

SUSQUEHANNA TOWNSHIP SCHOOL DISTRICT

SECTION: OPERATIONS

TITLE: FRAUD

ADOPTED: November 21, 2016

REVISED:

828. FRAUD	
1. 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.
2. Definitions	<p>Fraud, financial improprieties, or irregularities include but are not limited to:</p> <ol style="list-style-type: none">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 of little to no value, from contractors, vendors, or persons providing services to the district.8. Destruction, removal, or inappropriate use of district records, furniture, fixtures, or equipment in the normal course of business.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.

Based on his/her judgment, the Superintendent shall coordinate investigative efforts with any of the following:

1. District solicitor.
2. District auditor.
3. Insurance agent.
4. Internal departments.
5. External agencies.
6. Law enforcement officials.

If the Superintendent is involved in the complaint, the Board President is authorized to initiate investigation of the complaint and coordinate the investigative efforts with individuals and agencies s/he deems appropriate.

Records shall be maintained for use in an investigation.

Individuals found to have altered or destroyed records during the course of an investigation shall be subject to disciplinary action.

If an investigation substantiates the occurrence of a fraudulent activity, the Superintendent shall present a report to the Board and appropriate personnel.

The Board shall determine the final disposition of the matter, if a criminal complaint will be filed, and if the matter will be referred to the appropriate law enforcement and/or regulatory agency for independent investigation.

Confidentiality

The Superintendent shall investigate reports of fraudulent activity in a manner that protects the confidentiality of the individuals and facts.

All employees involved in the investigation are required to maintain confidentiality regarding all information about the matter during the investigation.

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.

Prevention

In order to prevent fraud, the Board directs that a system of internal controls be followed that include but are not limited to the following:

1. Segregation of Duties – Where possible, more than one (1) person will be involved in pieces of financial transactions. No one (1) person shall be responsible for an entire financial transaction.
2. Payments – Payments shall be made only by checks. No cash transactions shall be permitted. Check signers shall be approved annually by the Board.
3. Bank Reconciliations – Bank statements and cancelled checks shall be reconciled by individuals who are not authorized to sign checks, nor involved in check processing.
4. Access to Checks – Physical and electronic access to school district checks and accounts shall be limited to those employees with designated business functions.
5. Capital Assets – The business office shall maintain updated lists of district capital assets.
6. Training – Administrators shall be responsible for ensuring that employees under their supervision receive training regarding fraud prevention.

References:

Whistleblower Law – 43 P.S. Sec. 1421 et seq.

Sarbanes Oxley Act of 2002 – 15 U.S.C. Sec. 7201 et seq.

Whistleblower Protection – 18 U.S.C. Sec. 1513

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