking about their wages, talking about the conditions under which they work, or otherwise engaging in discussions that the law protects (whether on social media or otherwise).

Employees are prohibited from using and/or editing social media accounts managed by the Organization. The only employees authorized to make edits to organization-managed accounts are designated management representatives or individuals otherwise specified by the CEO/COO or equivalent management official.

Unless prohibited by law, the Organization may monitor content on the Internet. Policy violations may result in discipline up to and including termination of employment.

### **F. Workplace Violence**

Acts or threats of physical violence, including intimidation, harassment and/or coercion that involve or affect the Organization or that may occur on Organization property will not be tolerated. The personal safety and health of each employee is of primary importance.

It is the responsibility of all employees to support safety and health programs by reporting to their supervisor or any member of management any threats received or restraining orders that have been granted against a disgruntled spouse, domestic partner, acquaintance or co-worker, or which could otherwise impact the workplace. All incidents of direct or indirect threats and actual violent events will be treated seriously. All incidents will be immediately investigated, and appropriate action will be taken.

### **G. Workplace Bullying**

In no instance will the Organization tolerate bullying behavior, whether intentional or not. The Organization defines bullying as repeated inappropriate behavior, either direct or indirect, whether verbal, physical or otherwise, conducted by one or more persons against another or others, at the place of work or in the course of employment.

The Organization considers the following types of behavior examples of bullying:

## **Employee Handbook**

- Verbal Bullying - slandering, ridiculing or maligning a person or his or her family; persistent name calling which is hurtful, insulting or humiliating; using a person as the butt of jokes; abusive and offensive remarks.
- Physical Bullying - pushing; shoving; kicking; poking; tripping; assaulting, or threatening physical assault; damaging a person's work area or property.
- Gesture Bullying - non-verbal threatening gestures; glances which can convey threatening messages.

### **IV. OPERATIONAL POLICIES AND PRACTICES**

#### **A. Employer Property**

Desks, workstations, computers, vehicles and other designated property are Organization property and must be maintained according to Organization rules and regulations. The Organization reserves the right to inspect all Organization property to ensure compliance with its rules and regulations, without notice to the employee and/or in the employee's absence.

Employees are expected to demonstrate proper care when using the Organization property and equipment. No property may be removed from the premises without proper authorization from a management representative. If the employee loses, breaks, or damages any property they must report it to their supervisor or any member of management immediately.

#### **B. Employee Property**

An employee's personal property, including but not limited to, packages, purses, backpacks, etc., may be inspected upon reasonable suspicion of unauthorized possession of Organization property or otherwise as allowed by law.

The Organization is not responsible for loss or damage to personal property. Personal items such as purses, wallets or other valuable items should not be left in areas where theft might occur. This also applies to personal property left in vehicles parked on property.

#### **C. Use of Technology**

The Organization's technical resources – including desktop and portable computer systems, fax machines, voice mail, cellular telephones, and electronic mail (e-mail) – enable employees quick and efficient access and exchange of information throughout the Organization. When used properly, these resources greatly enhance employee productivity and knowledge. In many respects, these tools are similar to other Organization tools, such as stationery, file cabinets, photocopiers and telephones. Because these technologies are rapidly changing, it is important to explain how they fit within the Organization and within the responsibilities of employees.

This policy applies to all technical resources that are owned or leased by the Organization, that are used on or accessed from Organization premises, or that are used for Organization business. This policy also applies to all activities using any Organization-paid accounts, subscriptions, or other technical services, such as voice mail and e-mail, whether or not the activities are conducted from Organization premises. For additional information and clarification employees should reference the Organization's Information Security and Safeguards Program (ISSP) document.

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NOTE: As an employee uses the Organization's technical resources, it is important to remember the nature of the information created and stored. E-mail messages sometimes feel casual, like a conversation, and are not as carefully thought out as a letter or memorandum. Like any other document, an e-mail message or other computer information can later be used to indicate what an employee knew or felt. Employees should keep this in mind when creating e-mail messages and other documents. Even after an e-mail message is deleted or a file is closed during a computer session, it may still be recoverable and may remain on the system. Emails and other documents must be retained and preserved in accordance with the Organization's records management, preservation, and destruction policies.

### 1. Acceptable Uses

The Organization's technical resources are provided for the benefit of the Organization and its applicants, vendors and suppliers. These resources are provided for use in the pursuit of Organization business and are to be reviewed, monitored, and used only in that pursuit.

Employees are not permitted to use the Organization's technical resources for non-work purposes. Accordingly, employees have no right of privacy as to any information or file maintained in or on the Organization's property or transmitted or stored through the Organization's computer, voice mail, e-mail, or telephone systems.

### 2. Unacceptable Uses

The Organization's technical resources should not be used for personal gain. Except as otherwise allowed by law, the employee may not access the Internet for personal reasons using Organization resources.

Solicitation for any non-Organization business or activity using Organization resources is strictly prohibited except as otherwise allowed by law. The use of the Organization's technical resources must not interfere with an employee's productivity, the productivity of any other employee, or the operation of the Organization's technical resources.

An employee is prohibited from sending e-mail or other communications that indicate that they were sent by someone else. An employee should never access any technical resources using another employee's password. Similarly, an employee should only access the libraries, files, data, programs, and directories that are related to their specific work duties. Unauthorized review, duplication, dissemination, removal, installation, damage, or alteration of files, passwords, computer systems or programs, or other property of the Organization, or improper use of information obtained by unauthorized means, is prohibited.

Sending, saving, or viewing offensive or inappropriate material is prohibited. Messages stored and/or transmitted by computer, voice mail, e-mail, or telephone systems must not contain content that may reasonably be considered offensive. Offensive material includes, but is not limited to, sexual comments, jokes or images, racial slurs, gender-specific comments, or any comments, jokes or images that would offend someone on the basis of his or her race, color, sex, sexual orientation, gender identity, gender expression, pregnancy (including childbirth, and related medical conditions), age, disability (mental and physical), national origin or ancestry, religious preference or creed, military or veteran status, genetic information, or any other legally protected category. Any use of

## **Employee Handbook**

the Organization's technical resources to harass or discriminate is strictly prohibited by the Organization. Violators will be subject to discipline, up to and including termination.

### **3. Access to Information**

When using the Organization's computers the employee is creating Organization documents using a Organization asset. The Organization respects the individual privacy of its employees. However, that privacy does not extend to an employee's work-related conduct or to the use of Organization-provided technical resources or supplies.

All information, including e-mail messages and files, that are created, sent, or retrieved over the Organization's technical resources are the property of the Organization, and should not be considered private or confidential. Employees have no right to privacy as to any information or file accessed, transmitted or stored through the Organization's computer, voice mail, e-mail, or telephone systems. Any electronically stored information that the employee accesses, creates, sends to, or receives from others may be retrieved and reviewed when doing so serves the legitimate business interests and obligations of the Organization. Employees should also be aware that, even when a file or message is erased, it is still possible to recover the message. The Organization reserves the right to monitor the use of its technical resources to the fullest extent permitted by law. All information including text and images may be disclosed to law enforcement or to other third parties without prior consent of the sender or the receiver.

### **4. Copyrighted Materials**

Employees are prohibited from copying and/or distributing copyrighted materials (e.g., software, database files, documentation, articles, graphics files and downloaded information) through the e-mail system or by any other means unless the employee has confirmed, in advance, with a management representative that the Organization has the right to copy or distribute the material. Failure to observe a copyright may result in disciplinary action by the Organization, among other consequences. Any questions concerning these requirements should be directed to the immediate supervisor.

### **5. Confidential Information**

E-mail and Internet/Web accesses are not entirely secure. Others outside the Organization may also be able to monitor Organization e-mail and Internet/Web access. For example, Internet sites maintain logs of visits from users; these logs identify which Organization, and even which particular person, accessed the service. If an employee's work using these resources requires a higher level of security, please contact the CEO/COO or equivalent management official for guidance on securely exchanging e-mail or gathering information from sources such as the Internet or World Wide Web.

All employees must safeguard the Organization's confidential information, as well as that of applicants and others, from disclosure. Do not access new voice-mail or e-mail messages with others present. Messages and work containing confidential information should not be left visible when an employee is away from their work area.

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### **6. Organization's Software Policy**

If an employee has a need to install software on Organization computers, the supervisor must contact the Organization's information technology representative and request to have the software installed. Employees are prohibited from installing any software on any Organization technical resource.

Involving the Organization's information technology representative ensures that the Organization can manage the software on Organization systems, prevent the introduction of computer viruses, and meet its obligations under any applicable software licenses and copyright laws. Computers issued by the Organization to employees are the sole possession of the Organization and as such are subject to inspection and monitoring at all times. Employees surfing the Internet and/or introducing a computer virus or other destructive or nuisance software will be subject to discipline up to and including termination of employment.

### **7. Employee Responsibilities**

Each employee is responsible for the content of all text, audio, or scanned images that they place or send over the Organization's technical resources. Employees may access only files or programs, whether computerized or not, that they have permission to enter or access.

Because all work areas may be subject to frequent client visitations, all client records must be kept in a discrete manner and not subject to viewing by the public or other Organization staff with no direct responsibility relative to the applicant's records.

Violations of any guidelines in this policy may result in disciplinary action up to and including termination.

### **D. Health and Safety**

The health and safety of employees and others on the Organization property are of critical concern to Organization. The Organization strives to attain the highest possible level of safety in all activities and operations. The Organization also intends to comply with all health and safety laws applicable to its business.

To this end, the Organization must rely upon employees to ensure that work areas are kept safe and free of hazardous conditions. Employees should be conscientious about workplace safety, including proper operating methods and known dangerous conditions or hazards. The employee must report any unsafe conditions or potential hazards to their supervisor immediately (or if immediate reporting is not possible, as soon as possible); even if they believe the problem has been corrected. If an employee suspects a concealed danger is present on the Organization's premises, or in a product, facility, piece of equipment, process, or business practice for which Organization is responsible, it must be brought to the attention of the supervisor or any available manager immediately (or if immediate reporting is not possible, as soon as possible).

Periodically, the Organization may issue rules and guidelines governing workplace safety and health. All employees should familiarize themselves with these rules and guidelines as strict compliance will be expected. Employees may contact their supervisor for copies of current rules and guidelines. Failure to comply strictly with rules and guidelines regarding health and safety or negligent work performance that endangers health and safety will not be tolerated.

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Any workplace injury, accident, or illness must be reported to the designated safety coordinator or any available manager as soon as possible, regardless of the severity of the injury or accident. If medical attention is required immediately, the safety coordinator or any available manager will assist employees in obtaining medical care, after which the details of the injury or accident must be reported.

Evacuation drills are scheduled periodically throughout the year. These drills are a critical element of employee safety. Complete cooperation during these drills is required.

In the event of an emergency, employees should immediately contact any manager and the Administrator/Human Resources Generalist for their location. Emergencies include all accidents, medical situations, bomb threats, other threats of violence, and the smell of smoke. Nevertheless, in cases where the employee is in imminent danger of harm or injury, or where otherwise appropriate, the employee should first evacuate to safety before contacting the appropriate authorities, such as 911. If employees are unable to evacuate during an emergency, they should contact 911.

When events warrant an evacuation of the building/offices, the employee should follow the instructions of management or appropriate law enforcement or safety authorities. In cases of imminent danger of harm or injury, the employee should evacuate to safety immediately without waiting for instructions. Leave the building in a brisk and orderly manner and, if possible, assemble at the designated meeting place to await further instructions or information. If the employee is able to do so without endangering the employee or others, the employee should help evacuate physically disabled persons needing assistance. In the case of fire or smoke when on upper levels, use stairways to exit the premises. Do not use elevators.

Should an emergency result in the need to communicate information to employees outside of business hours, management will be responsible for organizing that effort. The employee should keep their personal contact information up to date by advising the Administrator/Human Resources Generalist or the CEO/COO or equivalent management official whenever their information changes.

Please also note: employees are expected to comply with all local, state, and national health and safety rules. During a pandemic or other widespread health emergency, employees are expected to comply with any and all applicable health requirements, including, by way of example only, wearing masks or other face coverings, and observing cleaning and disinfecting rules and requirements.

### **E. Smoking Policy**

Employees, applicants, vendors, and other guests are not allowed to smoke in or immediately near Organization facilities at any time. Smoking is not allowed in applicant areas, Organization vehicles, or in restrooms.

### **F. Solicitation and Distribution of Literature**

In order to ensure efficient operation of the Organization's business and to prevent annoyance to employees, it is necessary to control solicitation and distribution of literature and the sale of out-side products and services on Organization property.

No employee shall solicit or promote support for any cause or organization during their working time or during the working time of the employee or employees at whom such activity is directed.

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Under no circumstances will non-employees be permitted to solicit or to distribute written material or to sell any product or service on Organization property.

### G. Housekeeping

All employees are expected to keep their work areas clean and organized. Common areas such as lunchrooms, restrooms, workshop, etc., are to be kept clean and safe by those using them. Please clean up after meals and dispose of trash properly.

### H. Telephone Use

Telephones are a vital part of the Organization's business as they are used to regularly conduct business. Personal use of the telephone should be limited to emergencies and unusual circumstances. Chronic misuse of Organization telephone lines may subject the violator of this policy to discipline up to and including termination of employment.

## V. *BENEFITS*

### A. Holidays

The following paid holidays are observed each calendar year:

- New Year's Day
- Martin Luther King Jr. Day
- President's Day
- Memorial Day
- Juneteenth
- Independence Day
- Labor Day
- Nevada Day
- Veterans Day
- Thanksgiving Day
- Family Day (Day after Thanksgiving)
- Christmas Day

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Usually when a holiday falls on a Saturday, it will be observed on the preceding Friday. When a holiday falls on a Sunday, it will be observed on the following Monday.

To be eligible for holiday pay, an employee must work the regularly scheduled working days immediately preceding and immediately following the holiday. PTO and other authorized absences are considered time worked for the purpose of payment of holiday pay.

### B. Paid Time Off (PTO)

Regular full-time employees and part-time employees working at least 30 hours per week are eligible to accrue Paid Time Off (PTO). This does not apply to temporary employees. Employees accrue PTO for each bi-weekly pay period actually worked beginning at the start of the first pay period after completing 30 days of employment at 4 hours per week. Eight (8) hours of PTO per pay period is equal to approximately 23 paid days for each year of employment, dependent upon start date of employment. Accrued PTO not used during each year of



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employment may be carried forward to the following year of employment. Employees may carry over no more than 240 hours of PTO not used during each year of employment. Hours in excess of 240 will be calculated through the last pay period prior to the anniversary date.

PTO is available only for the hours accrued as of the prior payroll period. Borrowing against PTO to be accrued in the future is not permitted. PTO requests must be approved in advance by the employee's supervisor and the CEO/COO or equivalent management official. Depending upon Organization needs and business requirements, PTO may be denied at management's discretion.

NAHAC believes that PTO should be used for rest, relaxation, and recreation. For that reason, employees (including exempt employees and hourly employees) who are using PTO are expected to refrain from doing any work during their PTO. This includes refraining from reviewing or responding to emails and voicemail messages. If employees perform any work during their PTO, they are required to report this to their supervisor immediately to ensure the accuracy of time cards and paystubs. For exempt employees who perform work during their PTO, the exempt employee will be paid their full salary for the day, and a partial-day deduction will be made from the employee's accrued PTO bank. Non-exempt employees who perform work during PTO will be paid for the full amount of time actually worked, and their PTO balance will be deducted for the remainder of the PTO day. Non-exempt employees who have accrued, unused PTO available, and who arrive late or leave early from work, may also elect to apply PTO time to the time missed from work.

Abuse of the PTO system, and/or failure to report time worked may be grounds for discipline, up to and including termination.

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An employee who terminates employment will be paid for unused PTO accrued through the last completed pay period. Employees on unpaid leave will not accrue PTO except as otherwise required by law. Employees will be permitted to cash out a minimum of 40 hours and a maximum of 80 hours of PTO one time per year of employment. This does not apply to hours that must be cashed out in excess of the annual maximum of 240 hours, as discussed above. After the calculation of a cash out, there must be a remaining balance of at least 40 hours. Employees are required to submit the completed PTO cash out form to their supervisor and the CEO/COO or equivalent management official. The request is subject to approval. PTO cash out will be permitted for time earned and not for future accrued hours. Employees must allow up to two pay periods before the cash out will be issued. PTO cash out will be disbursed during a regular payroll cycle. PTO cash out will not be included as wages when determining applicable overtime rates.

### C. Insurance

The Organization offers a competitive insurance plan for all its employees. Coverage commences on the 1<sup>st</sup> day of the month after completion of 60 days of employment. Employees may elect to enroll their eligible dependents for group coverage. For full-time employees, the Organization contributes 100% of the cost for single coverage of the employee only for major medical, dental, vision, long-term disability, and basic group term life. In addition, for full-time employees, the Organization contributes the following percentages for dependent or family coverage for major medical only, excluding ancillary medical benefits such as dental, vision, long-term disability and basic group term life: 75% for spouse and 50% for children. Employees are responsible for paying the balance through payroll deduction. Employees on approved unpaid leaves of absence are responsible for paying the full cost of coverage (the normal employee share plus the normal employer share) unless otherwise required by law. Where applicable, coverage may terminate if the employee does not pay the full cost of coverage to the Organization within 30 days of it being due.



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Employees may adjust coverage during open enrollment periods or upon a change in family status. The open enrollment period is decided by the Organization. Family status changes include marriage, divorce, death of a spouse or child, birth or adoption of a child or termination of employment of a spouse or registered domestic partner. In the event of any conflict between this policy and the terms and conditions of any health insurance plan or summary plan description, the terms of the plan or summary plan description will control.

### D. COBRA

If the organization is eligible, an employee may be entitled to continue insurance coverage under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) upon termination of employment, as well as for other “qualifying events”. For more information please contact the Administrator/Human Resources Generalist.

The Administrator/Human Resources Generalist will notify individuals of their right to elect COBRA continuation coverage, if eligible. In the event of divorce, legal separation, or a child’s loss of dependent status, the employee or a family member must notify the Administrator/Human Resources Generalist within 60 days of the event. The Organization will supply the documents to apply for COBRA coverage.

### E. Leaves of Absence

The Organization may approve leaves of absence for various reasons, including those outlined in this section. In most cases, leaves of absence are unpaid and require that Employees exhaust all available PTO prior to commencing a leave of absence. Employees on a leave of absence will not accrue PTO unless otherwise required by law.

Leaves of absence may affect an Employee’s eligibility to continue coverage under various benefit insurance plans. It is important that Employees requesting a leave of absence understand how the leave of absence may affect benefit eligibility and the costs of such coverage. Employees should address any questions with the Organization as soon as possible when a need for a leave of absence arises.

An Employee on a leave of absence who is enrolled in the Organization’s health insurance plan may remain covered under that plan for up to three months. At the end of three months, if the Employee has not returned to work, coverage under the Organization’s health insurance plan will terminate unless otherwise required by law. In the event of any conflict between this Handbook and the health insurance plan agreements and summary plan descriptions, the insurance agreements and summary plan descriptions shall control.

If an Employee is enrolled in coverage for life, disability, dental, or vision insurance benefits and the Employee is too sick or too injured to continue working, such coverage may continue during a leave of absence, however, the amount of time an Employee may remain covered varies and is subject to change based on different insurance policies. Except where otherwise required, unpaid leave for reasons other than being too sick or too injured to work will result in termination of coverage under life, disability, dental, and vision insurance policies when the unpaid leave begins.

Employees on an unpaid leave of absence are responsible for paying the full amount of the cost of coverage/premiums (the normal employee share of coverage plus the normal employer share) for any coverage that continues during an unpaid leave of absence, unless otherwise required by law. Because there will be no payroll deduction during an unpaid leave of absence, Employees must make separate arrangements with the Organization to pay those costs. Failing to pay the cost of coverage within 30 days of when a payment is first due may result in termination of that coverage.

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### **1. Medical Leave**

The Organization provides reasonable accommodations for individuals with known disabilities to enable such employees to perform the essential functions of their positions and provided that such accommodations would not impose an undue hardship on the Organization and do not constitute a risk of harm to the employee or others. Such reasonable accommodations may, in appropriate circumstances, include an unpaid leave of absence.

If an employee requires a leave of absence, they must inform the Administrator/Human Resources Generalist and the CEO/COO or equivalent management official at least 30 days in advance where possible. Otherwise, the employee must provide notice as soon as possible. The amount of leave granted will depend on the circumstances. Except as otherwise required by law, employees who take unapproved leave, or who fail to return promptly to work following an approved leave of absence, will be considered to have voluntarily resigned their employment.

Upon return from leave, the employee may be required to submit a return to work authorization from the employee's medical provider. Medical leave is generally unpaid absent use of accrued PTO. Depending on the circumstances, long-term and short-term disability benefits may also be available. The Organization may require an employee to utilize accrued PTO for disability leave except as otherwise required by law. Employees on leave will not accrue PTO or other benefits.

### **2. Pregnancy Disability Leave**

The Organization provides reasonable accommodations to employees needing accommodations due to pregnancy, childbirth, or related medical condition, provided that such reasonable accommodations do not impose an undue hardship on the organization or create a direct threat of harm to the employee or others. For purposes of this policy, the phrase "pregnancy, childbirth, or related medical condition" includes any physical or mental condition intrinsic to pregnancy or childbirth, including, without limitation, pregnancy, childbirth, lactation or the need to express breast milk for a nursing child, mastitis or other lactation-related medical condition, gestational diabetes, pregnancy-induced hypertension, preeclampsia, post-partum depression, loss or end of pregnancy, and recovery from loss or end of pregnancy.

Employees needing reasonable accommodation due to pregnancy, childbirth, or related medical condition should contact the Administrator/Human Resources Generalist and the CEO/COO or equivalent management official. The Organization will work directly and interactively with the employee in an attempt to find an appropriate and acceptable reasonable accommodation that does not pose an undue hardship on the Organization. Such accommodations might include, depending on the circumstances, a leave of absence (either continuous or intermittent), reasonable break time and a private and shielded location for an employee to express breast milk for her nursing child for one year after the child's birth each time such employee has need to express the milk, or other accommodation. Leaves of absence may also be available under other policies.

The Organization may, under certain circumstances, require documentation from the employee's health care provider as part of this interactive process. The Organization will not discriminate or

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retaliate against any employee or applicant due to that individual requiring, requesting, or using a reasonable accommodation under this policy.

### **3. Reasonable Accommodations for Disabled Employees**

The Organization does not discriminate against qualified individuals with disabilities regarding application procedures, hiring, advancement, discharge, compensation, training or other terms, conditions, and privileges of employment. In addition, the organization will reasonably accommodate qualified individuals with a disability so that they can perform the essential functions of a job unless doing so causes a direct threat to these individuals or others in the workplace and the threat cannot be eliminated by reasonable accommodation and/or if the accommodation creates an undue hardship to the Organization. Contact the Administrator/Human Resources Generalist and the CEO/COO or equivalent management official with any questions or requests for accommodation.

The Organization may, under certain circumstances, require documentation from the employee's health care provider as part of this interactive process. The Organization will not discriminate or retaliate against any employee or applicant due to that individual requiring, requesting, or using a reasonable accommodation under this policy.

### **4. Bereavement Leave**

In the event of a death in an employee's immediate family, the employee may request bereavement leave for up to five (5) working days, with pay, to handle family affairs and attend any memorial services. Immediate family is defined as: father, mother, sister, brother, spouse, child, mother-in-law, father-in-law, grandparents, grandchildren, nieces, nephews, sisters-and-brothers-in-law, and registered domestic partners.

### **5. Personal Leave**

A leave of absence without pay for up to ten (10) days may be granted at the discretion of the CEO/COO or equivalent management official. Requests for personal leave should be limited to unusual circumstances requiring an extended absence. Unless otherwise required by law, employees must exhaust available PTO balances before commencing an unpaid personal leave of absence.

The Organization does not guarantee reinstatement following a personal leave. However, the Organization may offer employees returning from a personal leave of absence the same position or comparable position that the individual is qualified to perform, if a position is available.

### **6. Military Leave**

The Organization adheres to the "Uniformed Services Employment and Re-Employment Rights Act of 1994 (USERRA)." Requests for information concerning a Military Leave should be made to the Administrator/Human Resources Generalist. Employees are not required to exhaust PTO before going on Military leave.

### **7. Jury Duty or Witness Leave**

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The Organization encourages employees to serve on a jury or as a witness in a court proceeding, deposition, or administrative hearing when called (if the Employee is not a party to the action). An Employee will be given civil leave with pay for up to five days of service on a jury or up to one full day for service as a witness. At its sole discretion, the Organization may approve additional paid leave if the Employee is required to serve on a jury or appear as a witness beyond these amounts (and additional unpaid leave is available for longer jury duty or witness duties). Employees should notify their supervisor of the need for time off for jury duty or service as a witness as soon as notice or summons from the court or subpoena is received, but must do so at least three days before the Employee's required appearance. Employees must provide a copy of a valid notice of summons to their supervisor. Jury duty or witness leave does not affect PTO, and Employees are not required to exhaust PTO as part of such leave.

### **8. Time Off for Voting**

If an employee is unable to vote in a statewide public election before or after working hours, then time off may be requested to go to the polls. The length of paid time that the Organization will provide depends on the distance to the polling location but generally will not exceed two hours. Any additional time off will require use of PTO or will be unpaid. Requests for voting time must be made in writing to the immediate supervisor.

### **9. Recreational Activities and Programs**

Unless required by law, the Organization and its insurer will not be liable for the payments of workers' compensation benefits for any injury that arises out of the employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not a part of the employee's work-related duties.

### **10. Leave for Domestic Violence Victims**

Employees who are victims of domestic violence, or whose family or household member is a victim of domestic violence, may be eligible to receive an unpaid leave of absence: (1) for the diagnosis, care or treatment of a health condition related to the act of domestic violence committed against the employee or family or household member; (2) to obtain counseling or assistance related to the act of domestic violence committed against the employee or family or household member; (3) to participate in any court proceedings related to the act of domestic violence; or (4) to establish a safety plan.

Leave may be used concurrently or intermittently and may be deducted from other applicable leaves. The amount of unpaid leave to be provided is generally up to 160 hours and must be used within twelve months immediately following the domestic violence. Additional leave may be provided where appropriate. Employees may choose to use any accrued PTO for this leave.

While the Organization acknowledges that advanced notice may not always be possible, it requests that employees requiring leave provide at least 48 hours advanced notice if possible. An employee who has taken leave and seeks to take additional leave must, absent extraordinary circumstances, provide the Organization with at least 48 hours advance notice of the need for additional leave.

## **Employee Handbook**

The Organization will provide reasonable accommodations (that will not create an undue hardship) to an employee who is a victim of domestic violence, or whose family or household member is a victim of domestic violence, as necessary to ensure the safety of the employee, the workplace, the employer or other employees. Employees needing reasonable accommodations should contact their supervisor or any member of management and may be required to submit appropriate documentation. If the accommodation is no longer necessary, the employee must inform the employee's supervisor or any member of management as soon as possible.

The Organization will not discriminate or retaliate against employees on the basis that they are victims of domestic violence, have family or household members who have been the victim of domestic violence, serve as a witness or interested party in court proceedings relating to an act of domestic violence triggering the use of leave under this policy, or who request or use leave or other reasonable accommodations under this policy.

### **VI. PAYROLL/ACCOUNTING**

#### **A. Timekeeping Procedures**

All employees are required to submit timesheets that document all hours worked and absent during the standard work schedule. Employees must submit timesheets that document full days of absence (PTO) during the standard workweek. The employee must submit timesheets in accordance with timesheet submission deadlines to avoid delays in paycheck processing. Timesheet deadline is currently on Monday at 9:00 a.m. on payday week.

Any exempt, salaried employee is not required to clock in or out as they are set for a full-time schedule automatically (with "full-time" meaning the amount of time that is required to perform their duties and responsibilities in full). Generally, employees are expected to be available during the Organization's regular business hours, which are 8:00 a.m. to 5:00 p.m.). If in the event the salaried employee takes PTO, then they will have to turn in the form to get approved and place it in the timekeeping system.

Timesheets will be approved by the individual supervisor or another manager in the absence of the supervisor.

All employees working on multiple programs or on both program and non-program activities must allocate their time between such programs or between program and non-program time. These allocations should be submitted in form and substance as indicated by management in order to maintain compliance relevant with laws, regulations, and agreements. Such allocations are required to be submitted by both hourly and salaried employees at least bi-weekly, unless otherwise directed.

#### **B. Overtime**

Overtime will be paid at one and one-half times the regular rate for non-exempt employees working more than 40 hours in a workweek (or as otherwise required by law). PTO, holidays, or unpaid absences are not considered time worked for overtime purposes.

Employees who anticipate the need for overtime to complete the week's work must notify the supervisor in advance and obtain approval before working hours that extend beyond their normal schedule. During busy periods, employees may be required to work extended hours.

## Employee Handbook

**\*NOTE: All overtime must be authorized by a supervisor in advance. Working unauthorized overtime could result in discipline, up to and including termination of employment.**

### C. “Off-the-Clock” Work Prohibited

Nonexempt employees must report all time worked on their timesheet. Off-the-clock work is prohibited and failure to accurately record working time is grounds for discipline up to and including termination of employment. Supervisors may not require or allow employees to engage in off-the-clock work.

### D. Payment of Wages

All employees are paid bi-weekly. Any errors or discrepancies in an employee’s paystub should be reported immediately.

### E. Payroll Advances

The Organization encourages employees to use their banking institutions or other sources whenever loans are needed. Any advance against future earnings will not be permitted.

### F. Wage Garnishments

Garnishment of wages results when an unpaid creditor has taken the matter to court. A garnishment is legal permission for creditors to collect part of an employee’s pay directly from the Organization. The Organization is compelled by law to administer the court’s orders. In doing so, management will contact the employee to explain the details of the garnishment and how it affects wages. Employees are encouraged to resolve these matters privately to avoid the Organization’s involvement. However, the Organization will adhere to legally imposed wage assignments and garnishments and will not modify the terms of those legal arrangements unless ordered by a court to do so.

## Employee Handbook

### ***ACKNOWLEDGMENT AND AGREEMENT***

This is to acknowledge that I have received a copy of NAHAC's ("the Organization") Employee Handbook and understand that it sets forth the terms and conditions of my employment as well as the duties, responsibilities, and obligations of my employment with the Organization. I understand and agree that it is my responsibility to read the Employee Handbook and to abide by the rules, policies and standards set forth in the Employee Handbook.

I also acknowledge that my employment with the Organization is not for a specified period of time and can be terminated at any time for any reason, with or without cause or notice, by me or by the Organization. I acknowledge that no oral or written statements or representations regarding my employment can alter the foregoing. I also acknowledge that no supervisor or employee has the authority to enter into an employment agreement – express or implied – providing for employment other than at-will.

I also acknowledge that, except for the policy of at-will employment, the Organization reserves the right to revise, delete or add to the provisions of this Employee Handbook. All such revisions, deletions, or additions must be in writing and must be approved by the Board of Directors. No oral statements or representations can change the provisions of this Employee Handbook. I also acknowledge that, except for the policy of at-will employment, the terms and conditions of employment with the Organization may be modified at the sole discretion of the Organization with or without cause or notice at any time.

I understand that the foregoing agreement concerning my at-will employment status and the Organization's right to determine and modify the terms and conditions of employment is the sole and entire agreement between me and the Organization concerning the duration of my employment, the circumstances under which my employment may be terminated, and the circumstances under which the terms and conditions of my employment may change. I further understand that this agreement supersedes all prior agreements, understandings, and representations concerning my employment with the Organization.

Individual Classification: ☐ Employee ☐ Officer/Director ☐ Contractor/Vendor

\_\_\_\_\_  
Name



## Employee Handbook

\_\_\_\_\_  
Organization (*if other than NAHAC*)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Original to be placed in appropriate file for individual (personnel, officer/director, or contractor/vendor file) with a copy to be placed in the file for a scheduled training, if applicable.

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## FRAUD MITIGATION, DETECTION, AND AWARENESS GUIDELINES

~~As of 07-27-2022~~

~~v~~

### Introduction

The Nevada Affordable Housing Assistance Corporation's (NAHAC) Board of Directors has established an anti-fraud policy to enforce controls and to aid in the prevention and detection of fraud, theft, waste, or abuse against NAHAC and its programs. This policy applies to any fraud, theft, waste, or abuse or suspected fraud, theft, waste, or abuse involving any employee (including management), consultant, vendor, contractor, or outside agency doing business with NAHAC or in any other relationship with NAHAC. This policy is supported and supplemented by a variety of existing policies and procedures including the Employee Handbook, the Code of Ethics; Conflicts of Interest; and Business Conduct policy, and various underwriting, accounting and reporting procedures and guidelines. These policies and procedures further provide a framework to support compliance with these guidelines.

The Board of Directors does not tolerate any type of fraud, waste or abuse. NAHAC's goal is to promote consistent, legal and ethical organizational behavior by:

- Assigning responsibility for reporting fraud, theft or abuse;
- Providing guidelines to conduct investigations of suspected fraudulent behavior; and
- Requiring each employee to attend annual fraud awareness training.

Failure to comply with this policy subjects an employee (including management) to disciplinary action, including immediate termination. Failure to comply by a consultant, vendor, contractor, outside agency, or person doing business with NAHAC or in any other relationship with NAHAC could result in cancellation of the business or other relationship between the entity and NAHAC. The Board of Directors will pursue prosecution if the results of an investigation indicate the possibility of criminal activity.

For purposes of these guidelines only, the term *fraud* or *fraudulent* includes theft, waste, and abuse as defined below. The term *employee* includes employees in management and non-management positions. The term *management* includes managers, supervisors, key finance personnel, and officers of NAHAC.

### Creating a Culture of Honesty and High Ethics

NAHAC has a culture of honesty, integrity and high ethics. Contributing to this are:

- A commitment from the Board of Directors to tolerate only the highest levels of honesty, integrity and ethics.
- A productive workplace environment supported by adequate compensation, benefits and protections.

- Hiring the best-qualified persons and promoting existing employees based on merit.
- Making adequate training opportunities available.
- Issuing discipline in a fair and consistent manner.

## **Definitions and Examples of Fraud, Waste, and Abuse**

*Fraud* is defined as an intentional deception designed to obtain a benefit or advantage or to cause some benefit that is due to be denied. Fraud can also involve reckless misrepresentations (intent is not required – it can be intentional or unintentional).

While each circumstance is unique, fraud generally involves (1) a material representation, (2) that is false at the time the statement is made and (3) that is made by a speaker who knew it was false or did not have an adequate basis for claiming it was true, and (4) that is reasonably relied upon by someone who heard or received the statement.

Examples of fraud include:

- Forgery or alteration of a check, bank draft, or any other financial document;
- Theft of a check or other diversion of a client payment;
- Misappropriation of funds, securities, supplies, or other assets;
- Impropropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of NAHAC operations; and
- An employee with access to confidential client information who sells this information or uses it in the conduct of an outside business activity.

Fraud may also include a third party pretending to be NAHAC and offering, for an upfront fee, a mortgage modification/principal reduction through an federal program and no services are delivered.

*Waste* is the loss or misuse of NAHAC resources that results from deficient practices, system controls, or decisions. An example is not taking advantage of known early bird conference registration discounts.

*Abuse* is the intentional, wrongful, or improper use of resources or misuse of rank, position, or authority that causes the loss or misuse of resources such as tools, vehicles, computers, copy machines, etc. Examples of abuse include, but are not limited to:

- Using NAHAC equipment or supplies to conduct personal business; and
- An employee using non-confidential client information to get new customers for his/her outside business.

*Theft* is defined as the act of taking something from someone without a lawful right to possess it. An example of theft is taking home a tool or other piece of equipment belonging to NAHAC and keeping it for personal use.

## Responsibility to Report Suspected Fraud

Each employee is required to report, in writing and on NAHAC's prescribed report form, any suspected fraud, theft, waste, or abuse or other dishonest conduct. Information on how and to whom to report actual or suspected fraud, theft, waste, or abuse can be found in the "Resources" section of [www.nahac.org](http://www.nahac.org). Management is required to ~~report suspected~~ communicate any credible report of fraud, theft, waste, or abuse or other dishonest conduct, including reports from employees or other individuals, to the NAHAC Board. The NAHAC Board and its Officers have the authority to determine the merits of a report of suspected fraud including authorizing, if necessary, an internal or external investigation and/or engaging the assistance of legal counsel. The identity of an employee or complainant who reports suspected fraud will be protected to the fullest extent allowed by law.

Suspected improprieties and/or misconduct concerning an employee's ethical conduct should be reported in the same manner and to the same reporting entity as fraud, theft, waste, abuse or other dishonest conduct. Note that there are many instances of prohibited actions that do not rise to the level of fraud, such as an improper relationship with a vendor. When in doubt, however, employees should err on the side of reporting.

## Guidelines for Handling a Report of Suspected Fraud, Theft, Waste, or Abuse

Once an employee makes an initial report, the reporting individual should be instructed as follows:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Allow the designated investigative body to conduct the investigation.
- In order to allow for a fair and impartial investigation, do not discuss the case, facts, suspicions, or allegations with anyone else within NAHAC unless specifically asked to do so by the investigative body, police, or NAHAC's Board of Directors.
- Retaliation will not be tolerated. NAHAC will not tolerate any form of retaliation against individuals providing information in good faith concerning fraud or suspected fraud.
- Every effort will be made to protect the rights and the reputations of everyone involved, including the individual who in good faith alleges perceived misconduct as well as the alleged violator(s).
- The identity of an employee or other individual who reports a suspected act of fraud will be protected as provided by this policy.

An initial report made by an external party will be provided to an Officer or Director of NAHAC, or another individual designated by them. Such reports will be investigated, and a determination made as to an appropriate response, if any should be required.

## **Responsibility of the NAHAC Board**

The NAHAC Board of Directors, in consultation with NAHAC Management, legal counsel, and any others designated for such responsibility, shall evaluate the risks of fraud and implement processes, procedures and controls to mitigate those risks. The Board of Directors will be proactive in reducing fraud opportunities by ensuring that the following occur on a regular basis:

- Identification and measurement of fraud risks;
- Steps are taken to mitigate identified risks; and
- Implementation and monitoring of appropriate preventative and detective internal controls and other deterrent measures.

NAHAC's Management and, any other individual(s) designated for such responsibility, shall serve as the primary Fraud and Ethics Advisory Team (Advisory Team) for NAHAC. On receiving a report of fraud, the Advisory Team shall conduct a preliminary investigation to determine the credibility of the report. The Advisory Team may consult and work concurrently with NAHAC's legal counsel during any phase of the investigation. If the report is credible, the Advisory Team shall follow the investigation guidelines provided in this policy.

The Advisory Team shall make every effort to protect the rights and the reputations of everyone involved in the report of suspected fraud, including the individual who in good faith alleges perceived misconduct as well as the alleged violator(s). The Advisory Team shall also make every effort to protect the identity of a person who in good faith reported the suspected fraud; however, disciplinary action may be taken as provided by this policy if a report is shown to have been made in bad faith.

The Advisory Team may find it necessary to involve outside agencies to assist in the investigation and may refer questions as to whether the action constitutes fraud to the agency's auditor or outside attorney, as appropriate. The Advisory Team shall report suspected fraud to the U.S. Department of the Treasury, Office of Financial Stability and to the Nevada Attorney General's Office, if applicable.

NAHAC shall immediately disclose to the U.S. Department of the Treasury any discovered credible evidence, in connection with its federal programs, that a management official, employee, or contractor of NAHAC has committed, or may have committed, a violation of Federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations found in Title 18 of the United States Code; or the Civil False Claims Act (31 U.S.C. §§ 3729-3733) or other violation of federal law.

On determining that a report is not credible or is not a report of fraud, the Advisory Team shall make a determination as to whether any action should be taken and the extent of such actions. Support for a decision to take any actions should be documented and maintained by NAHAC. The NAHAC Board of Directors is responsible for the administration, interpretation, and application of these guidelines. The NAHAC Board of Directors is also responsible for guideline adoptions and revisions.

## **Guidelines for the Investigation of Suspected Fraud**

The Advisory Team is responsible for the investigation of reported wrongdoing and all suspected fraud and for coordinating investigative activities. Investigation results shall not be disclosed or discussed with anyone other than those who have a legitimate need to know.

Any required investigative activity shall be conducted without regard to the suspected wrongdoer's length of service, position/title, relationship to NAHAC, or any other perceived mitigating circumstance.

The Advisory Team shall maintain appropriate documentation regarding incidents of fraud and restrict access to such information to appropriate personnel until a determination is issued.

If an investigation substantiates fraudulent activities, the Advisory Team will communicate the fraudulent activities to the Board of Directors. The NAHAC designated third-party compliance representatives shall make such communications as soon as possible after the fraud is confirmed and shall document the content of the investigation, the findings, and any disciplinary action taken as a result of the finding.

The U.S. Department of the Treasury shall be notified by the Board of Directors of any suspected fraud and shall be notified of any suspected or discoverable credible evidence of fraud, pursuant to all relevant laws, regulations, or agreements.

If an investigation substantiates fraudulent activities of a possible criminal nature, the Board of Directors shall assess, with the assistance of legal counsel and/or the Office of the Attorney General as needed, whether to refer the matter to the U.S. Department of the Treasury or law enforcement and/or at what level.

Any inquiries from the suspected individual, his or her attorney/representative, or any other inquirer shall be directed to NAHAC's Board of Directors. If necessary, NAHAC's Board of Directors will refer these inquiries to the U.S. Department of the Treasury.

NAHAC's Board of Directors is responsible for the investigation of any reported wrongdoing by the Advisory Team and/or NAHAC's legal counsel. The Board of Directors shall follow the same procedures that have been established for the Advisory Team to follow when investigating and addressing possible wrongdoing.

Any reported wrongdoing by a member(s) of NAHAC's Board of Directors shall be investigated by the Office of the Attorney General, in accordance with the policies and statutes of the State of Nevada.

## **Disciplinary Action**

Failure to comply with any part of these guidelines will be grounds for disciplinary actions, including immediate termination.

An employee who (1) has engaged in any form of fraud, waste, or abuse; (2) suspects or discovers

fraudulent activity and fails to report his or her suspicions as required by these guidelines; or (3) intentionally reports false or misleading information in bad faith is subject to disciplinary action, including immediate termination.

Any member of management who does not pass on to the NAHAC Board a report of suspected fraud made by an employee or other person is subject to disciplinary action, including immediate termination.

NAHAC may seek recovery of any losses from fraud, if necessary, through civil action.

### **Client Fraud within the NAHAC Assistance Programs**

NAHAC has developed very specific procedures and guidelines for dealing with fraud by clients of its assistance programs. NAHAC will take one or more of the following actions whenever it reaches a determination that fraud has occurred:

- Enter into a repayment agreement;
- Terminate assistance;
- Seek recovery of any excess subsidies including damages and legal costs through the civil courts; and/or
- Refer the matter to the U.S. Department of the Treasury or Office of the Attorney General.

### **Fraud Awareness Training**

From time to time, training programs regarding fraud awareness become available to NAHAC through various means. As these programs become available, applicable staff may be asked to attend such trainings. At the very least, all employees of NAHAC will be required to attend an Annual Fraud Awareness Training class. After attending any and all Fraud Awareness training classes, the participating employees must sign a form indicating that they have attended the training and understood its content.



## **FRAUD MITIGATION, DETECTION, AND AWARENESS GUIDELINES ACKNOWLEDGMENT**

I acknowledge that I have received and reviewed a copy of the Fraud Mitigation, Detection, and Awareness Guidelines.

I understand and agree to the terms and conditions set forth in the Fraud Mitigation, Detection, and Awareness Guidelines and related NAHAC policies.

Furthermore, I acknowledge that I have been given the opportunity to discuss any information contained in the Fraud Mitigation, Detection, and Awareness Guidelines and related NAHAC policies, and any concerns that I may have.

By my signature below, I confirm that I have reported in writing, and in a manner consistent with the requirements of the Fraud Mitigation, Detection, and Awareness Guidelines, any and all actual fraud, waste, and/or abuse of which I am aware.

I acknowledge that NAHAC reserves the right to modify or amend its policies and procedures at any time, without prior notice.

These policies do not create any promises or contractual obligations between NAHAC and the Employee, and do not affect the employment-at-will status of the Employee.

Individual Classification:    ☐ Employee    ☐ Officer/Director    ☐ Contractor/Vendor

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Organization (*if other than NAHAC*)

\_\_\_\_\_  
NAHAC Manager or Witness Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Original to be placed in appropriate file for individual (personnel, officer/director, or contractor/vendor file) with a copy to be placed in the file for a scheduled training, if applicable.**



**RISK AND CONTROL MATRIX FOR  
NEVADA AFFORDABLE HOUSING ASSISTANCE PROGRAM (NAHAC)**  
~~As of 07-27-2022~~03-30-2023

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| 1 GENERAL           |   |                |   |
|---------------------|---|----------------|---|
| Control Section     | Control Objectives and Activities   | Frequency      | Staff Name / Role                             |
| Control Environment | <b>Objective:</b> The entity demonstrates commitment to integrity and ethical values, and the entity holds individuals accountable for their internal control responsibilities  |                |   |
|                     | <ul style="list-style-type: none"><li>The board is made aware of key developments that may affect financial reporting or compliance through regular board meetings</li></ul>  | MonthlyOngoing | Board of Directors / Management               |
|                     | <ul style="list-style-type: none"><li>A code of ethics, conflict of interest, &amp; business conduct exists in policy and in the employee handbook</li></ul>  | Ongoing        | Board of Directors                            |
|                     | <ul style="list-style-type: none"><li>Management, employees, and board members are made familiar with the entity's policies and practices with regard to ethics, accepted operating practices, and positive control environment through signed acknowledgements of the employee handbook for employees or through signed annual conflict of interest agreements for board members</li></ul> | Annually       | Board of Directors / All Employees            |
|                     | <ul style="list-style-type: none"><li>Management adopts accounting policies that are appropriate for the entity and consistent with GAAP</li></ul>  | Ongoing        | Brian Hardy (CFO) / Verise Campbell (CEO/COO) |
|                     | <ul style="list-style-type: none"><li>Performance reviews are completed on a regular basis, generally annually, done at least annually for all employees</li></ul>  | Annually       | Verise Campbell (CEO/COO)                     |
|                     | <b>Objective:</b> The board of directors demonstrate independence from management in exercising oversight of the development and performance of internal controls   |                |   |
|                     | <ul style="list-style-type: none"><li>The general makeup of the governing board is appropriate and adequate given the nature of the entity, including two members from the NV Housing Division</li></ul>  | Ongoing        | Board of Directors                            |

|  |   |                  |   |
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|  |   |                  |   |
| <b>1 GENERAL (CONTINUED)</b>               |   |                  |   |
| <b>Control Section</b>                     | <b>Control Objectives and Activities</b>  | <b>Frequency</b> | <b>Staff Name / Role</b>  |
| <b>Control Environment<br/>(Continued)</b> | <ul style="list-style-type: none"> <li>The board is actively involved in oversight of the organization</li> </ul>   | Ongoing          | Board of Directors  |
|  | <ul style="list-style-type: none"> <li>Monthly financial reports are provided to the board members at board meetings</li> </ul>   | Monthly          | <del>Ryan Garner</del> Lori Grimm<br>(Controller) /<br>Brian Hardy<br>(CFO) |
|  | <b>Objective:</b> With oversight from the board of directors, management establishes structures, reporting lines, and appropriate authorities and responsibilities to achieve financial reporting and compliance objectives |                  |   |
|  | <ul style="list-style-type: none"> <li>Management periodically evaluates the entity's organizational structure and makes necessary changes based on changes in its activities, circumstances and/or industry</li> </ul>     | Ongoing          | Verise Campbell<br>(CEO/COO)  |
|  | <ul style="list-style-type: none"> <li>An organizational structure exists with corresponding job descriptions reflecting the responsibilities of respective personnel</li> </ul>  | Ongoing          | Management  |
|  | <b>Objective:</b> The entity demonstrates a commitment to attract, develop, and train competent individuals in alignment with financial reporting and compliance objectives   |                  |   |
|  | <ul style="list-style-type: none"> <li>There are formal policies and procedures for recruiting, hiring and retention of employees and for employee performance and compensation</li> </ul>                                  | Ongoing          | Board of Directors<br>/ Management  |
|  | <ul style="list-style-type: none"> <li>Employees tend to have the competence and training necessary for their assigned level of responsibility or the nature and complexity of the entity's activities</li> </ul>           | Ongoing          | Management /<br>Employees   |

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**1 GENERAL (CONTINUED)**

| <i>Control Section</i> | <i>Control Objectives and Activities</i>   | <i>Frequency</i> | <i>Staff Name / Role</i>        |
|------------------------|--|------------------|---------------------------------|
| <b>Risk Assessment</b> | <b>Objective:</b> The entity specifies objectives with sufficient clarity to enable the identification and assessment of risks related to financial reporting and compliance objectives  |                  |                                 |
|                        | <ul style="list-style-type: none"><li>Management adopts accounting policies that are appropriate for the entity and consistent with GAAP</li></ul>   | Ongoing          | Management                      |
|                        | <ul style="list-style-type: none"><li>The entity has established a mission and vision which guide the strategic direction of the organization</li></ul>  | Ongoing          | Board of Directors / Management |
|                        | <ul style="list-style-type: none"><li>Management identifies risks related to laws and regulations that may affect financial reporting or compliance through ongoing processes and procedures, quarterly internal compliance reviews, and external audits and compliance review</li></ul> | Ongoing          | Management                      |
|                        | <b>Objective:</b> The entity identifies risks to achieving its objectives and analyzes risks to determine how the risks should be managed  |                  |                                 |
|                        | <ul style="list-style-type: none"><li>Management identifies and evaluates risks as a part of the internal control program and quarterly compliance reviews and makes recommendations for changes as needed</li></ul>   | Ongoing          | Management                      |
|                        | <ul style="list-style-type: none"><li>The entity objectives are established in accordance with Treasury guidelines, communicates those objectives as needed, and monitors the adequacy of the design and implementation of the controls meeting those objectives</li></ul>               | Ongoing          | Management                      |

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**Objective:** The entity considers the potential for fraud in assessing risks to the achievement of objectives

**1 GENERAL (CONTINUED)**

| <i>Control Section</i>                 | <i>Control Objectives and Activities</i>   | <i>Frequency</i> | <i>Staff Name / Role</i> |
|--|--|------------------|--------------------------|
| <i>Risk Assessment<br/>(Continued)</i> | <ul style="list-style-type: none"> <li>Fraud risk assessments are an integral part of the risk identification process (see objectives under Fraud and Conflicts of Interest section below)</li> </ul>  | Ongoing          | Management               |
|  | <ul style="list-style-type: none"> <li>The entity's assessment of fraud risk considers incentives, pressures, attitudes, and rationalizations, as well as the opportunity to commit fraud</li> </ul>   | Ongoing          | Management               |
|  | <b>Objective:</b> The entity identifies and assesses changes that could significantly impact the system of internal control  |                  |                          |
|  | <ul style="list-style-type: none"> <li>Management has established triggers, such as differences from budget, findings from internal compliance reviews, and changes in policies; procedures; and structure for reassessment of risks that may impact financial reporting or compliance objectives</li> </ul> | Ongoing          | Management               |
|  | <ul style="list-style-type: none"> <li>Management communicates the risk assessment and changes in the entity's environment to all appropriate employees</li> </ul>   | Ongoing          | Management               |

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|  | <ul style="list-style-type: none"> <li>The accounting and finance department has sufficient knowledge and experience to identify changes in operating practices that may affect the method or process of recording transactions or maintaining compliance with GAAP and <del>Treasury</del> other applicable requirements</li> </ul> | Ongoing                          | <del>Ryan Garner</del> Lori Grimm<br>(Controller) /<br>Brian Hardy<br>(CFO) |
| <b>Information and Communication</b>                 | <b>Objective:</b> The entity obtains or generates and uses relevant, quality information to support the functioning of internal control  |                                  |   |
| <b>1 GENERAL (CONTINUED)</b>                         |  |                                  |   |
| <b>Control Section</b>                               | <b>Control Objectives and Activities</b>   | <b>Frequency</b>                 | <b>Staff Name / Role</b>  |
| <b>Information and Communication<br/>(Continued)</b> | <ul style="list-style-type: none"> <li>Accounting and compliance procedures are sufficiently formal that management can determine whether the control objective is met and documentation supporting the procedures is in place</li> </ul>  | Ongoing                          | Management  |
|  | <ul style="list-style-type: none"> <li>Supporting documentation for transactions are included as attachments in the accounting system at the transaction level</li> </ul>  | Transaction level                | Accountant  |
|  | <b>Objective:</b> The entity internally communicates information, including objectives and responsibilities for internal control, to supporting the functioning of internal control  |                                  |   |
|  | <ul style="list-style-type: none"> <li>Financial and program personnel meet with applicable members of management on a regular basis to discuss operating results through weekly and monthly meetings, phone call, or online communications</li> </ul>   | Weekly /<br>Monthly /<br>Ongoing | Management /<br>Accountant  |
|  | <ul style="list-style-type: none"> <li>Financial reports are provided on a monthly basis to management and the board of directors</li> </ul>   | Monthly                          | <del>Ryan Garner</del> Lori Grimm<br>(Controller) /                         |

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| Brian Hardy<br>(CFO)   |         |            |
| <b>Objective:</b> The entity communicates with external parties regarding matters affecting the functioning of internal control  |         |            |
| <ul style="list-style-type: none"> <li>Management communicates information about the function of internal control over financial reporting and compliance on a timely basis with members of the board at regular board meetings</li> </ul> | Monthly | Management |

#### 1 GENERAL (CONTINUED)

| Control Section                              | Control Objectives and Activities  | Frequency           | Staff Name / Role   |
|--|--|---------------------|---|
| Information and Communication<br>(Continued) | <ul style="list-style-type: none"> <li>There is a process for communication of fraud or non-compliance through the entity's website</li> </ul>   | Ongoing             | NAHAC Website /<br>Brian Hardy<br>(CFO)                   |
|  | <ul style="list-style-type: none"> <li>Management maintains regular conversations with officials from <u>Treasury grantors and regulators</u> in order to provide them with constant updates and address any findings in accordance with interpretations and guidance on laws and regulations as provided by Treasury</li> </ul> | Weekly /<br>Ongoing | Management /<br><u>Treasury Grantors /<br/>Regulators</u> |
| Monitoring                                   | <b>Objective:</b> The entity selects, develops, and performs ongoing and/or separate evaluations to determine whether the components of internal control are functioning as designed   |                     |   |
|  | <ul style="list-style-type: none"> <li>Management's ongoing monitoring provides feedback on the effective design and operation of controls integrated into processes, and on the processes themselves</li> </ul>   | Ongoing             | Management  |

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|                        | <ul style="list-style-type: none"><li>Management’s ongoing monitoring serves as a primary indicator of both control design and the operating effectiveness of controls, and of risk conditions</li></ul>  | Ongoing   | Management                     |
|                        | <ul style="list-style-type: none"><li>The entity has established an internal control program which provides for quarterly compliance reviews to ensure that control objectives are being met, and for management to provide adequate responses to any observations or findings identified</li></ul> | Quarterly | Quality Assurance / Management |
|                        | <b>Objective:</b> The entity evaluates and communicates internal control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and the board of directors, as appropriate  |           |                                |
| 1 GENERAL (CONTINUED)  |   |           |                                |
| Control Section        | Control Objectives and Activities   | Frequency | Staff Name / Role              |
| Monitoring (Continued) | <ul style="list-style-type: none"><li>Reports from external sources (e.g. external auditors, regulators, etc.) are considered for their internal control implications, and corrective actions are identified and taken</li></ul>  | Ongoing   | Management                     |
|                        | <ul style="list-style-type: none"><li>Findings on an internal control deficiency are reported to (1) the appropriate person who is in the position to take corrective actions and, if applicable, (2) at least one level of management above that person, or the board if necessary</li></ul>       | Ongoing   | Management                     |
| 2 ELIGIBILITY          |   |           |                                |
| Risk Assessment        | Control Objectives and Activities   | Frequency | Staff Name / Role              |

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| <p><b><u>Risk:</u></b> Incorrect eligibility determination</p> <p><b><u>Risk:</u></b> Deed of Trust, Lien Release and/or Note with correct terms not executed/recorded properly or in a timely manner to support the disbursement and recovery of benefits.</p> | <p><b><u>Objective:</u></b> Applicant eligibility is properly determined and documented in accordance with program and underwriting requirements (Term Sheet and underwriting guidelines)</p>  |                         |  |
| <p><b><u>Risk Rating:</u></b><br/>Medium</p>  | <ul style="list-style-type: none"> <li>The HFA/EE has documented underwriting guidelines and policies and procedures that describe in detail the eligibility determination and underwriting requirements over all programs, as amended, that are in accordance with the term sheet for each program</li> </ul> | Ongoing                 | Veronica Lewis<br>(Operations Consultant) /<br><u>Jennifer Varsallona</u><br><u>(Operations Manager)</u> / Verise<br>Campbell<br>(CEO/COO) |
| <b>2 ELIGIBILITY (CONTINUED)</b>  |  |                         |  |
| <b><i>Risk Assessment</i></b>   | <b><i>Control Objectives and Activities</i></b>  | <b><i>Frequency</i></b> | <b><i>Staff Name / Role</i></b>  |

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|                                  | <ul style="list-style-type: none"> <li>A preliminary eligibility determination is made during the electronic application process based on information provided by the applicant(s) <ul style="list-style-type: none"> <li>If eligible, the homeowner is provided with an application and a document request list</li> <li>If ineligible, <del>they are notified over the phone and referred to other resources for assistance</del> <u>system generates a notification of ineligibility</u></li> </ul> </li> </ul> | Individual File Basis | Customer Service Representative / Jennifer Varsallona (Operations Manager) / HOTB System |
|                                  | <ul style="list-style-type: none"> <li>Once an initial determination of eligibility has been made, a second level review is completed to verify the recommended underwriting decision and to confirm eligibility</li> </ul>  | Individual File Basis | HOTB (Contractor)  |
|                                  | <ul style="list-style-type: none"> <li>A quality control review is performed on a sample of completed files to ensure the appropriate documentation has been maintained in the file and the file was appropriately decisioned. <u>In addition, a secondary review is also performed by HOTB.</u></li> </ul>  | Sample File Basis     | Quality Control Specialist / <u>HOTB (Contractor)</u>                                    |
|                                  | <ul style="list-style-type: none"> <li>An escalation committee has been established to assist in the decision-making process for questionable files and in instances in which the homeowner applicant does not agree with the underwriting decision</li> </ul>   | As needed             | Verise Campbell (CEO/COO) / Veronica Lewis (Operations Consultant)                       |
| <b>2 ELIGIBILITY (CONTINUED)</b> |  |                       |  |
| <b>Risk Assessment</b>           | <b>Control Objectives and Activities</b>   | <b>Frequency</b>      | <b>Staff Name / Role</b>   |

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| <ul style="list-style-type: none"> <li>Participating housing counselors, legal aid centers, and HFA/EE staff are sufficiently qualified and trained to (1) inquire and obtain the minimum required documentation from potential borrowers to determine eligibility, (2) summarize and document their recommendations based on review and evaluation of the eligibility underwriting process performed               <ul style="list-style-type: none"> <li>New users at HCA's and legal aid centers are not granted access to the application system until after they have received adequate training</li> </ul> </li> </ul>  | Ongoing | Cheryl Newkirk (Outreach Coordinator) / Veronica Lewis (Operations Consultant)    |
| <ul style="list-style-type: none"> <li>Checklists are used for eligibility reviews               <ul style="list-style-type: none"> <li>The entity utilizes underwriting tools and guidelines, including:                   <ul style="list-style-type: none"> <li>Policies and procedures</li> <li>Guidelines / Operational term sheets</li> <li>Required Documentation Job Aid</li> <li>Hardship Matrix</li> <li>Approval Validation (006 – QC form)                       <ul style="list-style-type: none"> <li>This form has various versions based on the program for which eligibility is being determined</li> </ul> </li> <li>Denial / Withdrawal (003 – QC form)</li> <li>Income Calculator (005)</li> <li>Closing Checklist</li> </ul> </li> </ul> </li> </ul> | Ongoing | Jennifer Varsallona (Operations Manager) / Veronica Lewis (Operations Consultant) |

## 2 ELIGIBILITY (CONTINUED)

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| <i><b>Risk Assessment</b></i> | <i><b>Control Objectives and Activities</b></i>  | <i><b>Frequency</b></i>  | <i><b>Staff Name / Role</b></i>  |
|-------------------------------|--|--------------------------|--|
|                               | <ul style="list-style-type: none"><li>The participating housing counselors, legal aid centers, and HFA/EE staff understand the specific program eligibility criteria and require identification of and documentation for each of these criteria in the loan underwriting files</li></ul> | Ongoing                  | Veronica Lewis<br>(Operations Manager)/ Cheryl Newkirk<br>(Outreach Coordinator) |
|                               | <ul style="list-style-type: none"><li>Routine review of eligibility/underwriting practices are performed and documented in a timely manner, and instances of non-compliance with guidelines and requirements are remediated</li></ul>  | Ongoing                  | Management /<br>Veronica Lewis<br>(Operations Consultant)                        |
|                               | <b>Objective:</b> Liens and lien recoveries related to participation in the program are adequately recorded, tracked, and monitored and appropriate communication is made with participants regarding the lien maturity process  |                          |  |
|                               | <ul style="list-style-type: none"><li>Closing documentation is reviewed directly with participants who are determined eligible to receive assistance</li></ul>   | Individual File<br>Basis | Floater<br>(Temporary Labor) / Jennifer Varsallona<br>(Operations Manager)       |
|                               | <ul style="list-style-type: none"><li>The State of Nevada's "Simplifile" system is used to electronically record deeds of trust in a timely manner</li></ul>   | Individual File<br>Basis | Floater<br>(Temporary Labor) / Jennifer Varsallona<br>(Operations Manager)       |

**2 ELIGIBILITY (CONTINUED)**

| <i><b>Risk Assessment</b></i>  | <i><b>Control Objectives and Activities</b></i>   | <i><b>Frequency</b></i> | <i><b>Staff Name / Role</b></i>                             |
|--|---|-------------------------|---|
|  | <ul style="list-style-type: none"> <li>The organization has designated an individual to oversee the tracking and monitoring of lien maturities and recoveries</li> </ul>  | Ongoing                 | Jennifer Varsallona (Operations Manager)                    |
| <b>3 FUNDS, PROPERTY AND OTHER ASSETS</b>  |   |                         |   |
| <i><b>Risk Assessment</b></i>  | <i><b>Control Objectives and Activities</b></i>   | <i><b>Frequency</b></i> | <i><b>Staff Name / Role</b></i>                             |
| <u><b>Risk:</b></u> Misappropriation of funds (both program funds and administrative funds)<br><br><u><b>Risk Rating:</b></u><br>Low | <u><b>Objective:</b></u> Funds, property and other assets are safeguarded against loss from unauthorized use or disposition   |                         |   |
|  | <ul style="list-style-type: none"> <li>The entity has documented policies and procedures that describe in detail the requirements over program funds, property and other assets</li> </ul>                              | Ongoing                 | Board of Directors / Management                             |
|  | <ul style="list-style-type: none"> <li>Management or board approval of disbursements is required for amounts that exceed established limits according to entity policy</li> </ul>                                       | Transaction level       | Timothy Whitright (Board Chair) / Verise Campbell (CEO/COO) |
|  | <ul style="list-style-type: none"> <li>Documentation supporting transactions, including documentation of appropriate authorization, are electronically attached to transactions within the accounting system</li> </ul> | Transaction level       | Accountant  |

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**3 FUNDS, PROPERTY AND OTHER ASSETS (CONTINUED)**

| <i>Risk Assessment</i> | <i>Control Objectives and Activities</i>  | <i>Frequency</i>  | <i>Staff Name / Role</i>   |
|------------------------|---|-------------------|--|
|                        | <ul style="list-style-type: none"><li>Purchases are reviewed for compliance with the Uniform Guidance and to ensure compliance with existing policies</li></ul>   | Monthly           | <del>Ryan Garner</del> <u>Lori Grimm</u><br>(Controller) /<br>Brian Hardy<br>(CFO) |
|                        | <ul style="list-style-type: none"><li>The general ledger is reviewed by knowledgeable personnel during the month-end close to ensure proper classification</li></ul>  | Monthly           | <del>Ryan Garner</del> <u>Lori Grimm</u><br>(Controller) /<br>Brian Hardy<br>(CFO) |
|                        | <ul style="list-style-type: none"><li>The AP aging ledger is reviewed monthly as a part of the month-end close, and any old outstanding items are addressed to ensure errors are corrected timely</li></ul> | Monthly           | <del>Ryan Garner</del> <u>Lori Grimm</u><br>(Controller) /<br>Brian Hardy<br>(CFO) |
|                        | <ul style="list-style-type: none"><li>All supporting documentation is reviewed by designated parties prior to signing a check or authorizing electronic payment</li></ul>                                   | Transaction level | Verise Campbell<br>(CEO/COO) /<br>Timothy Whitright<br>(Board Chair)               |
|                        | <ul style="list-style-type: none"><li>Online wire transfers and other online payments require user authentication through use of passwords and/or bank tokens</li></ul>                                     | Transaction Level | Accountant /<br>Verise Campbell<br>(CEO/COO)                                       |

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| 3 FUNDS, PROPERTY AND OTHER ASSETS (CONTINUED) |   |                                     |   |
|--|---|-------------------------------------|---|
| <i>Risk Assessment</i>                         | <i>Control Objectives and Activities</i>  | <i>Frequency</i>                    | <i>Staff Name / Role</i>  |
|  | <ul style="list-style-type: none"> <li>Bank reconciliations are prepared and reviewed in a timely fashion</li> </ul>  | Monthly                             | <del>Ryan Garner</del> Lori Grimm<br>(Controller) /<br>Brian Hardy<br>(CFO) |
|  | <ul style="list-style-type: none"> <li>Accounts receivable aging is reviewed, <u>when applicable</u>, on a monthly basis and old outstanding items are investigated as applicable</li> </ul>  | Monthly                             | <del>Ryan Garner</del> Lori Grimm<br>(Controller) /<br>Brian Hardy<br>(CFO) |
|  | <ul style="list-style-type: none"> <li>Accounts receivable are compared on a month-to-month basis to ensure reasonableness</li> </ul>   | Monthly                             | <del>Ryan Garner</del> Lori Grimm<br>(Controller) /<br>Brian Hardy<br>(CFO) |
|  | <ul style="list-style-type: none"> <li>Assumptions (amortization period) and methods used in amortization calculations are reviewed regularly to ensure they are reasonable and in line with GAAP and applicable regulations or agreements</li> </ul> | Annually / Initial Transaction Date | <del>Ryan Garner</del> Lori Grimm<br>(Controller) /<br>Brian Hardy<br>(CFO) |
|  | <ul style="list-style-type: none"> <li>The accounting department reviews the general ledger at least monthly to search for prepaid assets or other transactions that should be reclassified to assets such as deposits etc.</li> </ul>                | Monthly                             | <del>Ryan Garner</del> Lori Grimm<br>(Controller) /<br>Brian Hardy<br>(CFO) |
|  | <ul style="list-style-type: none"> <li>The entity has a capitalization and useful lives policy, and the policy has been formally reviewed and approved by</li> </ul>  | Ongoing                             | Board of Directors / Management   |

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management and communicated to departments that request property and equipment purchases

### 3 FUNDS, PROPERTY AND OTHER ASSETS (CONTINUED)

| <i>Risk Assessment</i> | <i>Control Objectives and Activities</i>  | <i>Frequency</i>    | <i>Staff Name / Role</i>                          |
|------------------------|---|---------------------|---|
|                        | <b>Objective:</b> Program funds are maintained in interest-bearing bank accounts.   |                     |   |
|                        | <ul style="list-style-type: none"> <li>The entity maintains acceptable bank accounts for program funds and reconciles the bank accounts on a monthly basis</li> </ul>   | Monthly             | <del>Ryan Garner</del> Lori Grimm<br>(Controller) |
|                        | <b>Objective:</b> Capital draw requests for program funds are calculated as requested, and documented in accordance with the relevant agreement(s) and program guidelines   |                     |   |
|                        | <ul style="list-style-type: none"> <li>Routine review of program funds, property and other assets are performed and documented in a timely manner, and instances of non-compliance with guidelines and requirements are remediated</li> </ul> | Monthly / Quarterly | Brian Hardy (CFO) / Verise Campbell (CEO/COO)     |
|                        | <b>Objective:</b> Program funds are properly segregated from unrestricted funds by the HFA/EE   |                     |   |
|                        | <ul style="list-style-type: none"> <li>For program and administrative funds, property and other assets, duties over custody of cash, disbursement approval, recording, reconciling, and report review are adequately segregated</li> </ul>    | Ongoing             | Varies by transaction type                        |
|                        | <ul style="list-style-type: none"> <li>Payments received in the mail are opened and logged, and a copy is provided to Accountant I and Operations Manager along with all checks/money orders (no cash is accepted)</li> </ul>                 | Transaction Level   | Cheryl Newkirk (Outreach Coordinator)             |

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|   | <ul style="list-style-type: none"> <li>Accountant verifies the amount received equals the amount recorded on the log, and makes the deposit remotely on a separate computer</li> </ul>  | Transaction Level       | Accountant   |
| <b>3 FUNDS, PROPERTY AND OTHER ASSETS (CONTINUED)</b>   |   |                         |  |
| <b><i>Risk Assessment</i></b>   | <b><i>Control Objectives and Activities</i></b>   | <b><i>Frequency</i></b> | <b><i>Staff Name / Role</i></b>                                    |
|   | <ul style="list-style-type: none"> <li>The CEO/COO verifies that the deposit summary in the accounting system, the image of the remote deposit from the bank and the receipt log all match and signs as evidence of such verification</li> </ul>  | Transaction Level       | Verise Campbell (CEO/COO)  |
| <b>4 REPORTING</b>  |   |                         |  |
| <b><i>Risk Assessment</i></b>   | <b><i>Control Objectives and Activities</i></b>   | <b><i>Frequency</i></b> | <b><i>Staff Name / Role</i></b>                                    |
| <p><b><u>Risk:</u></b> Inaccurate, unsupported or untimely reporting to Treasury; and potential non-compliance with laws or regulations</p> <p><b><u>Risk Rating:</u></b><br/>Low</p> | <p><b><u>Objective:</u></b> Quarterly <del>financial reports and quarterly performance program</del> reports, annual independent audit and single audit reports, and any <del>other</del> required certifications <del>or reports</del> are submitted timely to regulatory agencies and online (as required), and amounts reported (financial and non-financial) are complete and accurate and reconciled to appropriate supporting documentation</p> |                         |  |
|   | <ul style="list-style-type: none"> <li>The entity maintains an annual reporting calendar which provides for sign-offs from the responsible personnel and providing for the timely completion of all reporting requirements. Copies of significant supporting information related to signed-off procedures is saved within the calendar</li> </ul>   | Monthly                 | <del>Ryan Garner</del> Lori Grimm (Controller) / Brian Hardy (CFO) |
|   | <ul style="list-style-type: none"> <li>Personnel involved in reporting are trained as to the reporting related compliance requirements</li> </ul>   | Ongoing                 | Brian Hardy (CFO)  |

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**Objective:** To ensure accounting and program activity is recorded and maintained in accordance with GAAP and Treasury compliance requirements, and provide for adequate supporting documentation for all such activity

#### 4 REPORTING (CONTINUED)

| <i>Risk Assessment</i> | <i>Control Objectives and Activities</i>  | <i>Frequency</i> | <i>Staff Name / Role</i>                      |
|------------------------|---|------------------|---|
|                        | <ul style="list-style-type: none"> <li>Management establishes a well-defined process for financial reporting, including a documented monthly checklist completed as a part of the financial close</li> </ul>  | Ongoing          | Management / Brian Hardy (CFO)                |
|                        | <ul style="list-style-type: none"> <li>The HFA/EE has documented policies and procedures that describe in detail the requirements over reporting functions (both internal reporting and <del>external reporting to Treasury</del>)</li> </ul>                                       | Ongoing          | Board of Directors / Management               |
|                        | <ul style="list-style-type: none"> <li>The HFA/EE monitors compliance with laws and regulations as a part of their internal control program</li> </ul>  | Ongoing          | Board of Directors / Management               |
|                        | <ul style="list-style-type: none"> <li>The HFA/EE has developed and implemented an Internal Control Program (ICP) and Internal Antifraud and Compliance Monitoring Program (IACMP), and the ICP/IACMP and any revisions thereto have been submitted to Treasury</li> </ul>          | Quarterly        | Quality Assurance                             |
|                        | <ul style="list-style-type: none"> <li>The organization's financial statements are independently audited annually, including a single audit as required, and the financial statements are submitted to regulatory agencies in accordance with the relevant agreement(s).</li> </ul> | Annually         | Brian Hardy (CFO) / Houldsworth & Russo, CPAs |

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## 5 PROGRAM EXPENSES

| <i>Risk Assessment</i>   | <i>Control Objectives and Activities</i>  | <i>Frequency</i>    | <i>Staff Name / Role</i>                                  |
|--|---|---------------------|---|
| <p><b>Risk:</b> Improper use of program funds</p> <p><u><b>Risk: Timely and accurately starting and ending payments for files funded</b></u></p> <p><b>Risk Rating:</b><br/>Medium</p> | <p><b>Objective:</b> The HFA/EE only makes payments to approved servicers for eligible borrowers in the approved amounts for the program(s) and payments made to servicers are adequately supported and made in compliance with program terms and servicer agreements by the HFA/EE</p> |                     |   |
|  | <ul style="list-style-type: none"> <li>The HFA/EE has documented policies and procedures that describe in detail the requirements over program expenses</li> </ul>  | Ongoing             | Board of Directors / Management                           |
|  | <ul style="list-style-type: none"> <li>The disbursement policy includes the use of a checklist and an appropriate level of review requiring supervisory sign-offs to ensure supporting documentation is verified by another party</li> </ul>  | Transaction Basis   | Accountant / Verise Campbell (CEO/COO)                    |
|  | <ul style="list-style-type: none"> <li>Routine review of program payments are performed and documented in a timely manner through the month end close process and the quarterly internal compliance reviews, and</li> </ul>   | Monthly / Quarterly | <u>Ryan Garner</u><br><u>Lori Grimm</u><br>(Controller) / |

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|                                       | instances of non-compliance with guidelines and requirements are remediated  | Brian Hardy<br>(CFO) / Quality Assurance              |
|                                       | <b>Objective:</b> The HFA/EE ensures that the servicers apply monthly loan payments to the correct borrower loan account in a timely manner  |   |
|                                       | <ul style="list-style-type: none"> <li>For all payments made to servicers, the servicers respond with a payment record (P-record) which confirms the respective accounts and amounts in which payments were applied</li> </ul>   | Transaction Basis      Accountant                     |
|                                       | <ul style="list-style-type: none"> <li>For all payments made to servicers, the servicers respond with a payment record (P-record) which confirms the respective accounts and amounts in which payments were applied. Files approved for funding, a review is completed to ensure that funding begins as indicated and ends as necessary in a timely manner.</li> </ul> | Transaction Basis      Accountant / HOTB (Contractor) |
| <b>5 PROGRAM EXPENSES (CONTINUED)</b> |  |   |
| <b>Risk Assessment</b>                | <b>Control Objectives and Activities</b>   | <b>Frequency      Staff Name / Role</b>               |
|                                       | <b>Objective:</b> Program expenses are calculated and accounted for in accordance with GAAP, relevant agreement(s), and the Uniform Guidance, and are for actual costs incurred (not estimated or budgeted amounts). Program expenses are recorded in the time period which the expense was incurred and are given consistent treatment between accounting periods     |   |
| <b>5 PROGRAM EXPENSES (CONTINUED)</b> |  |   |
| <b>Risk Assessment</b>                | <b>Control Objectives and Activities</b>   | <b>Frequency      Staff Name / Role</b>               |
|                                       | <ul style="list-style-type: none"> <li>Payment information in the HFA/EE's loan processing system is entered appropriately into HFA/EE's financial accounting system</li> </ul>  | Transaction Basis      Accountant                     |

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| <ul style="list-style-type: none"> <li>Experienced, knowledgeable personnel review transactions for possible discrepancies with GAAP, relevant agreement(s), and/or the Uniform Guidance</li> </ul>   | <u>Monthly</u> <del>Quarterly</del> | <del>Ryan Garner</del><br><u>Accountant</u><br>/ <u>Blake Green</u><br>(Analyst)<br>( <del>Controller</del> ) /<br>Brian Hardy<br>(CFO) |
| <ul style="list-style-type: none"> <li>The entity confirms loan information provided by the participant electronically with the applicable participating servicers through an inquiry record (I-record) and receiving back either a verification (V-record) or <u>objection</u> (O-record)</li> </ul> | Individual File Basis               | Accountant / HOTB (Contractor)  |
| <b>Objective:</b> Appropriate documentation exists to support program expenses (servicer batch payment records/requests)  |                                     |   |
| <ul style="list-style-type: none"> <li>Appropriate levels of review of the loan payment files and documentation are incorporated into the loan approval and disbursement process</li> </ul>   | Individual File Basis               | HOTB (Contractor) / Escalation Team (See Eligibility Section Above)   |

#### 6 ADMINISTRATIVE EXPENSES

| <i>Risk Assessment</i>   | <i>Control Objectives and Activities</i>  | <i>Frequency</i> | <i>Staff Name / Role</i> |
|--|---|------------------|--------------------------|
| <b>Risk:</b> Improper use of program funds<br><br><b>Risk Rating:</b><br>Low | <b>Objective:</b> Program-related administrative expenses are in accordance with the approved program budget for administrative expenses (permitted expenses) detailed and approved in the relevant agreement(s). |                  |                          |

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| <b>6 ADMINISTRATIVE EXPENSES (CONTINUED)</b> |   |                         |   |
| <b><i>Risk Assessment</i></b>                | <b><i>Control Objectives and Activities</i></b>   | <b><i>Frequency</i></b> | <b><i>Staff Name / Role</i></b>   |
|  | <ul style="list-style-type: none"> <li>Monthly reviews of administrative payments are performed and documented in a timely manner as a part of the month end close process</li> </ul>   | Monthly                 | <del>Ryan Garner</del><br><u>Lori Grimm</u><br>(Controller) /<br>Brian Hardy<br>(CFO)                     |
|  | <ul style="list-style-type: none"> <li>Routine review of administrative payments is performed and documented as a part of the internal compliance review in a timely manner, and instances of non-compliance with guidelines and requirements are remediated</li> </ul> | Quarterly               | Quality Assurance   |
|  | <b><u>Objective:</u></b> Program-related administrative expenses are calculated and accounted for in accordance with GAAP, the relevant agreement(s), and the Uniform Guidance  |                         |   |
|  | <ul style="list-style-type: none"> <li>The HFA/EE has documented policies and procedures that describe in detail the requirements over program-related administrative expenses</li> </ul>   | Ongoing                 | Board of Directors<br>/ Management  |
|  | <ul style="list-style-type: none"> <li>Access to payroll and HR data and transactions is appropriately restricted</li> </ul>  | Ongoing                 | <del>Greg Glover</del><br>(CIO)<br><u>Verise Campbell</u><br>(CEO/COO) /<br><u>ADP (Payroll Provider)</u> |
| <b>6 ADMINISTRATIVE EXPENSES (CONTINUED)</b> |   |                         |   |
| <b><i>Risk Assessment</i></b>                | <b><i>Control Objectives and Activities</i></b>   | <b><i>Frequency</i></b> | <b><i>Staff Name / Role</i></b>   |

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|  |   |                          |  |
|--|---|--------------------------|--|
|  | <ul style="list-style-type: none"> <li>Standard programmed algorithms perform significant payroll calculations through ADP, and a SOC 1 report is obtained and reviewed regarding the controls at ADP</li> </ul>  | Ongoing / Annual (SOC 1) | <del>AJ Gavilanes (Administrator/ Payroll Manager)</del><br><u>Greg Glover (CIO) / Brian Hardy (CFO)</u>                     |
|  | <ul style="list-style-type: none"> <li>There is adequate segregation of duties among those who prepare, approve, and receive reports for payroll</li> </ul>   | Bi-weekly                | AJ Gavilanes (Administrator / Payroll Manager) / Kamelah Flintroy (Administrator / HR Generalist)/ Verise Campbell (CEO/COO) |
|  | <ul style="list-style-type: none"> <li>Payroll registers are reviewed after processing by the accounting department at least monthly and compared to budgeted amounts</li> </ul>  | Monthly                  | <del>Ryan Garner</del><br><u>Lori Grimm</u><br>(Controller)  |
| <b>6-ADMINISTRATIVE EXPENSES (CONTINUED)</b> |   |                          |  |
| <b><i>Risk Assessment</i></b>                | <b><i>Control Objectives and Activities</i></b>   | <b><i>Frequency</i></b>  | <b><i>Staff Name / Role</i></b>  |
|  | <ul style="list-style-type: none"> <li>Changes to salaries or other payroll costs are approved by management</li> </ul>   | As needed                | Verise Campbell (CEO/COO)  |
|  | <ul style="list-style-type: none"> <li>Check requests are created and attached to corresponding invoices, and are then signed off by the preparer and by a separate individual to ensure adequate documentation prior to obtaining authorization</li> </ul> | Transaction Basis        | Accountant / Cheryl Newkirk (Outreach Coordinator)   |
|  | <ul style="list-style-type: none"> <li>Check requests and prepared checks are authorized by the appropriate level based on policy</li> </ul>  | Transaction Basis        | Board of Directors / Management  |
|  | <ul style="list-style-type: none"> <li>Work orders or purchase orders are prepared for expenses requiring pre-approval. Approvals and check processing follow the same procedures as check requests above</li> </ul>  | Transaction Basis        | Verise Campbell (CEO/COO)  |

**Objective:** Program-related administrative expenses are for actual costs incurred and are identified as direct or indirect costs to the program(s), including salaries and benefits

**6 ADMINISTRATIVE EXPENSES (CONTINUED)**

| <i><u>Risk Assessment</u></i>                | <i><u>Control Objectives and Activities</u></i>  | <i><u>Frequency</u></i> | <i><u>Staff Name / Role</u></i>   |
|--|--|-------------------------|---|
|  | <ul style="list-style-type: none"> <li>For all non-program related time or expenses incurred, time cards and detailed records are kept ensuring that time and associated costs are properly segregated from program funds</li> </ul> | Transaction Basis       | Accountant / <u>Blake Green</u> (Analyst) / <u>Brian Hardy</u> (CFO) / <u>Lori Grimm</u> (Controller) |
|  | <p><b>Objective:</b> Appropriate documentation exists to support program-related administrative expenses (vendor invoices, approved work order or purchase orders, canceled checks, and time and attendance records)</p>             |                         |   |
|  | <ul style="list-style-type: none"> <li>Appropriate documentation supporting transactions are saved to the individual transactions in the accounting system</li> </ul>  | Transaction Basis       | Accountant  |
| <b>6 ADMINISTRATIVE EXPENSES (CONTINUED)</b> |  |                         |   |
| <i><u>Risk Assessment</u></i>                | <i><u>Control Objectives and Activities</u></i>  | <i><u>Frequency</u></i> | <i><u>Staff Name / Role</u></i>   |
|  | <ul style="list-style-type: none"> <li>The disbursement policy includes the use of a checklist and required supervisory sign-offs to ensure supporting documentation is verified by management</li> </ul>                            | Transaction Basis       | Verise Campbell (CEO/COO) / Timothy Whitright (Board Chair)   |

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**Objective:** Administrative expenses are recorded in the time period which the expense was incurred and are given consistent treatment between accounting periods

- Appropriate levels of review of the payment request are incorporated in the disbursement process and entered appropriately into the HFA/EE's financial accounting system

Transaction Basis

Accountant /  
Verise Campbell  
(CEO/COO) /  
Timothy Whitright  
(Board Chair)

## 7 FRAUD AND CONFLICTS OF INTEREST

| <i>Risk Assessment</i>   | <i>Control Objectives and Activities</i>   | <i>Frequency</i> | <i>Staff Name / Role</i> |
|--|--|------------------|--------------------------|
| <p><b>Risk:</b> Inadequate controls to prevent and detect instances of fraud and conflicts of interest or undue preference with external vendors or other third party providers</p> <p><b>Risk Rating:</b><br/>Low</p> | <p><b>Objective:</b> The HFA/EE performs tests and review of procedures that extends to any and all third party participants to include evaluation of instances of inappropriate or illegal behavior, potential or actual fraudulent activities, or conflicts of interest and ensure they are detected and remediated in a timely manner</p> |                  |                          |

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## 7 FRAUD AND CONFLICTS OF INTEREST (CONTINUED)

| <i>Risk Assessment</i> | <i>Control Objectives and Activities</i>  | <i>Frequency</i> | <i>Staff Name / Role</i>           |
|------------------------|---|------------------|------------------------------------|
|                        | <ul style="list-style-type: none"> <li>• The HFA/EE has documented policies and procedures that describe in detail the requirements over the prevention and detection of fraud and conflicts of interest</li> </ul> | Ongoing          | Board of Directors<br>/ Management |



|  |   |                         |  |
|--|---|-------------------------|--|
|  | <ul style="list-style-type: none"><li>The documented procedures outline consequences in the event there is evidence of fraud and include a process for reporting issues to Treasury and the SIGTARP Hotline</li></ul>                                   | As incurred             | Brian Hardy (CFO) / Verise Campbell (CEO/COO) / Treasury |
|  | <b>Objective:</b> The HFA/EE ensures that external business partners/vendors and employees (including direct and indirect employees, 1099 contractors and temporary hires) are selected without conflict of interest and without undue preference       |                         |  |
| <b>7 FRAUD AND CONFLICTS OF INTEREST (CONTINUED)</b> |   |                         |  |
| <b><u>Risk Assessment</u></b>                        | <b><u>Control Objectives and Activities</u></b>   | <b><u>Frequency</u></b> | <b><u>Staff Name / Role</u></b>                          |
|  | <ul style="list-style-type: none"><li>Formal RPQ and RFP processes exist, and are used in securing participating housing counselors and legal aid centers, credit report companies, title companies, etc.</li></ul>                                     | Ongoing                 | Board of Directors / Management                          |
|  | <ul style="list-style-type: none"><li>Routine training to employees and <u>significant</u> contractors is provided regarding the definition of fraud and what to do when fraud is suspected, and such training is documented</li></ul>                  | Annual                  | Brian Hardy (CFO)  |
|  | <ul style="list-style-type: none"><li>A fraud email address is included on the entity's website for anonymous fraud or non-compliance reporting. A fraud hotline is also maintained by SIGTARP and is referenced on the entity's website</li></ul>      | Ongoing                 | Brian Hardy (CFO)  |
|  | <b>Objective:</b> The HFA/EE ensures that employees (including direct and indirect employees, 1099 contractors, and temporary hires) are not involved in program-related loan underwriting or approval decisions for any family member or related party |                         |  |
| <b>7 FRAUD AND CONFLICTS OF INTEREST (CONTINUED)</b> |   |                         |  |
| <b><u>Risk Assessment</u></b>                        | <b><u>Control Objectives and Activities</u></b>   | <b><u>Frequency</u></b> | <b><u>Staff Name / Role</u></b>                          |

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|  |   |                         |   |
|--|---|-------------------------|---|
|  | <ul style="list-style-type: none"> <li>Routine training to employees and <u>significant</u> contractors regarding the definition and prohibition of conflicts of interest</li> </ul>  | Ongoing                 | Management  |
|  | <ul style="list-style-type: none"> <li>Documentation is maintained of training related to fraud and conflicts of interest including the date, the materials covered, and the attendees</li> </ul>   | Annual                  | Brian Hardy (CFO) / AJ Gavilanes (Administrator / Payroll Manager) / Kamelah Flintroy (Administrator/HR Generalist) |
| <b>7 FRAUD AND CONFLICTS OF INTEREST (CONTINUED)</b>   |   |                         |   |
| <b><u>Risk Assessment</u></b>  | <b><u>Control Objectives and Activities</u></b>   | <b><u>Frequency</u></b> | <b><u>Staff Name / Role</u></b>   |
|  | <ul style="list-style-type: none"> <li>Internal compliance reviews include routine checks for instances of conflicts of interest in the internal compliance reviews performed. The internal compliance team is assigned responsibility for monitoring and testing controls for instances of fraud, including selecting sample loan files to check for program eligibility, reviewing financial reports and bank account statements, reviewing external business partner contracts and payments, etc.</li> </ul> | Quarterly               | Quality Assurance   |
| <b>8 IT ENVIRONMENT AND DATA SECURITY</b>  |   |                         |   |
| <b><u>Risk Assessment</u></b>  | <b><u>Control Objectives and Activities</u></b>   | <b><u>Frequency</u></b> | <b><u>Staff Name / Role</u></b>   |
| <b><u>Risk:</u></b> Access to program data and borrower personally identifying information (PII) is not adequately safeguarded<br><br><b><u>Risk Rating:</u></b><br>Medium | <b><u>Objective:</u></b> Policies and procedures exist for the accuracy and completeness of information, including the safeguarding of data and borrower PII, authorization and addition of system users, termination of user rights, information back-up and recovery, and retention and destruction of program and borrower data  |                         |   |

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|---|--|-------------------------|---|
|   | <ul style="list-style-type: none"> <li>The HFA/EE has documented policies and procedures that describe in detail the requirements over the IT environment and data security functions</li> </ul>   | Ongoing                 | Board of Directors / Management             |
| <b>§ IT ENVIRONMENT AND DATA SECURITY (CONTINUED)</b> |  |                         |   |
| <b><u>Risk Assessment</u></b>                         | <b><u>Control Objectives and Activities</u></b>  | <b><u>Frequency</u></b> | <b><u>Staff Name / Role</u></b>             |
|   | <ul style="list-style-type: none"> <li>The HFA/EE monitors and reviews data security and the IT environment for program-related data</li> </ul>  | Ongoing                 | Greg Glover (CIO) (IT Systems Manager)      |
|   | <ul style="list-style-type: none"> <li>The HFA/EE collects and maintains copies of third party service contractors' SSAE 16 reports, reviews the report results and findings, and reviews user control considerations and develops and implements mitigating controls, if necessary</li> </ul> | Annual                  | Greg Glover (CIO)/ Brian Hardy (CFO)        |
| <b>§ IT ENVIRONMENT AND DATA SECURITY (CONTINUED)</b> |  |                         |   |
| <b><u>Risk Assessment</u></b>                         | <b><u>Control Objectives and Activities</u></b>  | <b><u>Frequency</u></b> | <b><u>Staff Name / Role</u></b>             |
|   | <ul style="list-style-type: none"> <li>A process exists to ensure that systems incidents, problems, and errors are reported, analyzed, and resolved in a timely manner via reporting from 3<sup>rd</sup> party contractors</li> </ul>  | Ongoing                 | Greg Glover (CIO)/ HOTB                     |
|   | <ul style="list-style-type: none"> <li>The HFA/EE performs vulnerability, penetration and disaster recovery testing on loan system application and data storage systems and has documented these processes and testing outcomes</li> </ul>   | Ongoing                 | Greg Glover (CIO)                           |
|   | <ul style="list-style-type: none"> <li>Access to homeowner PII is protected against unauthorized access and is limited to appropriate individuals based on job function, and job functions are properly segregated</li> </ul>  | Ongoing                 | Greg Glover (CIO)/ HOTB / <u>Management</u> |
|   | <ul style="list-style-type: none"> <li>The HFA/EE limits access to borrower PII to authorized users only</li> </ul>  | Ongoing                 | Greg Glover (CIO)/ HOTB                     |

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#### 8 IT ENVIRONMENT AND DATA SECURITY (CONTINUED)

##### *Risk Assessment*

##### *Control Objectives and Activities*

##### *Frequency*

##### *Staff Name / Role*

- Include routine checks to test the IT security and safeguarding of program-related data and borrower PII in the internal compliance reviews performed

Quarterly

Quality Assurance

- Parties, both internal and external, which are granted access to homeowner PII are made aware of restrictions on copying and disclosing program and borrower information through a routine training program before access is granted and annually thereafter. The training materials and attendees are documented

Ongoing / Annual

Greg Glover  
(CIO)

## Appendix I – Descriptions of Groups and Entities

- Board of Directors
  - Timothy Whitright, Deputy Administrator – Nevada Housing Division
    - President and Chairman
  - Jim Hastings, President – Hastings Brokerage, Ltd
    - ~~Independent Director~~ Treasurer and Independent Director
  - ~~Michael Holliday, Chief Financial Officer – Nevada Housing Division~~
    - ~~Treasurer~~
  - Sharath Chandra, Administrator – Nevada Real Estate Division
    - NV Dept. of Business and Industry Director
  - Rande Johnsen, Director – Trustee Corps
    - Vice-President & Vice-Chairperson
  - ~~Michael Holliday~~ Jeneeah (Nia) Girma, Chief Financial Officer Affordable Housing Advocate – Nevada Housing Division
    - ~~Treasurer~~ NV Housing Division Director
  - ~~Jim Hastings, President – Hastings Brokerage, Ltd~~
    - ~~Independent Director~~
  - Verise Campbell, CEO/COO – NAHAC
    - Ex Officio Member
- Management
  - Verise Campbell (CEO/COO)
  - Brian Hardy (CFO)
  - Jennifer Varsallona (Operations Manager)
  - Veronica Lewis (Operations Consultant)
  - Greg Glover (CIO)
- Accountant (Individual filling role varies due to termination, interim, and subsequent hire)
  - Richard Suba (Senior Accountant)
  - Michelle Boado-Lopez (Accounting Clerk)
  -
- Quality Assurance Team (Ellsworth & Stout)
  - Melanie Rollo, CPA
  - ~~Tracy Cermak (former)~~
  - Kelly Safford (new)
  - ~~Ryan Garner (Controller)~~

~~\*Note: Only involved in non accounting sections of quarterly reviews (e.g. eligibility, IT, etc.)~~

- Quality Control Specialist (Internal)
  - Lamar Wyse (Independent Contractor)
  - Simone Hunter (Independent Contractor)
- State Housing Finance Agency (HFA)
  - State of Nevada, Department of Business and Industry, Nevada Housing Division (NHD)
- Eligible Entity (EE)
  - Nevada Affordable Housing Assistance Corporation



## RED FLAGS GUIDELINES

The function of the Red Flags Guidelines is to promote and uphold quality control within the organization as well as substantiate compliance with Nevada's Homeowner Assistance Fund (NVHAF) term sheets and the expectations of the U.S. Department of the Treasury. The result is a coordinated effort in properly authenticating application documentation which will assist in the mitigation of program fraud and misrepresentation.

### Identification & Detection of Red Flags

NAHAC has implemented various measures for detecting fraud. This involves examination procedures and red flag indicators. There are a variety of legitimate transactions that can raise a red flag, and the mere presence of a red flag does not automatically indicate suspicious or illicit activity. Rather, they identify files that potentially contain misrepresentations so that actual and potential fraud can be investigated, prevented, and addressed.

Potential red flags have been enumerated here to assist in the processing, underwriting and quality control review of loan files. These Red Flags do not necessarily mean that misrepresentations have occurred.

#### General

- Multiple document information changes (i.e. increase or decrease in income to meet approval guidelines)
- Power of Attorney
- Application and verification documentation contain inconsistent or contradictory information (i.e. addresses are not consistent with loan origination information regarding Applicant's primary residence)
- There appears to be a relationship between the underwriter and the applicant
- [Credit report indicates alerts \(i.e. mismatched address\)](#)
- Applicant has an employer listed as one of our vendors
- Applicant uses or has used different names or aliases
- Applicant's signature does not match other signatures on produced documents
- [Court documents, i.e. divorce decrees, do not contain a date of filing with the court](#)
- [System Generated Duplicate Account Information Warning – warns of duplicate social security number, property address, mortgage loan number, or applicant email address](#)
- [System Generated Returning Applicant Warning – warns of applicant with multiple applications in the portal](#)

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#### Assets

- Bank statements contain spelling mistakes (i.e. account vs. account)
- Statements contain squeezed-in letters / corrections / strikeouts / font inconsistencies
- Large decrease in balance over prior 60 days
- A second account holder noted who is not listed as an applicant
- [Account is recently opened](#)



• ~~High balance in a depository account~~

- Regular deposits that applicant cites are from employer which are not consistent with income from employment stated income documentation

• ~~Substantial amounts of funds being transferred into and out of account~~

### Pay stubs

- Handwritten
- Contains spelling mistakes (i.e. personal vs. personnel)
- Contains squeezed-in letters / corrections / strikeouts / font inconsistencies
- Does not show name of employer / employee
- Employer address is a PO Box
- Figures are misaligned
- Inconsistent pay periods
- Year-to-date earnings show marked increase from previous year's earnings
- Year-to-date earnings are not consistent w/ annual salary or hourly rate
- Hourly employee with year-to-date income is reflected in round dollar amounts
- Income that is excessive or extremely low compared to position
- Contain additional deductions for debt payments not disclosed

### W-2

- EIN is not in the correct format of xx-xxxxxxx
- Handwritten
- Hourly employee with year-to-date income that is reflected in round dollar amounts
- Figures are misaligned
- Figures are squeezed in
- Font is not the same throughout fillable fields of form

### 1040

- Applicant did not sign / date copies
- Information is not consistent with NVHAF Hardship Affidavit/3rd Party Authorization / W-2
- Social Security Numbers are missing or inconsistent with other documentation in the file
- Income is not consistent with income reflected on loan application and other loan documentation
- Figures are misaligned
- Figures are squeezed in
- Applicant name, SS#, income and deductions have inconsistent fonts
- Strikeovers / alterations found on document (especially for tax year on form)
- Paid preparer hand-writes tax returns or signs all pages of tax return
- Amounts on schedules are not carried over accurately to the 1040 form





### Title (County Recorder Website)

- Property is zoned for a different type of property than SFD, Townhouse, Condo or permanently attached manufactured home
- A ~~co-Applicant~~ Co-Applicant shows on title but is not listed on application

### Zillow (or Other Public Listing Site)

- Property is listed for sale, auction, pending, for rent

### Closing/Funding

- ~~Mail is returned on a recently closed transaction~~
- ~~Mailing address changes~~
- Refused face to face interview and used private notary
- Identification inconsistent
- ~~Return address different from subject property address~~

### Preventing and Responding to Red Flags

The presence of any of the previously mentioned red flags should alert the reviewer to take a more in-depth look at a particular file and re-verify as much information as possible from sources which are independent from the originator. When efforts to re-verify information contained in the file are necessary, the file should be escalated to a supervisor for recommendation. Re-verification efforts may include the following:

- Attempting to verify employer listing through [www.yp.com](http://www.yp.com) or a similar site.
- Initiating a formal verification of employment (VOE) or verification through [www.theworknumber.com](http://www.theworknumber.com)
- Filing the 4506T with the IRS
- Running a Core Logic report (if not already done)
  - Verify additional liens on property
  - Do addresses match up
- Running a ~~tri-merge~~ credit report (to substantiate ~~info unable to verify through Experian~~ mismatched addresses report)

### Conflicts of Interest

For all intended purposes NAHAC will entertain providing assistance to any past or present employee and any of their family members, acquaintances or otherwise related individuals providing the applicant qualifies and remits all required documentation in accordance with guidelines.



Employees and friends, family members and acquaintances of employees are considered in these guidelines. As such, anyone that falls into this category will require special processing as they can be considered for any of NAHAC's programs.

**Under no circumstances will any underwriter review or work on a file where they have a vested interest or an affiliation with the applicant.**

#### *Employees*

Employees must submit their file directly to the ~~operations~~ Operations manager ~~Manager~~. The file will be fully underwritten by independent underwriting personnel and submitted to ~~operations~~ Operations Manager or CEO/COO or equivalent management official for final approval. Notes will be included in the file which reiterate the relationship and special processing of the file.

#### *Employee Affiliates*

Friends, family members, and acquaintances of employees must also have their files submitted directly to the ~~operations~~ Operations manager ~~Manager~~ and the nature of the relationship disclosed. In these instances, the file will be assigned to an underwriter which does not share an affiliation with the individual. Once the file has been underwritten and a disposition recommended, the ~~operations~~ Operations manager ~~Manager~~ will conduct a final review to confirm and approve the disposition. Notes will be included in the file which reiterate the relationship and special processing of the file.

Failure to disclose an actual or potential conflict of interest is grounds for disciplinary action, up to and including termination of employment.



## RED FLAGS GUIDELINES ACKNOWLEDGMENT

I acknowledge that I have received and reviewed a copy of the Red Flags Guidelines.

I understand and agree to the terms and conditions set forth in the Red Flags Guidelines and related NAHAC policies.

Furthermore, I acknowledge that I have been given the opportunity to discuss any information contained in the Red Flags Guidelines and related NAHAC policies, and any concerns that I may have.

I acknowledge that NAHAC reserves the right to modify or amend its policies and procedures at any time, without prior notice.

These policies do not create any promises or contractual obligations between NAHAC and the Employee, and do not affect the employment-at-will status of the Employee.

Individual Classification: ☐ Employee ☐ Officer/Director ☐ Contractor/Vendor

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Organization (*if other than NAHAC*)

\_\_\_\_\_  
NAHAC Manager or Witness Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**Original to be placed in appropriate file for individual (personnel, officer/director, or contractor/vendor file) with a copy to be placed in the file for a scheduled training, if applicable.**