

**UNIVERSITY of NORTH DAKOTA
FINANCE & OPERATIONS POLICY LIBRARY**

**EMPLOYEE RESPONSIBILITIES AND ACTIVITIES:
THEFT AND FRAUD**

Section 1, General
Policy 1.3, Employee Responsibility and Activities: Theft and Fraud
Responsible Executive: VP Finance & Operations
Responsible Office: Finance & Operations
Issued: June 11, 2008
Latest Review / Revision: October 27, 2008



POLICY STATEMENT

The North Dakota University System requires that each institution shall develop and implement controls designed to minimize opportunities for theft, fraud, or unlawful or improper use of public resources, including funds, supplies, and property. [SBHE Policy 611.10](#)

REASON FOR POLICY

The North Dakota University System requires that each institution must provide a process for the reporting of suspected theft, fraud, or unlawful or improper use of public resources, designation of an officer with responsibility for receiving and investigating such reports, a process for investigation, audit or referral to law enforcement officials if there is reasonable basis to suspect theft, fraud, or unlawful or improper use of public resources, and a report summarizing findings, disposition, and, if appropriate, recommendations for additional controls to prevent recurrence.

SCOPE OF POLICY

This policy applies to all members of the University community and should be read by:

- | | |
|---------------------------------------|-----------------|
| ✓ President | ✓ Faculty |
| ✓ Vice Presidents | ✓ All Employees |
| ✓ Deans, Directors & Department Heads | ✓ Students |
| ✓ Area Managers & Supervisors | Others _____ |

WEB SITE REFERENCES

This policy: <http://www.und.edu/dept/policyoffice/html/general.html>
UND Fraud Hotline Website: <http://www.und.edu/dept/fraudhotline/>
Policy Office: <http://www.und.edu/dept/policyoffice/index.html>
Vice President for Finance & Operations: www.und.edu/dept/vpfo

CONTENTS

Policy Statement 1
Reason for Policy 1
Scope of Policy 1
Web Site References 1
Related Information 3
Contacts 3
Definitions 3
Principles (overview) 4
Procedures 5
 Report Fraud 5
 Receipt and Treatment of Allegations 5
 Consequences of Engaging in Fraud 6
Responsibilities 6
Forms 6
Revision Record 6

RELATED INFORMATION

Eide Bailly Website – report fraud	http://www.eidebailly.com/services/forensic/ol_hotline/index.aspx
Fraud.Org	http://www.fraud.org/
NDCC 44-04-18, Access to Public Records	http://www.legis.nd.gov/cencode/t44c04.pdf
NDUS SBHE Policy – 611.10 “Employee Responsibility & Activities: Theft & Fraud”	http://www.ndus.edu/policies/sbhe-policies/policy.asp?ref=2532
NDUS SBHE Policy – 1912 “Public Records”	http://www.ndus.edu/policies/sbhe-policies/policy.asp?ref=2432
UND Fraud Hotline Website	http://www.und.edu/dept/fraudhotline/

CONTACTS

General questions about this policy can be answered by your department’s administrative office. Specific questions should be directed to the following:

Subject	Contact	Telephone	E-Mail / Web Address
Policy Clarification	Finance and Operations	(701) 777-3178	sharonberning@mail.und.edu http://www.und.edu/dept/fraudhotline/
Policy Content/Format	Finance and Operations	(701) 777-3178	sharonberning@mail.und.edu http://www.und.edu/dept/fraudhotline/

DEFINITIONS

Fraud	Merriam-Webster online dictionary defines Fraud as: Intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right; an act of deceiving or misrepresenting.
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PRINCIPLES

OVERVIEW – The North Dakota University System [State Board of Higher Education Policy 611.10](#), Employee Responsibility and Activities: Theft and Fraud, requires that:

1. Each employee, as a basic condition of employment, assumes responsibility for safeguarding and preserving the assets and resources of the State and University System and its institutions, particularly those for which the employee is responsible.
2. Each institution and the System Office shall develop and implement controls designed to minimize opportunities for theft, fraud, or unlawful or improper use of public resources, including funds, supplies, and property. The controls must include a process for reporting of suspected theft, fraud, or unlawful or improper use of public resources, designation of an officer with responsibility for receiving and investigating such reports, a process for investigation, audit or referral to law enforcement officials if there is reasonable basis to suspect theft, fraud, or unlawful or improper use of public resources, and a report summarizing findings, disposition, and, if appropriate, recommendations for additional controls to prevent recurrence.
3. Each employee is expected to report suspected theft, fraud, or unlawful or improper use of public resources to a supervisor, department head, chief fiscal officer, or other institution or system officer designated with responsibility for receiving and investigating such reports.
4. An employee found to have engaged in theft, fraud, or unlawful or improper use of public resources, or an employee with knowledge of such acts by another who unreasonably fails to report such information as required by this policy, is subject to discipline, up to and including dismissal.
5. As used in this policy, “theft, fraud, or unlawful or improper use of public funds or property” includes, but is not limited to:
 - a. Stealing, larceny, or embezzlement;
 - b. Making or altering documents or files with the intent to defraud;
 - c. Purposely inaccurate accounting or financial reporting at any level;
 - d. Fraudulent conversion or misappropriation of public resources, including funds, supplies, or other property;
 - e. Improper handling or reporting of financial transactions;
 - f. 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 relate to allegations regarding wrongful acts including, but not limited to, the following:

- Fraud or deliberate errors in the preparation, evaluation, review, or audit of any financial statement of the University;
- Theft or misappropriation of funds, supplies, property, or other resources;
- Forgery or alteration of University financial documents or computer files;
- Pursuit of a financial benefit or advantage in violation of the University's conflict of interest policies;
- Deficiencies in or noncompliance with the University's financial controls.

Allegations outside this scope, such as harassment, discrimination, or unfavorable treatment, should/will be referred to the appropriate person or department.

Report Fraud

Employees or other individuals with concerns regarding fraud involving University resources may anonymously report their concerns to Eide Bailly (University consultant) as follows:

ANONYMOUS FRAUD HOTLINE (available 24 hours):
1-866-91-ALERT (1-866-912-5378)
Or fill out an anonymous report online at: www.eidebailly.com/hotline

Employees may also contact the Internal Auditing Department directly to report fraud, however by doing so, UND cannot promise anonymity, as a result of Open Records policies and laws. Internal Auditing may be contacted by: Mail: Internal Auditing, Stop 7111; Phone: (701) 777-4438; Fax: (701) 777-4355; E-mail: timrerick@mail.und.edu.

For Human Resources or Affirmative Action issues, employees can contact the Director of Human Resources at: Stop 8010; Phone (701) 777-4361; Fax (701) 777-4857; or dianenelson@mail.und.edu. As a result of Open Records policies and laws, UND cannot promise anonymity by using this direct contact method.

Receipt and Treatment of Allegations

- Upon receipt of an anonymous allegation, as reported by Eide Bailly, Internal Auditing or Human Resources will determine the proper follow-up procedures.
- Internal Auditing (or Human Resources as needed), working with other University staff/departments as necessary, will review allegations and conduct an investigation.
- Final investigative reports prepared by Internal Auditing (or Human Resources as necessary) will be provided to the appropriate Vice President, Vice President for Finance and Operations, and the President of the University.
- The University will take appropriate corrective action based upon the findings of the investigation.
- The University will not discharge, demote, suspend, threaten, harass, or retaliate in any manner against an employee or student in the terms and conditions of employment or educational opportunity based on the employee's or student's good faith allegations of wrongful acts.

PROCEDURES, Continued

- For allegations reported directly to UND Internal Auditing or Human Resources: Allegations will be handled in a confidential manner in order to protect the identity of the person(s) accused of wrongdoing before an investigation has been completed, or where an investigation has revealed no evidence that wrongdoing occurred. (UND will do their best to protect the anonymity of the parties involved, however except as otherwise specifically provided by law or this policy, all records of the State Board of Higher Education and the North Dakota University System and its institutions are, pursuant to [NDCC Section 44-04-18](#), open and accessible for inspection during regular office hours.)

Consequences of Engaging in Fraud

An employee found to have engaged in theft, fraud, or unlawful or improper use of public resources, or an employee with knowledge of such acts by another who unreasonably fails to report such information as required by this policy, is subject to discipline, up to and including dismissal.

RESPONSIBILITIES

Employee or Student who suspects Fraud	<ul style="list-style-type: none"> ▪ Anonymously report suspicion online or by phone to Eide Bailly following the above procedures. ▪ Report suspicion to Internal Auditing (or the Human Resources Department for Human Resources or Affirmative Action issues) following the above procedures (University records are subject to Open Records policies and laws).
Human Resources	<ul style="list-style-type: none"> ▪ Receive Human Resources (HR) or Affirmative Action (AA) related reports of suspected theft, fraud, or unlawful or improper use of public resources. ▪ Review and investigation of HR or AA fraudulent claims/reports. ▪ Prepare final investigative report and forward to the appropriate Vice President, Vice President for Finance and Operations and the University President. ▪ Suggest appropriate corrective action as needed.
Internal Auditing	<ul style="list-style-type: none"> ▪ Receive reports of suspected theft, fraud, or unlawful or improper use of public resources as outlined in the above procedures. ▪ Review and investigation of fraudulent claims/reports. ▪ Prepare final investigative report and forward to the appropriate Vice President, Vice President for Finance and Operations and the University President. ▪ Suggest appropriate corrective action as needed.

FORMS

Online Fraud Reporting Form	www.eidebailly.com/hotline
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REVISION RECORD

- 06.11.08 – Policy Issued
- 10.16.08 – Revision – Changed index number
- 10.27.08 – Revision – Update to website links