

BAY de NOC COMMUNITY COLLEGE BOARD OF TRUSTEES POLICIES

2000 BUSINESS AFFAIRS

2021 ANTI-FRAUD POLICY

It shall be the policy of the Bay de Noc Community College Board of Trustees to charge the President and senior leadership (members of the President's Advisory Council) with the primary responsibility for identifying potential areas of risk, for being aware of the possibility that fraudulent acts could occur in those areas, and for implementing measures to eliminate or minimize fraud. All employees are expected to refrain from acts of fraud or fraudulent behavior, and are encouraged to report suspected fraud. The Human Resource Director is responsible for a periodic notification to all College employees that they are encouraged to report suspected fraud in accordance with procedures outlined in this fraud policy. The President shall also coordinate with the Board of Trustees Finance Committee insofar as these procedures are concerned.

PURPOSE:

This policy is designed to increase awareness by all employees of Bay de Noc Community College of their responsibility for reporting suspected fraud. The creation and implementation of, and adherence to, this fraud policy will help assure that the highest standards of professional ethics are maintained by all.

DEFINITIONS:

Fraud encompasses an array of irregularities and illegal acts characterized by intentional deception. These include, but are not limited to, theft, embezzlement, bribery, misappropriations, falsifying records, forgery or alteration of documents or electronic records, kickbacks, destruction or removal of property, and conflicts of interest. Reference is hereby made to Bay College's policy and guidelines regarding Conflict of Interest and any other policy, which may be applicable to the issues of this Fraud Policy.

PROCEDURE:

When suspected fraudulent incidents or practices are observed by or made known to an employee, the following procedures must be followed:

- 2021.1 The incident or practice shall be reported to the offices of Human Resources or Business Services.
- 2021.2 The reporting employee shall refrain from further investigation of the incident, confrontation of the alleged violator, or further discussion of the incident with anyone other than an appropriate member of the office of Human Resources or Business Services, but shall cooperate with any investigative process conducted by members of these offices. Bay College officials will not allow

any retaliation or punishment against individuals who in good faith provide information concerning suspected fraud. The College will endeavor to maintain the confidentiality of all individuals who are involved in the reporting and/or investigation of the incident.

- 2021.3 The Human Resources and Business Offices shall work together and, based upon the type of incident, determine who will have the primary responsibility for the investigation, documentation and reporting of the incident. If the alleged incident or practice involves senior leadership (members of the President's Advisory Council), the President, or a member of the Board of Trustees, the investigation shall be coordinated and led by the Human Resources Director, who shall report to the Chair of the Finance Committee of the Board of Trustees. Should the Chair of the Finance Committee be the subject of an investigation, the Human Resources Director shall report to the Chair of the Board of Trustees.

All such investigations, documents, and reports shall be considered confidential and highly security-sensitive to the extent allowed by law. The investigators shall consult with the College's legal counsel as necessary so the appropriate legal measures are taken during the investigation to protect the rights, privileges and responsibilities of all parties involved.

- 2021.4 The investigators shall prepare a case report for each investigation. Where there is credible evidence to show that fraud has been committed as defined by this policy, the case report shall include, but not be limited to, the following: subject of the investigation; statement of non-compliance with policy, plan, procedure, law or regulation; description of acts or practices discovered; statements of witnesses; amount and type of loss, the means used to perpetrate the fraud; appropriate documentation; and other data considered necessary. Where the investigation does not yield credible evidence to support the claim of fraud, the case report shall include at least the following: subject of the investigation, statement outlining the allegation of fraud, statement that no credible evidence was obtained to support the allegation, list of witnesses contacted.

The appropriate senior leadership (members of the President's Advisory Council) shall review the case report and discuss the matter with the Vice President of Finance and Operations. They may consult with members of the offices of Human Resources and Business Services, as appropriate. They shall jointly decide whether the matter should be handled as a disciplinary matter, as criminal activity, both or neither. In the event senior leadership

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(members of the President's Advisory Council) cannot reach a joint determination, the President shall be consulted and a determination thereby rendered. Where senior leadership (members of the President's Advisory Council), the President, or a member of the Board of Trustees is involved in the activity, the Chair of the Finance Committee or Chair of the Board of Trustees shall substitute as appropriate to the circumstances.

- 2021.5 The Business Office shall prepare a report recommending actions to be taken to reduce additional losses and to prevent a recurrence of the fraud. The report shall be distributed to the President and senior leadership (members of the President's Advisory Council), as deemed appropriate by the President. A summary report shall be presented to the Finance Committee of the Board of Trustees by the Human Resources Office.
- 2021.6 The President, senior leadership (members of the President's Advisory Council), and the Finance Committee of the Board of Trustees, as appropriate, will direct the actions to be taken to reduce additional losses and prevent a recurrence.
- 2021.7 All files and other material related to an investigation shall be retained for an appropriate period of time by the office of Human Resources.

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