POLICIES AND PROCEDURES

Department: Administrative Services
Subject: Fraud Policy
Date Issued: June 30, 2008
Date Revised: 
Approved By: 

I. Policy/Procedure

This policy is established to protect the assets and interests of Luther College. Our goal is to establish and maintain an environment of fairness and honesty for our employees, suppliers and anyone else with whom the College has a relationship. The purpose of this document is to communicate the corporate integrity of Luther College to members of the College community; to increase overall fraud awareness; to provide a deterrent for those tempted by opportunities to perpetrate fraud; and to guide employees on the proper methods for prevention, detection, reporting and handling fraud. Good business practice dictates that suspected misappropriation or other fiscal irregularities be promptly identified and investigated. It is everyone’s responsibility in the Luther College community to report any fraudulent activity.

II. Scope

This policy applies to all members of the Luther College community, faculty, staff, student workers, Board of Regents, volunteers and other representatives who may act on behalf of the College.

III. Terms and Definitions

- Luther College community – all faculty, staff, student workers, Board of Regents, volunteers and other representatives who act on behalf of the College.
- Fraud – a willful or deliberate act with the intention of obtaining unauthorized benefits such as money or property by deception, misconduct, dishonesty or other unethical means.
- Misconduct and dishonesty include, but are not limited to:
  - Embezzlement of financial assets
  - Theft or misappropriation of assets, including monetary funds, securities, supplies, inventories or any other assets (including furniture, fixtures, computers, vehicles and other equipment)
  - Security or internet abuses
  - Forgery or alteration of documents such as checks, timesheets, contractor agreements, purchase orders, other financial documents and electronic files
  - Impropieties in the handling or reporting of money or financial transactions
  - Misrepresentation of financial information
  - Profiting from an official position
  - Authorization of or receiving payment for goods not received or services not performed
  - Authorization of or receiving payment for hours not worked
  - Any similar unethical or unlawful acts

Luther College specifically prohibits these and any other illegal activities in the actions of its employees, managers, executives and others responsible for carrying out the College’s activities.
IV. Procedures and Guidelines

A. Luther College values fairness, integrity and respect, and strives to integrate these values into its business practices. All faculty, staff, student workers and administrators are expected to act at all times with dignity, fairness, integrity, honesty and respect for others. This standard applies to interactions with coworkers, students, suppliers, contractors and the general public.

B. Employment by Luther College requires a commitment to work diligently, to perform assigned duties and to strive to meet the objectives, goals and missions of the College. Members of the Luther College community should avoid conflicts of interest or the appearance of conflicts. Employment responsibilities should promote and protect the best interests of the College, not advance the personal interests of the employee or community member.

C. Persons acting on behalf of Luther College are individually accountable for their own actions and, as members of the Luther College community, are collectively accountable for upholding high standards of ethical behavior and to act in compliance with all applicable laws and policies. No actions by employees should purposely render the College financial statements materially misleading or engage in actions that would influence, coerce, manipulate or mislead an outside auditor of the financial statements.

D. Some professions and disciplines represented within the Luther College community are governed by standards and codes specific to their professions, such as pastors, counselors, attorneys, certified public accountants, and those in the medical profession. Members of these organizations are guided by professional codes of ethics, conduct and responsibility which have been developed by their professions. As affiliates of these groups, they are expected to adhere to them in addition to the codes developed by Luther College.

E. Luther College management is responsible for establishing, documenting and monitoring the internal control system to counter the risks faced by the College.

F. All employees have a duty to act responsibly. Supervisors and managers have additional responsibilities in being vigilant as to what could go wrong in their areas. They should effectively and actively monitor and review all processes and procedures to prevent or detect acts of wrongdoing. By virtue of their leadership status, members of senior management have a special responsibility for complying with this fraud policy and for “setting the tone” for the Board of Regents and the College. This added responsibility requires senior management to:
   ● Provide leadership and vision and serve as role models as stewards of the College’s finances, assets, resources and business processes
   ● Be trustworthy and act in a responsible, reliable and dependable manner
   ● Avoid actual or apparent conflicts of interest involving personal and professional relationships
   ● Work to promote ethical behavior among employees
   ● Communicate to all members of the Luther College Community the content of this policy and strive to ensure that these standards are upheld
   ● Clearly indicate that integrity is not to be compromised in order to achieve results
   ● Create an environment that encourages members of the Luther College Community to report policy and law violations promptly and to protect such persons from retaliation.

G. Anyone who believes fraud has occurred should report such incident to the Office of Human Resources, their supervisor, or a member of the College administration.
H. If the employee is not comfortable talking to persons in these categories, they have the opportunity to remain anonymous by reporting the fraud or crime through a third party, the Campus Conduct Hotline, http://hr.luther.edu/CampusConductHotline.html. Specifically, dial toll-free (866-943-5787) and the reporting and follow-up process will work as follows:

- A representative of Campus Conduct Hotline, who makes certain that you understand the Campus Conduct Hotline program and how it functions, will greet your call promptly and courteously.
- At the beginning of the interview, you will be provided with a five-digit, randomly generated case number that you should use when checking for updates and requests for additional information. Be sure to record this number and remember where you stored it, as you will need it for future reference.
- You will then be interviewed about your question or concern.
- Your interview will not be recorded. Instead, the interviewer will be typing notes of your conversation. Whether you choose to provide your name is completely voluntary.
- Due to the program’s built-in confidentiality, it is important that you try to be as specific as possible about the information you provide. You will need to disclose the name of the department or individual you are calling about. At no time is any caller required to identify himself or herself so all information provided can be completely confidential and anonymous.
- Within one business day of the call, a summary of the interview will be forwarded to the appropriate college official – usually the Director of Human Resources. The goal is that a response to your concerns will be available to you in five business days.
- To receive a response, you will need to return a call to Campus Conduct Hotline in five business days. You will need to provide the five-digit case number that was originally assigned to your concern. At that time, you may be asked to provide additional information or be asked to call back at a later date. You should keep checking the Campus Conduct Hotline for updates until your case is closed.
- If at any time you prefer that someone contact you directly, you may leave your name along with a telephone number as to where and when you would like to be reached.
- General questions about the Campus Conduct Hotline may be directed to the Director of Human Resources, ext. 1189.

I. Luther College is committed to the deterrence, detection and correction of misconduct and dishonesty. The discovery, reporting and documentation of such acts provides a sound foundation for the protection of innocent parties, the taking of corrective action against offenders up to and including dismissal where appropriate, the referral to law enforcement agencies when warranted by the facts, and the recovery of assets.

V. Confidentiality and Record

Like all organizations, Luther College is faced with risks from wrongdoing, misconduct, dishonesty and fraud. As with all business exposures the College must be prepared to manage these risks and their potential impact in a professional manner. If unethical or illegal practices are reported, confidentiality shall be maintained to the greatest extent possible within the requirements of conducting reasonable investigations. Only those who have an immediate need will be given the identity of the party or parties involved. Any attempt by a faculty member, staff member or student to penalize or retaliate in any way against a complainant or witnesses is prohibited specifically by this policy and will be treated as a separate incident subject to the appropriate corrective action.

Luther is committed to maintaining the highest standards of behavior in our workplace. Links to additional important documents and policies can be found at:

- http://hr/internal/staffhandbook.html
- \Admin1.luther.edu\luther_common\Policies and Procedures