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Policy 13E: Fiscal Misconduct [1]

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:

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

2. Terms

In the context of this policy, fiscal misconduct means a deliberate act or failure to act 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. Fiscal misconduct includes, but is not limited to:

- Embezzlement or misappropriation of university funds, goods, property, services, or other resources;
- Improper handling or reporting of financial transactions;
- Authorizing or receiving compensation for goods not received or services not performed;
- Authorizing or receiving compensation for hours not worked;
- Forgery or unauthorized alteration of financial documents or records;
- Suspected fiscal misconduct is a reasonable belief or actual knowledge that fiscal misconduct has occurred or is occurring.

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. 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. 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 changes in policy and procedures that are designed to reduce the likelihood of recurrence.
- **Campus and System.** Each campus has responsibility for maintaining an internal control environment and system of controls for the campus that reasonably deter, detect, investigate, and remedy fiscal misconduct. System administration has such responsibility for system activities and further has overall responsibility for maintaining an internal control environment and system of controls universitywide.
- **Department of Internal Audit.** The Department of Internal Audit has the primary responsibility for coordinating the initial assessment, investigation, and internal reporting of known or suspected fiscal misconduct. The campus police departments, the Office of University Counsel, and other offices will be involved in these activities in a manner consistent with their responsibilities and authority and appropriate for the circumstances. All examinations, documentation, and reports concerning the investigation shall be considered confidential to the extent permitted by law.
- **Campus Police Departments.** The campus police departments are responsible for criminal investigations and for coordinating the reporting of criminal actions with the

Office of University Counsel to the district attorney and external law enforcement agencies in the jurisdiction.

- **Office of University Counsel.** The Office of University Counsel is responsible for providing guidance to university departments and officials regarding investigative and remedial actions. The Office of University Counsel will serve as the liaison with external legal entities and, along with the campus police departments, will coordinate the reporting of criminal actions to the district attorney and law enforcement agencies in the jurisdiction.
- **Other.** Certain activities that require investigation may not clearly constitute "fiscal misconduct" as defined in this policy. If other university policies or procedures do not exist, university management may follow the framework established here to ensure adequate coordination of such investigations.

Last Amended: January 14, 2009

History:

adopted 12/07/00;
revised 01/14/09

Attachments:
Video:
Images:
Groups audience:
Board of Regents
OG vocabulary:
Regent Policies

Source URL: https://www.cu.edu/regents/policy-13e-fiscal-misconduct

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