



29 British American Boulevard, 2<sup>nd</sup> Floor  
Latham, NY 12110  
518-439-8311  
thearcny.org

## [Policy Number]: Discipline & Incentive Program

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Category: Corporate Compliance      Effective Date: XXXXXXXX  
Department: XXXXXXXXXXXXXXXXXXXXXXXX      Last Revision Date(s): 7/6/2020

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### POLICY STATEMENT

The [Chapter] is committed to creating and fostering a culture in which compliant behavior is encouraged and rewarded so that when instances of noncompliant behavior occur, the [Chapter] can respond swiftly and seriously. Employees and independent contractors who, upon investigation, are found to have committed violations of applicable laws and regulations, the Corporate Compliance Plan, the Code of Conduct or the policies and procedures of the [Chapter] will be subject to appropriate disciplinary action, up to and including termination.

This policy applies to all employees and all independent contractors of the [Chapter]. Disciplinary actions applicable to the Board of Directors will be handled in accordance with the Board's governing documents (e.g., the Bylaws).

### PROCEDURE

#### A. Discipline

##### 1. Violations Resulting in Disciplinary Action

Examples of when disciplinary actions may be taken include: (a) authorization of or participation in actions that violate law, regulations and the Corporate Compliance Plan, including the Code of Conduct and all related policies and procedures; (b) failure to report any violation by a peer or a subordinate; (c) failure to cooperate in an investigation; (d) retaliation against an individual for reporting a possible violation; and (e) failure to act as an honest, reliable and trustworthy service provider.

##### 2. Determining Appropriate Disciplinary Action

Factors that the [Chapter] may consider in determining the level of disciplinary action to be taken include: (a) whether the violation was



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committed knowingly; (b) whether the individual lied or was otherwise dishonest during the investigation; (c) whether there was a pattern of misconduct; (d) whether the individual attempted to cover up the violation; (e) whether the violation involved retaliation against other persons who reported violations in good faith; (f) whether the employee deliberately failed to check whether a particular course of action was prohibited; (g) whether the violation was criminal in nature; (h) whether the individual cooperated with the investigation of the violation; (i) whether the individual received personal benefit; (j) whether the individual voluntarily reported the violation; (k) the seriousness of the damage caused by the violation; and (l) whether a client was or could have been harmed as a result of the violation.

The [Chapter] shall apply progressive discipline consistent with the violation. Examples of disciplinary action that may be taken in accordance with the nature and scope of the infraction include, but are not limited to: (a) verbal counseling/warning; (b) counseling with written warning; (c) retraining; (d) reassignment/demotion; (e) suspension without pay; and (f) termination (of employment or of an arrangement with a contractor). The [Chapter] may wish to report the employee or independent contractor to the appropriate federal or state regulatory agency for civil and/or criminal prosecution.

The Compliance Officer and/or [Human Resources representative] shall consult with the Compliance Committee, the [Executive Director] and Inside Counsel or Outside Counsel, as appropriate to determine the appropriate response to a violation, including those by an independent contractor.



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### 3. Similar Punishment for Similar Offenses

Throughout the process of determining the appropriate disciplinary action to be taken in each instance of non-compliance, the Compliance Officer and Human Resources Representative will be responsible for ensuring that the disciplinary action to be taken is consistent with that taken in similar instances of non-compliance.

### 4. Collaboration Between the Corporate Compliance Officer and Human Resources

To the extent possible, disciplinary action shall be taken in compliance with the [Chapter's] [Human Resources Manual]. In addition, when the conduct is related to [every/any serious] violation of compliance-related standards, the Compliance Officer and the appropriate supervisor/manager will meet to discuss any appropriate disciplinary actions. The Compliance Officer shall have the discretion to recommend a disciplinary process other than the normal procedure.

The Compliance Officer shall serve as a liaison between the Compliance Department and the Human Resources Department in developing policies and procedures related to disciplinary actions. The [Director of Human Resources] will consult with the Compliance Officer on all matters related to the implementation of an effective Compliance Program. The [Director of Human Resources] is responsible to report to the Compliance Officer those disciplinary actions taken as a result of violations of the Corporate Compliance Plan.

### 5. Independent Contractors

The Compliance Officer shall serve as a liaison with the [Chapter] representative who is responsible for the engagement with an



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independent contractor who has committed a violation as described in this policy. The [Chapter] representative is responsible to report to the Compliance Officer when an independent contractor commits a violation.

### 6. Reports to the Board and/or the Compliance Committee

When determination is made that a compliance violation has occurred, the Compliance Officer will notify the [Chapter]'s [Executive Director] and the individual's supervisor or contracting contact. If appropriate, the Compliance Officer may wish to notify the Board or the Compliance Committee before the next regularly scheduled meeting when a full report would otherwise be presented and, as necessary, consult with the Committee prior to the determination of disciplinary action.

### 7. Documentation of Disciplinary Action

Documentation of disciplinary measures for violations will be retained in the disciplined employee's personnel file (or in the independent contractor's file) and will be considered during regular and promotional evaluations.

The Compliance Officer will maintain records of all disciplinary actions, including verbal warnings, taken for compliance violations along with the nature of the violation and will reference these records as necessary to ensure consistency in application.



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### 8. Incentive Programs for Compliant Behavior

As part of the Chapter's commitment to recognizing those who are exemplary in compliance with the [Chapter's] Corporate Compliance Plan, the following incentives may be used to encourage and reward employee and independent contractor behavior:

- ✓ Staff appreciation and recognition programs for meeting goals and objectives;
- ✓ Situation-specific recognitions of staff contributions or assistance, including special awards;
- ✓ Handwritten notes of appreciation from supervisors, managers and/or the Compliance Officer;
- ✓ Public recognition in the agency newsletter or community newspaper;
- ✓ Celebration of successes (e.g., a great audit);
- ✓ Performance reviews and positive feedback;
- ✓ Continuing education opportunities;
- ✓ Opportunities for career advancement;
- ✓ Serving as a verification of good services provided by a service provider; and
- ✓ Continued use of a contractor's services.