

# Fiscal Misconduct – Affiliated Campuses Policy

<b>Subject</b>	Financial Affairs	
<b>Effective Date</b>	2003, revised TBD	
<b>Review Date</b>		
<b>Responsible Party</b>	MSU Billings:	Vice Chancellor of Administrative Services
	MSU at Bozeman:	Vice President for Administration and Finance
	Great Falls College MSU:	Associate Dean of Administration and Finance
	MSU-Northern:	Vice Chancellor for Finance and Administration

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## Scope

This policy applies to the following MSU campuses:

MSU Billings	MSU at Bozeman
Great Falls College MSU	MSU-Northern

## 100.00 Introduction and Purpose

This policy establishes the procedures for reporting and resolving instances of known or suspected fiscal misconduct.

## 200.00 Definitions

Fiscal Misconduct – A deliberate act, or failure to act, regarding fiscal matters that violates laws, regulations or policies. Examples include:

- embezzlement;
- misappropriation of goods, services, or resources;
- diversion of assets;
- conflict of interest situations;
- violation of federal, state or University fiscal laws, regulations, policies or procedures;
- use of University facilities and equipment for personal gain; and
- any activity related to intentional wrongdoing and improper behavior related to federal, state or University fiscal matters.

Investigative Team – The individuals identified by a Responsible Official to conduct an inquiry into reports of fiscal misconduct.

Responsible Official – The campus administrator responsible for responding to fiscal misconduct reports. The Responsible Official(s) for each campus are listed in Section 200.10.

## 200.00 Policy

200.10 Any employee or student associated with the University who knows of, or suspects, fiscal misconduct should promptly notify his or her supervisor or one of the Responsible Officials for his or her campus indicated below to initiate an investigation of the situation. If a supervisor is notified of suspected fiscal misconduct, they will promptly notify a Responsible Official.

Alternatively, an employee or student that suspects fiscal misconduct can use the MSU Compliance Hotline to report the situation (see section 600.00 Resources).

<b>RESPONSIBLE OFFICIALS BY CAMPUS</b>			
<b>MSU Bozeman</b>	<b>MSU Billings</b>	<b>MSU Northern</b>	<b>Great Falls College MSU</b>
Director of Audit Services, Legal Counsel, or Director of University Police	Vice Chancellor of Administrative Services	Vice Chancellor for Finance and Administration	Chief Financial Officer

200.20 Upon notification, the director, department head or other supervisor in the work unit where the situation has occurred shall not attempt to conduct an independent investigation, nor shall they confront or question the individual(s) accused of misconduct. Rather, the director, department head or other supervisor shall cooperate and coordinate with the investigative team.

200.30 Members of the investigative team and affected department employees shall use discretion and shall not discuss the circumstances with persons not involved in the incident or with persons without an essential need-to-know. The team shall conduct an initial review to determine whether a formal investigation is warranted and if no investigation is warranted, shall document the basis for this determination.

200.40 If evidence of alleged fiscal misconduct is found, the individual(s) will be subject to such disciplinary actions as may be appropriate and in accordance with the due process provisions of the MSU, Board of Regents, and State personnel policies. The individual may also be subject to such civil or criminal actions as may be appropriate.

### **300.00 Procedures for All Campuses**

300.10 The director, department head or other supervisor of the affected department shall be informed of the allegation by the investigative team. The team will provide guidance on any immediate personnel actions or procedural changes that may be necessary to proceed with the investigation or protect University resources during the investigation. The team will keep the director, department head or other supervisor apprised of the on-going investigation and its results.

300.20 The CEO of each campus shall promptly notify the Attorney General and the Legislative Auditor in writing upon the discovery of any theft, actual or suspected, involving state monies or property as required by [MCA 5-13-309](#).

300.30 At the completion of an investigation, the director, department head or other supervisor is responsible for implementing changes in policy and procedures for improving internal controls to prevent a reoccurrence or other issues.

#### **400.00 Procedures for MSU at Bozeman**

400.10 Upon receipt of a report of suspected fiscal misconduct, the members of the fiscal misconduct committee, comprised of the directors of University Police, Audit Services, and Legal Counsel, will determine if a formal investigation is warranted and the procedures to be used and the appropriate team to review or investigate the allegations. The investigative process may include other University employees as needed.

400.20 The fiscal misconduct committee will inform the MSU President, the Vice President for Administration and Finance and other appropriate campus officials that they have received a report of suspected fiscal misconduct.

400.30 Audit Services will inform the Vice President for Administration and Finance and Associate Vice President for Financial Services about the investigation's outcome and resulting internal control changes.

#### **500.00 Procedures for MSU Billings, Great Falls College MSU and MSU Northern**

500.10 The campus investigative team shall promptly notify the campus CEO and the Director of Audit Services that they have received a report of suspected fiscal misconduct and shall determine if a formal investigation is warranted and the procedures to be used and the appropriate team to review or investigate the allegations. The investigative process may include other University employees as needed. The Director of Audit Services will notify the MSU President of the nature of the allegations and the proposed response.

500.20 Audit services and University Police at MSU Bozeman will be available to assist campus investigative teams upon their request.

500.30 Campus investigative teams will inform Audit Services about an investigation's outcome and resulting internal control changes. Audit Services will inform the MSU at Bozeman Vice President for Administration and Finance and Associate Vice President for Financial Services about the investigation's outcome and resulting internal control changes.

#### **600.00 Resources**

600.10 MSU Compliance Hotline for reporting suspected legal, regulatory or policy violations: [www.msucompliancehotline.ethicspoint.com](http://www.msucompliancehotline.ethicspoint.com).

600.20 400.10 How to report fraud, waste or abuse to the State of Montana's Legislative Auditor: [http://leg.mt.gov/css/audit/Fraud%20Hotline/fraud\\_hotline.asp](http://leg.mt.gov/css/audit/Fraud%20Hotline/fraud_hotline.asp).

#### **700.00 References**

700.10 [MCA 5-13-309](#). Information from state agencies.

700.20 MSU policy on [Reporting Suspected Legal, Regulatory or Policy Violations](#)

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