

# **Methodist University**

## **Fraud Awareness and Reporting**

### **Policy Statement**

This policy establishes the overall roles and responsibilities of Methodist University employees for reporting and investigating potential fraud at the University. All Methodist University employees have a responsibility to ensure that the University's resources are used for valid and appropriate business needs. Administrators and all levels of management have added responsibility for establishing and maintaining proper internal controls to protect the University's resources from misuse. Administrators and managers should be familiar with the risks and exposures in their areas of responsibility and be alert to any indications of improper activities, misappropriation, or dishonest activity.

### **Reason for Policy**

This policy has been developed to:

- Raise awareness of fraud within the University.
- Define roles and responsibilities for detecting and preventing fraud.
- Reinforce personal responsibility and accountability.
- Detail the procedures for reporting and investigating suspected fraud.
- Better understand the limitations in existing control procedures that allow fraud to occur.

### **Who Must Comply**

All units of the University and all members of the University community, including:

- All faculty, including adjunct faculty
- Staff, including salaried exempt workers and hourly non-exempt workers
- Students
- Contractors, including independent contractors, external consultants, workers hired through an outside employment agency, and workers employed on campus through service vendors
- Official visitors
- Volunteers

# Actions Constituting Fraud

- Impropriety in the handling or reporting of money
- Forgery or alteration of any Methodist University document (checks, timesheets, invoices, purchase orders, financial documents)
- Financial report misrepresentation
- Authorizing or receiving payments for hours not worked
- Intentional misrepresentation of vacation/sick leave
- Misappropriation of funds, supplies, inventory or any other asset
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to Methodist University that may be construed to be an attempt to influence the performance of an employee's official duty in the scope of employment.
- Unauthorized purchases (P-card, Corporate Card, Purchase Order, Check Request, Advances/Reimbursements, Travel, etc.). Employees are expected to exercise discretion in incurring expenses while traveling on business. Any travel expenses deemed unreasonable relative to the circumstances will not be paid or reimbursed and are the employee's personal responsibility.
- Misuse of University Assets - No University property or asset (i.e. Tools, Movies, Laptop Computers, DVD Players, Projectors, Cameras, etc.) should be used for personal purposes or removed from campus without prior approval from the employee's VP/Admin Committee Member. The following, while not all inclusive, is a list of University assets that are subject to fraudulent activity. These assets are provided to employees for the primary purpose of conducting official University business. The University recognizes, however, that personal usage of these items may be unavoidable, and, therefore, incidental personal usage is permitted. Excessive personal usage (as determined by the employee's supervisor) is not permitted.
  - Office Phones
  - Printers
  - Long Distance Calling Codes<sup>1</sup>
  - Computers, Email, Internet<sup>2</sup>
  - Copy Machines<sup>3</sup>

<sup>1</sup> Long distance calling codes are to be kept confidential and not shared with anyone. Employees who make personal long distance phone calls that amount to a charge of \$1.00 or more during a given month are expected to reimburse the University for the amount charged by the phone company. Reimbursements should be made to the Business Office.

<sup>2</sup> Use of Methodist University computers and software for the purpose of conducting a business unaffiliated with the University is strictly prohibited unless given specific authorization by the supervisor. Most University employees are granted access to the internet and an individual email account to aid in the performance of their University duties. Personal use should be limited and will be monitored by the appropriate supervisor.

<sup>3</sup> Excessive personal usages of copy machines will result in a charge of \$0.02 per page. Reimbursements should be made to the Business Office.

## Procedures

1. **Be aware of potential fraud.** All employees, particularly administrators and managers, should be familiar with the risks and exposures in their areas of responsibility and be alert to any indications of improper activities, misappropriation, or dishonest activity.
2. **Do not accuse or investigate independently.** An employee who suspects fraudulent activity **should not** accuse any individual directly, investigate the matter personally, or discuss the matter with anyone other than his or her supervisor or the Anonymous Fraud Reporting Hotline staff member.
3. **Report the concern via the proper channels.**
  1. An employee who suspects fraudulent activity is encouraged to report the concern promptly to his or her supervisor.
  2. Alternately, any member of the Methodist University community who is uncomfortable reporting suspected fraudulent activity to a supervisor can report the concern via the Anonymous Fraud Reporting Hotline. The employee reporting the activity is not required to identify themselves when making the report. To report suspected fraudulent activity, call **910-630-7081**. Written reports may also be anonymously mailed via campus mail to the Vice President for Planning and Evaluation.

## Consequences

In the event an individual is determined to be or have been involved in fraudulent acts, or knowingly failed to report fraudulent acts, they will be subject to disciplinary action. Disciplinary action could include termination of employment. Based on the seriousness of the offense, the results may be referred to the appropriate law enforcement and/or regulatory agencies.