



University of Colorado

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BOARD OF REGENTS

13. BUSINESS AND FINANCE

Policy 13.E: Fiscal Misconduct

13.E.1 Statement of Information

The purpose of this policy is to maintain the public trust in and to preserve and to protect the assets and financial interests of the university by:

- (A) Promoting adherence to federal and state law, administrative rules, and university policies;
- (B) Promoting increased awareness of all employees of the possibility that various forms of fiscal misconduct may occur; and
- (C) Establishing responsibility for the prevention, detection, investigation, and resolution of fiscal misconduct.

13.E.2 Terms

In the context of this policy, fiscal misconduct means a deliberate misrepresentation, concealment, or omission of facts with a purpose of deceiving others for a personal gain or benefit, or a deliberate act or failure to act in the course of university employment regarding fiscal matters, contrary to established law, rule, or policy, with the intent to obtain an unauthorized benefit, which results in loss or other damage to the university or university faculty, staff, student or university affiliated entity. Fiscal misconduct includes, but is not limited to:

- (A) Embezzlement or misappropriation of university funds, goods, property, services, or other resources;
- (B) Improper handling or reporting of financial transactions;
- (C) Authorizing or receiving compensation for goods not received or services not performed;
- (D) Authorizing or receiving compensation for hours not worked;
- (E) Forgery or unauthorized alteration of financial documents or records; and
- (F) Diverting funds to an unrelated private enterprise that otherwise could be available to the university;

~~(G) Suspected fiscal misconduct is a reasonable belief or actual knowledge that fiscal misconduct has occurred or is occurring.~~

Fiscal misconduct also includes attempted fiscal misconduct. Attempted fiscal misconduct exists when an officer or employee, with the intent to obtain a financial personal gain or benefit, engages in deliberate act or failure to act that constitutes a substantial step towards committing fiscal misconduct, even though that act or failure to act did not result in loss or other damage to the university or university faculty, staff, student or university affiliated entity. Suspected fiscal misconduct is a reasonable belief or actual knowledge that fiscal misconduct has occurred or is occurring.

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13.E.3 Policy

(A) General

Prevention. The university will maintain an internal control environment to protect the university from loss or other damage resulting from fiscal misconduct.

Obligation to Report. All instances of suspected fiscal misconduct involving the university must be promptly reported in accordance with established university procedures.

Investigation. The university will establish and maintain procedures for investigating reports of known or suspected fiscal misconduct.

Remedies. Appropriate and timely actions will be taken to remedy fiscal misconduct. Such remedial actions may include, but are not limited to: (1) taking disciplinary action (up to and including termination of employment) against ~~university officers and~~ employees who engage in fiscal misconduct or fail to report suspected fiscal misconduct, (2) seeking restitution for all losses, including investigative and legal expenses, (3) forwarding information to the appropriate authorities for criminal prosecution of persons who engage in fiscal misconduct, and (4) instituting civil action to recover losses. Administrative actions will be taken as needed to mitigate the risk of future fiscal misconduct.

False Allegations. Employees who make false allegations of suspected fiscal misconduct with the intent to disrupt the university's business or to cause harm to another will be subject to disciplinary action.

(B) Responsibilities

~~Officers and Employees.~~ All ~~officers and~~ employees are responsible for preserving the university resources entrusted to them and for using those resources in a prudent manner and for their designated purposes, as prescribed by law, regulation, or policy. ~~E~~Officers and employees are also responsible for promptly reporting incidents of suspected fiscal misconduct, whether by members of the university community or by outside parties. Individuals who are not responsible for investigating reports of fiscal misconduct shall not attempt to conduct investigations. ~~E~~Officers and employees are expected to cooperate fully with those authorized to conduct the investigation.

Managers and Supervisors. Employees with managerial or supervisory duties are responsible for creating an environment that contributes to the deterrence of fiscal misconduct and for maintaining a system of internal controls that assists in the prevention and detection of incidents of misconduct. Managers and supervisors should be familiar with the types of fiscal misconduct that might occur within their area of responsibility and be alert for indications of their occurrence. Appointing or supervisory authorities, as appropriate, are responsible for taking remedial action with respect to those involved in fiscal misconduct. Managers also are responsible for implementing cost-effective

98 changes in policy and procedures that are designed to reduce the likelihood of
 99 recurrence.

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 101 Campus and System. Each campus has responsibility for maintaining an
 102 internal control environment and system of controls for the campus that
 103 reasonably deter, detect, investigate, and remedy fiscal misconduct. System
 104 administration has such responsibility for system activities and further has
 105 overall responsibility for maintaining an internal control environment and
 106 system of controls university-wide.

107
 108 Department of Internal Audit. The Department of Internal Audit has the primary
 109 responsibility for coordinating the initial assessment, investigation, and internal
 110 reporting of known or suspected fiscal misconduct. The campus police
 111 departments, the Office of University Counsel, and other offices will be involved
 112 in these activities in a manner consistent with their responsibilities and authority
 113 and appropriate for the circumstances. All examinations, documentation, and
 114 reports concerning the investigation shall be considered confidential to the
 115 extent permitted by law.

116
 117 Campus Police Departments. The campus police departments are responsible
 118 for criminal investigations and for coordinating the reporting of criminal actions
 119 with the Office of University Counsel to the district attorney and external law
 120 enforcement agencies in the jurisdiction.

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 122 Office of University Counsel. The Office of University Counsel is responsible
 123 for providing guidance to university departments and officials regarding
 124 investigative and remedial actions. The Office of University Counsel will serve
 125 as the liaison with external legal entities and, along with the campus police
 126 departments, will coordinate the reporting of criminal actions to the district
 127 attorney and law enforcement agencies in the jurisdiction.

128
 129 Other. Certain activities that require investigation may not clearly constitute
 130 "fiscal misconduct" as defined in this policy. If other university policies or
 131 procedures do not exist, university management may follow the framework
 132 established here to ensure adequate coordination of such investigations.
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 135 **History:**

- 136 • Adopted: December 7, 2000.
- 137 • Revised: January 14, 2009, November 6, 2015.
- 138 • Last Reviewed: April 6, 2017.