

PROCEDURES FOR REPORTING & HANDLING ETHICS COMPLAINTS

OVERVIEW

The bylaws of The Handcrafted Soap & Cosmetic Guild establish a standing Ethics Committee with the responsibility for:

- 1) Oversight of the correct use of any seals, trademarks or other indicia as adopted by the Board of Directors.
- 2) Education of the members on professional ethics and furtherance of ethical guidelines for the benefit and good of the HSCG and its members.
- 3) Investigation of member complaints alleging violations of the Bylaws, the Adopted Rules of the HSCG and/or State and Federal laws and regulations for possible disciplinary action.
- 4) Responding to inquiries concerning the ethical business practices of the members and investigation of any allegations of unethical or illegal practices.
- 5) When founded, make appropriate disciplinary recommendation to the Board of Directors in accordance with current edition of Robert's Rules of Order, the Bylaws and the Adopted Rules of the HSCG.

This policy outlines the exact steps by which any complaint is responded to, investigated and otherwise handled.

RECEIPT OF COMPLAINTS

Any complaint or comment upon the professional or business ethics of a member shall be referred to the Ethics Committee. Of these, complaints and comments are divided into different types: informal, formal and multiple complaints.

An informal complaint is a comment or complaint about the professional or business ethics or actions of a member that is in informal format, without documentation and/or is incomplete in nature.

A formal complaint is one that is submitted to the Ethics Committee on a Formal Complaint Form, is complete and may be accompanied by supporting documentation.

A multiple complaint is when two or more informal complaints are received against the same person or company and warrant review by the ethics committee to determine whether a formal complaint should be lodged on behalf of the HSCG Members.

INFORMAL COMPLAINT

An informal complaint might be in the form of an email or letter from the public complaining about the actions of a member, or a report by a member casually alleging misconduct by a committee or board member. An informal complaint alone is insufficient to warrant investigatory action by the Ethics Committee.

When receiving an information complaint the Ethics Committee takes the following actions:

- 1) Reply to the sender acknowledging receipt of the informal complaint and send him/her copies of this policy, the Formal Complaint Form, the Bylaws and Code of Ethics. The Ethics Committee's response should offer the sender the opportunity to submit a Formal Complaint if they so choose.
- 2) Make a copy of the informal complaint and send a copy to the person(s) about whom it was written, giving them the opportunity to respond to the complaint and resolve it informally with the sender, if possible.
- 3) File a copy of the complaint in the Ethics Folders of both the person who sent the report and the person the report was written about.

If the sender declines to submit a formal complaint, the Ethics Committee takes no further investigatory action.

If the person about whom the report was written resolves the matter with the sender, he/she may submit that information to the Ethics Committee. The Ethics Committee will appropriately file the information but will take no further action. The report and any informal resolution of the matter will remain on file.

If, at some point during the informal resolution, the sender of the informal complaint feels the matter is fully resolved, he/she may request that the informal complaint be withdrawn. In this case the Ethics Committee will remove all copies of the initial information complaint from the Ethics Files of both the sender and receiver.

MULTIPLE COMPLAINTS

When two or more informal complaints are lodged against the same person or company, the Ethics Committee will review the complaints and determine whether or not further action by the committee is warranted. The determination will be based on

- ◆ The number of complainants.
- ◆ The nature and extent of the complaints.
- ◆ The adequacy and substantiality of the complaints.
- ◆ The timeliness of the complaints

If further action is warranted, the Ethics Committee will take the following actions.

- 1) Inform the President of the HSCG of the nature and scope of the complaints.
- 2) Notify the complainants that a multiple complaint review is in process and request further information and/or verification of the facts presented in the informal complaint.
- 3) Notify the accused that a multiple complaint review is in process together with a list of the complaints and notification that the accused has thirty (30) days to respond in writing.
- 4) File a copy of the complaint in the Ethics Folders of both the persons who sent the report and the person the report was written about.

Based on the content of the complainants responses and the response from the accused, the Ethics Committee shall determine whether additional investigation or action is necessary.

If the complainants fail to provide adequate substantiation, the Ethics Committee will submit a report to the Board of Directors but will take no further investigatory action.

If the accused provides adequate substantiation to refute the allegations, the Ethics Committee will submit a report to the Board of Directors, but will take no further investigatory action.

Upon completion of the review, the Ethics Committee will recommend to the Board of Directors, based on the facts of the case, that:

- ◆ No further action be taken due to insufficient evidence.
- ◆ No further action be taken due to the nature of the complaints.
- ◆ A Formal Complaint be filed on behalf of the HSCG by the Board of Directors.

The Board of Directors will decide the course of action by a 2/3 vote. If the board votes to file a formal complaint, the President will complete the necessary forms and submit to the Ethics Committee. The Ethics Committee will follow the guidelines outlined under Formal Complaint Procedures.

If there is insufficient evidence to warrant a formal complaint, the Board of Directors may upon the completion of the review process issue by unanimous vote a formal warning to the accused. Only one warning may be issued per review. Three warnings will constitute adequate substantiation and a Formal Complaint will be filed by the Board of Directors.

FORMAL COMPLAINT

A formal complaint must be submitted on a Formal Complaint Form approved by the Ethics Committee and the Board of Directors. Formal Complaint Forms shall be available by mail from the HSCG offices or downloadable from the website.

The Formal Complaint should include the completed Formal Complaint Form, fully explain the facts surrounding the acts or omissions complained of and clearly define the nature and extent of the alleged violations. Documentation of the alleged complaints, including names of witnesses, letters of testimony, minutes, receipts or other documents as applicable should accompany the complaint.

The report must be sent by mail to the HSCG office. It should be submitted in a sealed envelope marked "Confidential – Ethics Committee". The HSCG office does not open the report; it is forwarded to the Ethics Committee unopened. The HSCG office shall keep a log of any ethics complaints received, who they were from, the date received and the date referred to the Chairman of the Ethics Committee.

Upon receipt of a Formal Complaint, the Chairman of the Ethics Committee shall take the following actions:

- 1) Reply to the sender acknowledging receipt of the complaint.
- 2) Forward a copy of the complaint to the accused together with notification that the accused has thirty (30) days to respond in writing.
- 3) Send copies of the complaint to all members of the Ethics Committee
- 4) File a copy of the complaint along with all documentation in the Ethics Folder of the complainant and the accused.
- 5) Inform the President of the HSCG of the nature and scope of the complaint.

At the end of the 30 day period, the Chairman of the Ethics Committee shall send a copy of the written response received from the accused to all members of the Ethics Committee. If no response was received, the Chairman shall so inform the members of the Committee.

Based on the content of the original complaint and the response from the accused, the Ethics Committee shall determine whether additional investigation or action is necessary. If additional investigation is deemed appropriate and necessary to finding the truth of the accusations, the Ethics Committee shall gather such additional information as the committee requires to make their findings.

When the investigation is complete, but no more than 90 days following receipt of the written complaint, the Ethics Committee shall take one of the following actions based on the facts of the case:

- 1) Dismiss the complaint as frivolous or inconsequential, or
- 2) Exonerate the accused, or
- 3) Make recommendation to the Board of Directors that the accused be:
 - » Reprimanded, with or without requiring that an apology be made to the complainant, or
 - » Suspended from membership for a definite period of time, or
 - » Expelled from the HSCG permanently.

If the Ethics Committee has recommended 1 or 2 above, they shall inform the complainant and accused of their findings and recommendations.

If the Ethics Committee recommends reprimand, suspension of membership or expulsion from the HSCG, notification shall not be given to the complainant and the accused until action is taken by the Board of Directors.

If the Ethics Committee needs additional time to complete their investigation, they may request an extension of up to sixty (60) days from the President. If an extension is granted, the Ethics Committee must inform both the complainant and the accused of the extension.

Within thirty (30) days of the completion of an investigation, the Chairman of the Ethics Committee shall compile a complete file containing all documents relating to the complaint, investigation and its disposition, including all correspondence, documents relating to the investigation and a written report of the Committees final determination and/or referral to the Board of Directors for further action.

The file shall be sent to the HSCG headquarters for safe-keeping, with copies to the Board as needed.

BOARD OF DIRECTORS

The Board of Directors shall receive and review all recommendations forwarded by the Ethics Committee. If the Ethics Committee has recommended suspension or revocation of membership, the Board of Directors shall take appropriate action within 30 days.

Upon action being taken by the Board of Directors, the Secretary shall notify both the accused and the Ethics Committee within 30 days.

The Ethics Committee shall then notify the original complainant of the final outcome of the complaint.

APPEALS

The accused may appeal any decision made by the Board of Directors by sending a written request to the Secretary within 30 days of receipt of notification of the action taken by the Board. The Board will address any request for appeal in the next regularly scheduled meeting. The Secretary will inform the accused of the result of the appeal within 30 days.

DOCUMENTS

All documents and correspondence regarding the complaint shall be sealed and held in the HSCG offices. Documents may be stored in paper or electronic format. Once all the documentation is filed at the HSCG offices, the Ethics Committee, Board of Directors and/or others involved in the case shall destroy any paper copies and delete any electronic copies of documents or correspondence in their possession.

In order to protect the privacy of the individuals involved, all sealed documents and correspondence regarding the complaint shall be held in strict confidence except:

- 1) A copy of the original complaint and the final disposition shall be filed in the Ethics Folders of both the complainant and the accused.
- 2) The Board of Directors shall have access to relevant documents pertaining to any complaints referred to them by the Ethics Committee and/or necessary in the appeals process.
- 3) Administrative officers, legal counsel and others as necessary may be given such information about a disciplinary proceeding as is proper and necessary for the proper execution of any penalty imposed.

Approved by HSCG Membership
at 2005 Annual Meeting

History:

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| April 28, 2005 | (v1) Original Publication date. |
| May 4, 2007 | (v2) Revised to include handling of multiple complaints. Approved by the membership at the 2007 Annual Meeting. |
| Oct 7, 2013 | (v2.1) Housekeeping revisions to change corporate name and remove publication in the Journal (which no longer exists). |
| March 20, 2018 | (v2.2) Reformat with new branding. |