

COCONINO COMMUNITY COLLEGE FOUNDATION

Fraud Policy

Background The Coconino Community College (CCC) Foundation fraud policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the CCC Foundation. It is the intent of the CCC Foundation to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Scope of Policy This policy applies to any irregularity, or suspected irregularity, involving employees as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the CCC Foundation. Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Foundation.

Policy CCC Foundation employees are responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation, or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each employee will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any irregularity that is detected or suspected must be reported immediately to the CCC Foundation Board President, who coordinates all investigations with the Legal Counsel and other affected areas, both internal and external.

Actions Constituting Fraud The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to

- Any dishonest or fraudulent act,
- Misappropriation of funds, securities, supplies, or other assets,
- Impropriety in the handling or reporting of money or financial transactions,
- Profiteering as a result of insider knowledge of company activities,
- Disclosing confidential and proprietary information to outside parties,
- Disclosing to other persons, securities activities engaged in or contemplated by the company,
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to CCC. Exception: Gifts less than \$50 in value,
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity.

Other Irregularities *Irregularities* concerning an employee's moral, ethical, or behavioral conduct should be resolved by the CCC Human Resource Department. If there is any question as to whether an action constitutes fraud, contact the Foundation Board President for guidance.

Investigation Responsibilities The CCC Foundation Board President and legal counsel have the primary responsibility for the the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, legal counsel will issue reports to appropriate designated personnel and the Board of Directors. Decisions to refer the investigation results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and CCC senior management, as will final decisions on disposition of the case.

Confidentiality The CCC Foundation treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the CCC Foundation Board President immediately, and

should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see **Reporting Procedure** section below). Investigation results *will not be disclosed or discussed* with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the CCC Foundation from potential civil liability.

Authorization for Investigating Suspected Fraud

Members of the Investigation Unit (CCC Foundation Board President and Legal Counsel) will have:

- Free and unrestricted access to all CCC Foundation records and premises, whether owned or rented; and
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual who might use or have custody of any such items or facilities when it is within the scope of their investigation.

Reporting Procedures

Great care must be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way. An employee or other complainant who discovers or suspects fraudulent activity will *contact the CCC Foundation Board President immediately*. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Investigation Unit. No information concerning the status of an investigation will be given out. The proper response to any inquiries is, "I am not at liberty to discuss this matter." *Under no circumstances* should any reference be made to "the allegation," "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with *anyone* unless specifically asked to do so by the legal counsel or the Human Resources Department.

Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed by the CCC Foundation Board, and Human Resources before any such action is taken. The decision to terminate an employee is made by CCC.

Administration

The CCC Foundation Executive Director and CCC Foundation Board is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed and revised as needed.

Approval

CCC Foundation Board President

Date

CCC Foundation Executive Director

Date