



Minnesota Children's Museum

6.03. Ethics

Purpose Statement:

Minnesota Children's Museum believes its' directors, officers, employees, and volunteers should observe high standards of business and personal ethics in the conduct of their duties and responsibilities. As directors and representatives of the Museum, you are required to practice honesty and integrity in fulfilling your responsibilities and comply with all applicable laws and regulations. This policy provides guiding principles to ensure that day-to-day activities of employees, directors, and volunteers are consistent with MCM's 5 values.

*We have fun together. We spark creativity. We PLAY.
We seek diversity. We work collaboratively. We INCLUDE.
We experiment. We reflect and learn. We GROW.
We are respectful and open. We take responsibility. We SERVE.
We challenge ourselves. We do not settle. We STRIVE.*

Provisions of the Ethics Policy include:

- Conflicts of Interest
- Confidentiality
- Gifts and Entertainment
- Political Activity
- Reporting Non-Compliance (Whistleblower)

Conflicts of Interest (Directors, Officers, and Employees)

The purpose of this Conflict of Interest Policy is to protect the interests of the Minnesota Children's Museum (the "Corporation") when it is contemplating entering into a transaction that might benefit the private interests of a member of the Board of Directors, an officer of the Corporation, or such other persons designated in this Policy (collectively, "Key Persons").

It is the policy of the Corporation that all Key Persons shall scrupulously avoid any conflict between their own respective individual interests and the interests of the Corporation in any and all actions taken by them on behalf of the Corporation in their representative capacities. No Key Person shall use his or her position in a manner that may create a conflict between personal interests and those of the Corporation or related entity, or otherwise engage in actions that may create a conflict of interest.

Some examples of Conflicts of Interest:

- Employees or Board members attempting to influence or participating in the decision-making process for the selection of staff, consultants or vendors who are Family Members or in which the employee or Board member has a Material Financial Interest.
- Family Members of employees or Board members being employed by a direct competitor of MCM
- Employees hiring Family Members.

Implementation:

The existence of a potential conflict of interest in a transaction or arrangement under consideration by the Corporation requires that the procedures set forth below be followed to ensure the transaction is consistent with the Corporation's status as a tax-exempt organization.

- A. Duty to Disclose. A Key Person who has an actual or possible conflict of interest must disclose the existence and nature of his or her relationship or financial interest to the members of the Board of Directors or the committee considering the proposed transaction or arrangement. The disclosure must be made at or prior to the meeting of the Board or committee considering the proposed transaction or arrangement.
- B. Procedures for Addressing the Conflict of Interest. Once a potential conflict of interest has been disclosed:
 - (1) The Key Person may make a presentation at the Board or committee meeting at which the transaction will be discussed, but after such presentation, he or she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement that results in the conflict of interest.
 - (2) The Board or committee shall, if appropriate, obtain and rely on appropriate data as to comparability prior to making its decision whether or not to participate in the proposed transaction or arrangement.
 - *“Appropriate data as to comparability” include, but are not limited to, compensation surveys, independent valuations, appraisals, price quotes, and competitive bids.*
 - (3) The chair of the Board or committee shall, if appropriate, appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement.
 - (4) The Board or committee shall use due diligence to determine whether the Corporation can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

- (5) After consideration, the Board or committee may determine that a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest. If so, the Board or committee may decide to enter into a transaction involving a conflict of interest if the Board or committee determines by a majority vote of disinterested members that:
 - (a) the transaction or arrangement is in the best interests of the Corporation; and
 - (b) in reliance on the appropriate data as to comparability, the terms of the transaction or arrangement are fair and reasonable to the Corporation

C. Violations of the Conflicts of Interest Policy.

- (1) If the Board or committee has reasonable cause to believe that a Key Person has failed to disclose a relationship required to be disclosed under this policy, it shall inform the individual of the basis for such belief and afford the Key Person an opportunity to explain the alleged failure to disclose.
- (2) If, after hearing the response of the Key Person and making such further investigation as may be warranted in the circumstances, the Board or committee determines that the Key Person has in fact failed to disclose a relationship required to be disclosed under this policy, it may take appropriate disciplinary and corrective action.

The minutes of the Board of Directors and all committees with Board-delegated powers shall contain:

- (1) The names of the Key Persons who disclosed or otherwise were found to have a conflict of interest in connection with a proposed transaction or arrangement with the Corporation.
- (2) The nature of the relationship or financial interest that gave rise to the conflict of interest.
- (3) The names of the persons who were present for discussions and votes relating to the transaction or arrangement.
- (4) The content of the discussion, including:
 - (a) any alternatives to the proposed transaction or arrangement;
 - (b) evidence of consideration of appropriate data as to comparability; and
 - (c) the basis for the Board or committee's determination of

reasonableness

- (5) A record of any votes taken in connection with the decision to enter or not to enter into the proposed transaction or arrangement.

Each Key Person shall annually sign a statement which affirms that such person:

- (1) Has received a copy of the Conflict of Interest Policy;
- (2) Has read and understands the policy;
- (3) Has agreed to comply with the policy;
- (4) Understands that the Corporation is a charitable organization and that in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes;
- (5) Has disclosed all potential and actual conflicts of interest on the statement; and
- (6) Has disclosed all business and family relationships on the statement.

Board of Directors and Persons Affected

The following persons are “Key Persons” for purposes of this policy:

- (1) A member of the Board of Directors.
- (2) A member of a committee with powers delegated by the Board of Directors.
- (3) An officer of the Corporation.
- (4) A member of management and other employees who can influence the actions of the Corporation.
- (5) A family member of any person listed in (1)-(4).
 - *A “family member” is a spouse, parent, child (including legally adopted children), grandparent, grandchild (including legally adopted grandchild), sibling (whether by whole or half-blood), or spouse of that individual’s sibling, children and grandchildren or a member of that individual’s household.*

A potential conflict of interest arises when the Corporation considers a transaction or arrangement with:

- (1) An organization in which a Key Person is an officer, director, or employee with substantial influence over the actions of the organization.
 - *“Organization” includes a corporation, partnership, limited liability company, nonprofit organization, foundation, association, and any other entity or organization.*

- (2) An organization in which a Key Person has an actual or potential investment or ownership interest.
- (3) An organization with which a Key Person has an actual or potential compensation arrangement.
- (4) An individual with which a Key Person has an actual or potential compensation arrangement.
- (5) A Key Person directly.
 - *This includes compensation arrangements between the Corporation and its officers, as well as other transactions or arrangements with Key Persons.*

Confidentiality

Maintaining the confidentiality or private information that has been entrusted to Minnesota Children’s Museum by donors, volunteers, stakeholders and employees is essential to the ongoing operations and success of MCM. Each MCM director, officer, employee, and volunteer must exercise care not to disclose confidential information acquired in connection with such status or information the disclosure of which might be averse to the interests of MCM. Such a person must not disclose or use information relating to the business of the Museum for personal profit or advantage.

Confidential information includes, but is not limited to, information about the Museum’s products, strategies, donors and costs. Such information should not be copied, distributed, or made accessible to anyone other than Museum staff and those volunteers who need access to this information to perform their role as volunteers. Confidential information provided to volunteers must be clearly marked as confidential and for internal use only.

Additional policies related to the confidentiality of donor information can be found in the MCM policies collection and Employee Handbook.

Gifts and Entertainment

Selection of a service provider may involve some subjectivity, but must always be predicated on quality, competence, competitive price, relationship and adherence to ethical practices. A Minnesota Children’s Museum director, officer, employee or volunteer must not accept gifts, entertainment or other favors from any individual or entity that (i) does or is seeking to do business with the Museum; or (ii) has received, is seeking to secure other financial commitments from the Museum; under circumstances where it might be inferred that such action was intended to influence or possibly would influence the Museum director, officer, employee or volunteer in the performance of their duties. This does not prohibit the acceptance of items or

entertainment of nominal value that are not likely to affect the person's independent judgment on behalf of Minnesota Children's Museum.

Political Activity

Minnesota Children's Museum, as a charitable organization, must not make contributions to any candidate for public office or political committee and must not intervene in any political campaign on behalf of or in opposition to any candidate for public office. Therefore, Minnesota Children's Museum will:

- Refrain from making any contributions to any candidate.
- Refrain from using any organizational financial resources, facilities, systems (including email and telephone) or personnel to support or oppose a candidate for public office. Legal counsel should be consulted if there is any question about whether an activity is in compliance with this policy
- Refrain from engaging in political activities, on behalf of a candidate, issue, or political committee unaffiliated with Minnesota Children's Museum, in a manner that may create the appearance the activity is by or on behalf of Minnesota Children's Museum. Subject to the foregoing, Minnesota Children's Museum directors, officers, employees, and volunteers may participate in political activities using their personal time and resources, and Minnesota Children's Museum or its representatives (subject to any other policies or requirements governing such activity) advocate on Minnesota Children's Museum's behalf for policies or legislation that will support or further its mission

Reporting Non-compliance (Whistle Blower)

Minnesota Children's Museum believes its' directors, officers and employees should observe high standards of business and personal ethics in the conduct of their duties and responsibilities. It is the responsibility of all directors, officers, employees and agents of the Museum to conduct themselves in accordance with the requirements and spirit of this policy and to report any suspected violations of this policy or other questionable financial, accounting, or audit matters without fear of retaliation.

Minnesota Children's Museum encourages employees, officers, directors, and agents to discuss any issues related to the Ethics Policy with people leaders or the Board of Directors.

Implementation:

Annual Review, Certification, and Disclosure

Each director, officer and employee who is subject to this Ethics Policy will be given a copy of the policy upon assuming such position and annually thereafter. On each such occasion the person will be required to (a) certify that he or she has received, read, and had an opportunity to ask questions about the policy; and (b) disclose any relationships that do or may give rise to a conflict of interest.

Board of Directors

The Board of Directors should report their concerns directly to the chair of the Finance Committee, or in cases where the chair is the subject of the concern, directly to the Board Chair. A current list of board members may be obtained from the Minnesota Children's Museum website at www.mcm.org.

Staff Members

In most cases, an employee's supervisor should be the first person notified and will address the situation. If an employee is uncomfortable speaking with their supervisor or is dissatisfied with their supervisor's response, he/she is encouraged to speak with someone in the Human Resources Department or anyone in management whom they are comfortable approaching. Supervisors and managers are required to report suspected violations to the Vice President of Enterprise Solutions or the President, who has exclusive and specific responsibility to investigate all reported violations. In cases where the President is the subject of the concern, the employee can report their concerns directly to a member of the Board of Directors. This would include first the chair of the Finance Committee, and the Board Chair as a second option.

Acting in good faith

Anyone filing a complaint concerning a violation or suspected violation must be acting in good faith and have reasonable grounds for believing the information disclosed indicates a violation of conduct, ethics, beliefs or policies. Any allegations made by an employee that prove not to be substantiated and which prove to have been made maliciously or knowingly to be false will be viewed as a serious disciplinary offense.

Confidentiality

Violations or suspected violations may be submitted on a confidential basis by the complainant or may be submitted anonymously. Reports of violations or suspected violations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

No Retaliation

No director, officer or employee who in good faith reports a violation of conduct, ethics, policies or values shall be subject to harassment, retaliation or adverse employment consequence. An employee who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment. The Ethics Policy is intended to encourage and enable employees and others to raise serious concerns within the Museum prior to seeking resolution outside the Museum.

Minnesota Children's Museum will not retaliate or take any form of reprisal against any person who makes a report pursuant to this policy or who participates in an investigation regarding a violation of

applicable laws, rules, or regulations. Any such retaliation or reprisal by a Museum employee is forbidden. Any employee who retaliates against another employee or a witness as described above will be subject to discipline, up to and including discharge. Employees who believe they are subject to retaliation because they have made a report or participated in an investigation should report such suspected retaliation to the Finance Committee or appropriate leader (President, Vice President of Enterprise Solutions, or Director of Human Resources) in the same manner as described above for the reporting of questionable practices. This includes, but is not limited to, adverse employment action such as termination, compensation decreases, poor work assignments, or threats of physical harm. Harassment or victimization of the complainant will not be tolerated. Every reasonable effort will be made to protect the complainant's identity. Making a report pursuant to this policy does not entitle the reporter to immunity for any personal wrongdoing.

Handling of Reported Violations

The Minnesota Children's Museum will investigate all reports filed in accordance with this policy as swiftly as possible. Concerns reported internally will be investigated by the Vice President of Enterprise Solutions and/or the President to determine if the allegations are true and what actions, if any, are needed to correct the problem. The Vice President of Enterprise Solutions and/or the President will submit a full report to the Finance Committee of the allegation and resolution. The Finance Committee may elect to conduct additional investigations upon receipt of the report.

For complaints/concerns reported directly to the Finance Committee or Board Chair, the Committee shall conduct and investigate to determine if the allegations are true and what actions, if any, are needed to correct the problem. The Finance Committee will submit a full report of its findings and solutions to the Executive Committee.

The Finance Committee shall have full authority to investigate concerns raised in accordance with this policy and may retain outside legal counsel, accountant's, private investigators or any other resources that the Committee reasonably believes is necessary to conduct a full and complete investigation.

Accounting and Auditing Concerns

The Finance Committee shall investigate all reported concerns or complaints regarding accounting practices, internal controls or auditing. Any concerns in these matters presented to an internal Minnesota Children's Museum staff member should be turned over to the Finance Committee for investigation.