

General Policy - Theft and Fraud Reporting

Policy:

BSC employees are responsible for safeguarding and preserving the assets and resources of the college and ensuring they are used only for authorized purposes, in accordance with BSC rules, policies, and applicable law. All employees are responsible for reporting suspected theft, fraud, or unlawful or improper use of public funds or property.

Definitions:

“Theft, fraud or unlawful or improper use of public funds or property” includes:

- stealing, larceny or embezzlement;
- making or altering documents or files with the intent to defraud;
- purposely inaccurate accounting or financial reporting at any level;
- fraudulent conversion or misappropriation of public resources, including funds, supplies or other property;
- improper handling or reporting of financial transactions;
- authorizing or receiving compensation for goods not received, services not performed or hours not worked, including payment or receipt of a bribe, kickback or other unlawful or unauthorized payment.

Procedures:

The following procedures should be followed in reporting suspected or detected fraudulent activity:

1. An employee with knowledge or suspicion of theft, fraud or unlawful or improper use of public funds or property involving BSC or affiliated entities, shall report that information to a supervisor or the Associate Vice President for Finance and Operations (AVPFO). An employee with knowledge or suspicion of theft, fraud or unlawful use of public funds involving an immediate supervisor or the AVPFO shall report that information to an employee at a level above the immediate supervisor or to the Executive Vice President.
2. Unreasonable failure to report such information as required may result in discipline, up to and including dismissal.

3. The employee or supervisor who suspects fraudulent activity should not attempt to conduct an investigation.
4. It is a violation of college policy to retaliate against an employee who, in good faith, reports dishonest or fraudulent activity.

The following procedures should be involved for investigating suspected or detected fraudulent activity:

1. The BSC employee designated with responsibility for receiving and acting upon reports under this policy is the Associate Vice President for Finance and Operations (AVPFO). A supervisor or other person who receives a report of suspected theft or fraud shall report that information to the AVPFO, unless the AVPFO is implicated, in which case the information shall be reported to the Executive Vice President.
2. The AVPFO shall inform the Executive Vice President and the President, unless either is implicated, in which case the AVPFO shall inform the NDUS General Counsel.
3. The AVPFO shall take reasonable and appropriate action in response to receipt of a report, which may include an internal investigation, commission of an audit, referral to law enforcement officials, recommended policy or procedure amendments, a report summarizing findings or other steps. The AVPFO shall consult the NDUS General Counsel and information shall be kept confidential as directed by the General Counsel.
4. The AVPFO, with assistance from the Chief Human Resources Officer, has the primary responsibility for the investigation. If the investigation reveals that fraudulent activities have occurred, the AVPFO will issue a report to the appropriate administrative officials.
5. Employee discipline, up to and including dismissal will follow BSC processes and procedures.
6. Decisions to prosecute, or involve appropriate law enforcement and/or regulatory agencies for independent investigation will be made by the President in consultation with NDUS General Counsel.
7. The AVPFO is also responsible for periodic review of BSC internal control procedures, making recommendations for appropriate controls and staff training to minimize opportunities for theft or fraud.

Confidential Fraud Hotline:

In addition to the above procedures a confidential program is available for reporting suspected theft, fraud, or unlawful or improper use of public funds or property fraud. To use the fraud hotline:

- Call the toll-free number: 866-912-5378 or fill out an anonymous report online at:

www.eidebailly.com/hotline

- Talk to an experienced Eide Bailly consultant

- Know that you will not be identified at any time unless you agree to be identified

Reference:

SBHE Policy 611.10

History of This Policy:

Approved by the Executive Council June 18, 2007. Revised on February 5, 2010.