

**SOUTH FLORIDA STATE COLLEGE  
ADMINISTRATIVE PROCEDURES**

**PROCEDURE NO.** 2060

**TITLE:** FRAUD REPORTING PROCEDURE

**BASED ON POLICY:** 2.06 GENERAL POWERS, DUTIES, AND  
RESPONSIBILITIES OF THE PRESIDENT

**OFFICE OF PRIMARY RESPONSIBILITY:** VICE PRESIDENT FOR ADMINISTRATIVE  
SERVICES/CONTROLLER

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I. Purpose:

To address the responsibility of employees and management for the detecting and reporting of fraud and/or suspected fraud

II. Procedure:

A. Definition

1. For the purposes of this policy, fraud shall include but not be limited to:
  - a. Theft or misappropriation of College assets
  - b. Submitting false claims for payments or reimbursement
  - c. Submitting false timesheets and/or failure to submit leave requests for time not worked
  - d. Accepting or offering a bribe or accepting gifts or other favors
  - e. Accepting a commission from a third party
  - f. Black-mail or extortion
  - g. 'Off Books' accounting or making false or fictitious entries
  - h. Knowingly creating and/or distributing false or misleading financial reports
  - i. Paying of excessive prices or fees where justification thereof is not documented
  - j. Violation of the College's procedures with the aim of personal gain or to the detriment of the College

- k. Willful negligence intended to cause damage to the material interest of the College
- l. A dishonorable or irresponsible or deliberate act against the interests of the College

## B. Responsibility for the detection and prevention of fraud

### 1. Responsibility of employees

It is the responsibility of all employees to conduct their College business in such a way as to prevent fraud occurring in the workplace. Employees must also be alert to the possibilities for fraud and be on guard for any indications that improper or dishonest activity is taking place.

### 2. Responsibility of management

- a. All managers are responsible to educate employees of proper conduct within their respective areas. It is the responsibility of the administrators to be familiar with the types of improprieties that might occur in their area and be alert for any indication that improper activity, misappropriation, or dishonest activity is or was in existence in his or her area and put in place controls to avoid such occurrences. Administrators are to comply with applicable laws and regulations.
- b. Administrators are required to support and work with other involved departments and law enforcement agencies in the detection, reporting and investigation of dishonest or fraudulent activity including the prosecution of offenders. If fraud is detected in an area, the administrator or manager is responsible for taking appropriate corrective actions to ensure adequate controls exist to prevent reoccurrence of improper actions.

### 3. Reporting fraud

- a. It is the responsibility of all College employees to report suspicions of fraud without delay according to the procedure laid out below. Persons who cover up, obstruct, or fail to report, will be considered to be an accessory after the fact and may be subject to disciplinary action and/or discharge. Persons who threaten retaliation against a person reporting a suspected fraud shall be subject to disciplinary action up to and including termination of employment.
- b. Great care must be taken in dealing with suspected dishonest or fraudulent activities to avoid:

- 1) Incorrect accusations
  - 2) Alerting suspected individuals to an investigation underway
  - 3) Treating employees unfairly
  - 4) Making statements that could lead to claims of false accusations or other charges
- c. The incident, facts, suspicions, or allegations should not be discussed with anyone inside or outside the College unless specifically directed to do so by the College officer investigating the incident.
- d. Fraud can be detected at any level within the College and the following general principles should apply in the reporting of suspected fraud.
- 1) A person who suspects that a fraudulent practice may be operating should, in the first instance, report the matter to his/her dean or immediate supervisor. Should it be inappropriate to make such a report to an immediate supervisor, the report should be made to a higher level, directly to the vice president for administrative services or the president.
  - 2) Once a report of suspected fraud is made to a supervisor/manager that person should report the suspicion to their dean or immediate supervisor. A dean or immediate supervisor on receipt of a report of a suspected fraud should then report the matter to the vice president for academic affairs and student services in the case of an academic employee and the vice president for administrative services for all other employees.
  - 3) No investigation of the suspected fraud should take place until the vice president for academic affairs and student services and/or vice president for administrative services has been informed.
4. Procedures for the investigation of alleged fraud
- a. The vice president for academic affairs and student services or the vice president for administrative services will (except in any case involving the office) have the responsibility for coordinating the College's response and will seek expert legal advice from the College's legal counsel or other advice if required.
  - b. The vice president for academic affairs and student services or vice president for administrative services, will notify the appropriate staff or internal auditor who will, if appropriate, conduct an initial investigation to gather factual information and reach a preliminary determination as to whether further action is required. The findings, conclusions and

recommendations will be reported to the appropriate vice president or president.

- c. Where initial investigation provides reasonable grounds for suspecting an employee of fraud or a dishonest activity, the relevant vice president or the president will decide if any actions are necessary to prevent further loss. This may require, in consultation with the president, the suspension with or without pay of the member or members of staff (which will take place in accordance with SFSC District Board of Trustees policies) and/or the decision as to whether further investigation is required.
  - d. Each case will be considered individually in accordance with the expert advice obtained with a view to minimizing the losses (both monetary and otherwise) to the College. Having reached a decision as to what further action is necessary and how such actions should be undertaken, the vice president for academic affairs and student services or vice president for administrative services will communicate with the affected employee and the employee's supervisor.
  - e. Results of fraud investigations will be considered and the internal control structure assessed so that a similar recurrence of the same or similar fraud can be prevented or at least promptly detected by the relevant vice president and staff in the future. Documentation regarding the findings, conclusions and recommendations, following consultation with the relevant department(s) will be maintained.
5. Accounting for loss, restitution and recovery
- a. The department incurring the loss from a dishonest or fraudulent act will normally suffer the loss until monies can be recovered through insurance or restitution.
  - b. If the suspected incident involves the Office of the Vice President for Administrative Services, the president shall undertake the role and functions specified for the vice president for administrative services.
6. Disciplinary action
- a. The Human Resources Office will be consulted for any employee disciplinary actions resulting from fraudulent activity.
  - b. Documentation related to such employee discipline will be maintained in the employee's personnel file.

**HISTORY: Last Revised 4/30/19**

**Adopted:** 5/17/85

**Reviewed:**

**Revised:** 8/1/89, 1/21/02, 6/1/05, 5/20/08, 3/20/12, 12/1/15, 4/30/19