

Policy No. 623

Section FINANCES

Policy Guide



Title FRAUD AND ABUSE

Adopted FEBRUARY 26, 2015

Revised _____

	POLICY NO. 623 FRAUD AND ABUSE	
Section 1	<u>Purpose</u>	
	The purpose of this policy is to establish certain principles and expectations for the School District in order to prevent fraud or abuse, investigate and provide consequences for engaging in any manner of fraud or abuse and to heighten awareness of possible fraud or abuse. The District will not tolerate fraud, abuse, or acceptance of kickbacks or the concealment of these acts.	
Section 2	<u>Definitions</u>	
	Fraud – An intentional deception or misrepresentation that someone makes, knowing that it is false in order to personally benefit, benefit a third party or to induce another to act to his/her detriment.	
	Actions constituting fraud include but are not limited to:	
	<ol style="list-style-type: none"> 1. Falsifying, or unauthorized altering of district documents, including but not limited to: <ol style="list-style-type: none"> a. Claims for payments or reimbursements (including but not limited to submitting false claims for travel or overtime). b. Absence(s) from the worksite documents (including but not limited to requests for sick, bereavement, and other types of leaves of absence). 	

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- c. Files (both physical and electronic forms), photographic or audio records, or accounts belonging to the school district.
 - d. Checks, bank drafts, or any other financial documents.
 - e. Student records.
 - f. Personnel records.
 - g. Board minutes or other Board records.
 - h. Business office records.
 - i. Maintenance records.
 - j. Fire, health, and safety reports.
 - k. Other school district records.
2. Unauthorized destruction, theft, tampering or removal of records, furniture, fixtures or equipment. Approval by the principal or supervisor, with proper documentation, is required for the removal of district property or assets.
 3. Using district equipment or work time for any outside political, or private or non-profit business activity.
 4. Using sick leave or bereavement time when not appropriate.

Abuse – Actions that are inconsistent with sound business or fiscal practices.

Actions constituting abuse include but are not limited to:

1. Disclosing to other persons the purchasing/bidding activities engaged in, or contemplated by the District, in order to give any entity, person or business an unfair advantage in the bid process.

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2. Causing the District to pay excessive prices or fees where justification is not documented.
3. Offering bribes/kickbacks. This includes the offer of “facilitating payments” as well as “culturally required” gifts.
4. Acceptance of bribes/kickbacks.

Kickback – an offer, such as a bribe or gift, by an individual or an organization that is intended to influence an employee’s decision making.

Kickbacks include but are not limited to:

1. Accepting transportation, lodging, meals, entertainments, gifts, hospitality, loans, repetitive gifts where overall value is no longer considered de minimus.
2. Accepting goods or services at no cost for personal use.

Section 3

Delegation of Responsibility

This policy applies to any fraud or abuse, suspected or observed, involving district staff members, outside support organizations, vendors, contractors, volunteers, outside agencies doing business with the School Board and any other persons or parties in a position to commit these acts against the school district. Any investigation required shall be conducted without regard to the suspected wrongdoer’s length of service, position/title, or relationship.

Any perceived fraud or abuse that is detected or suspected by any staff member or other person shall be reported immediately to the Superintendent for guidance as to whether pursuit of an investigation is warranted. The obligation to report fraud or abuse includes instances where any employee knew or should have known that an incident occurred.

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Administrators and supervisors are responsible for:

1. Ascertaining that employees under their supervision receive district training regarding fraud and abuse (see Employee Education).
2. Completing the district-designed self-assessment of risk of fraud for their school/department (see Self-Assessment of Risk or Fraud).
3. Being familiar with the types of fraud and abuse that could occur within their areas of responsibility.
4. Being alert for any indication of fraud and abuse.

Section 4

Guidelines

Consequences

Violation of this policy will result in disciplinary action, including potential discharge, based on a full investigation of all factors and circumstances. In addition, if the fraud or abuse constitutes a violation of state or federal laws, the Superintendent will report the fraud to the relevant authorities.

Pol. 317, 417, 517

Employee Education

The policy will be available to all employees via the school district web site.

All employees will be required to sign a statement indicating that they have read and understand this policy annually.

Self-Assessment Of Risk Of Fraud

At the direction of the Superintendent and with the assistance of the Solicitor, each school/department shall perform a self-assessment of risk to identify areas where fraud or abuse may occur. Administrators and supervisors are responsible for identifying risks in their particular area of oversight and ensuring that internal controls are in place to address each of the

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identified risks.

Confidentiality

To the extent possible the District will maintain the confidentiality of employees who suspect fraud or abuse and report the same under this policy with the understanding that employees accused of fraud or abuse will be afforded all applicable due process.

References:

Board Policy – 317, 417, 517