

Book	Policy Manual
Section	800 Operations
Title	Fraud
Code	828
Status	First Reading

Authority

The Board expects all Board members, district employees, volunteers, consultants, vendors, contractors and other parties that maintain a relationship with the school district to act with integrity, due diligence, and in accordance with law in their duties involving the district's resources. The Board is entrusted with public funds, and no one connected with the district shall do anything to erode that trust.

Definitions

Fraud, financial improprieties, or irregularities include but are not limited to:

- 1. Forgery or unauthorized alteration of any document or account belonging to the district.**
- 2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.**
- 3. Misappropriation of funds, securities, supplies, or other assets.**
- 4. Impropriety in handling money or reporting financial transactions.**
- 5. Profiteering because of insider information of district information or activities.**
- 6. Disclosure of confidential and/or proprietary information to outside parties.**
- 7. Acceptance or seeking of anything of material value, other than items used in the normal course of advertising, from contractors, vendors, or persons providing services to the district.**
- 8. Destruction, removal, or inappropriate use of district records, furniture, fixtures, or equipment.**
- 9. Failure to provide financial records to authorized state or local entities.**
- 10. Failure to cooperate fully with any financial auditors, investigators or law enforcement.**
- 11. Other dishonest or fraudulent acts involving district monies or resources.**

Delegation of Responsibility

The Superintendent or designee shall be responsible to implement and maintain a system of internal controls designed to prevent and detect potential risks, fraud, financial impropriety, or fiscal irregularities within the district, subject to review and approval by the Board.

District administrators are responsible to be alert to an indication of fraud, financial impropriety, or irregularity within their areas of responsibility.

The Superintendent shall recommend to the Board for its approval completion of a forensic audit when it is deemed necessary and beneficial to the district.

Reporting

All employees shall be alert for any indication of fraud, financial impropriety or irregularity within their area of responsibility.

An employee who suspects fraud, impropriety, or irregularity shall immediately report his/her suspicions to the Superintendent.

If the report involves the Superintendent, the employee shall report his/her suspicions to the (Board President) who shall be responsible to conduct an investigation in place of the Superintendent.

Employees who bring forth a legitimate concern or suspicion about a potential impropriety shall not be retaliated against. Those who do retaliate against such an employee shall be subject to disciplinary action.[1][2][3]

Investigation

The Superintendent shall investigate reports of fraudulent activities in a manner that protects the confidentiality of all parties and the facts, in cooperation with appropriate individuals and agencies.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent shall issue a report to the Board and designated individuals.

The final disposition of the matter regarding employee discipline and decision to file a criminal complaint or refer the matter to law enforcement and/or a regulatory agency for independent investigation shall be determined by the Board and Superintendent in consultation with legal counsel.

Results of an investigation shall not be disclosed to or discussed with anyone other than those individuals with a legitimate right to know, until the results are made public.

Legal

- 1. 43 P.S. 1423
- 2. 18 U.S.C. 1513
- 3. Pol. 317
- 43 P.S. 1421 et seq
- 15 U.S.C. 7201 et seq