



Most Nonprofits Don't Have a Whistleblower Policy

A whistleblower policy can help correct known issues involving violation of a law or regulation. Whistleblowers are protected under federal law. The federal Form 990 for charitable organizations asks if a whistleblower policy is in effect. It can be an insurance underwriting consideration. Yet, many nonprofits do not have such a policy.

Whistleblower Policy Basics

The [National Whistleblower Center](#) in Washington, D.C., defines a whistleblower as someone who reports fraud, abuse, corruption, or dangers to public health and safety, to someone with authority to rectify the wrongdoing. It generally -- but not always -- involves those inside the organization.

Form 990 explains that a whistleblower policy encourages staff and volunteers to speak up about any illegal practices or violations of adopted policies of the organization. A formal policy also confirms that the organization will protect the individual from retaliation, and dictates to whom such information should be reported, especially in complaints involving sensitive or confidential information.

Having, communicating, and enforcing an appropriate document retention policy is an essential element. Without the right administrative procedures in place, nonprofits put themselves at risk for mishandling a complaint, or even causing one to occur.

There is a “resources” tab on the National Whistleblower Center Website, with useful tools for developing a whistleblower policy. Also, VIS members have 24/7 access to resources in our [“VIS Vault”](#) that include a sample risk management policy. You might incorporate your whistleblower protections into a comprehensive policy for managing risks within the organization.

About VIS

[Volunteers Insurance Service Association, Inc. \(VIS\)](#) was established in 1972 for the purpose of providing insurance and risk management services for volunteer-based organizations. In addition to still providing these insurance services today on a nationwide scale, we have expanded to provide noninsurance resources for members to manage their risks and improve their operations. By transferring the volunteer risk exposure to our program, we can help you protect your organization. Contact us today at (800) 222-8920 for more information on our programs and services. [Join now!](#)

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