



Subject: Reporting of Fiscal Improprieties Procedure	Division/Area: Business & Finance/Financial & Support Services	Effective Date: 01/27/2023 Issue Date: 01/27/2023 Review Date: 01/27/2025
	Policy Stat ID: 11789665 – Campus Reporting of Fiscal Improprieties	Approval: <i>Rose McAuliffe</i> Jan 27, 2023 <small>Rose McAuliffe (Jan 27, 2023 17:21 PST)</small> Rose McAuliffe, VP B&F/CFO

A. Purpose

To familiarize employees with Executive Order (EO) 1104 – Campus Reporting of Fiscal Improprieties and to provide campus procedures and checklist for the internal reporting process for fraud and other significant incidents.

B. Scope of Procedure

This procedure applies to Stanislaus State University and all Stanislaus State auxiliary organizations.

C. Definitions

Fiscal Impropriety – Intentional or deliberate act designed to deceive other persons and cause them financial loss

Internal Fraud/Occupational Fraud - The use of one’s occupation for personal enrichment through the deliberate misuse or misappropriation of the organization’s resources or assets

External Fraud – Financial, material, or reputational loss as the result of fraudulent action of persons external to the organization

Significant Incident – Unintended or unexpected event large enough to be important or affect a situation to a noticeable degree

Misappropriation of assets – Using organization assets for personal gain, stealing

Corruption – Any dishonest or fraudulent behavior wherein someone uses their position of power for private gain

Fraudulent statements – Intentional false statements or misrepresentation of facts made with the intent to deceive another party



D. Procedure

1. Types of incidents to be reported – examples include but are not limited to:
 - Forgery or unauthorized alteration of any document or account belonging to the CSU
 - Forgery or unauthorized alteration of a check, bank draft, or any other financial document
 - Misappropriation of funds, supplies, or other CSU assets, including employee time
 - Theft of university or auxiliary funds by a third party
 - Theft of student funds, including financial aid awards
 - Impropriety in the handling of money or reporting of CSU financial transactions
 - Profiting as a result of insider knowledge of CSU information or activities
 - Unauthorized disclosure of investment activities engaged in or contemplated by the CSU
 - Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the CSU, except as permitted by law and CSU policy
 - Any other dishonest act regarding the finances of the CSU
2. Responsible parties
 - Audit Liaison – responsible for communicating to VP/CFO and President
 - Individual identifying impropriety – responsible to report incident to Audit Liaison
 - President – responsible for enforcing, scheduling, and hosting annual cabinet level training. *(The President may request an advisory audit through the Office of Audit and Advisory Services or may request a formal investigation with the endorsement of the Chancellor and approval of the Chair of the Board of Trustees' Committee on Audit.*
 - Sr. AVP Human Resources, Equal Opportunity & Compliance – responsible for assistance in investigation if internal fraud
 - VP Business & Finance/CFO – responsible for communicating to campus President & Chancellor's Office through EO 1104 notification and reporting semi-annually to cabinet on any known fiscal improprieties
3. Individuals to contact/notify

Campus

 - Accounts Payable, if applicable
 - Audit Liaison



- Human Resources, if applicable
- Information Security Officer
- Legal Counsel
- President
- Procurement, if applicable
- Safety & Risk Management, if applicable
- University Police Department
- Vice President Business & Finance/CFO

Chancellor's Office

- Audit & Advisory Services
- Contract Services & Procurement, if systemwide implications
- Controller
- Financing & Treasury
- Financial institution (e.g., Wells Fargo)
- Information Technology
- Risk Management

External Parties

- FBI

4. Timeline, Method of Notification

- Audit Liaison - Initial campus notification – Upon identification of fiscal impropriety, verbally and via email, within 24-48 hours of incident
- Audit Liaison - Complete Fiscal Impropriety and Significant Incident Checklist within five days of occurrence of incident
- VP Business & Finance/CFO - Chancellor's Office and other state officials, as applicable – via email within five days of determination that incident is [reportable](#), using EO 1104 notification template, signed by campus President or campus VP Business & Finance/CFO with a copy to campus President

5. Required Subsequent Actions – Audit Liaison

- Conduct and document full investigation of incident
- Contact appropriate prosecuting authority
- Provide progress report on investigation of incident every thirty days following initial reporting until final report provided
- Provide final report when investigation is complete (when campus has completed the decisions or actions that are within its authority, including the implementation of all planned corrective action)



- Follow up report, if applicable
6. Required Corrective Action
- As identified in Investigation Report – Campus Audit Liaison will track completion and report status of completion to Campus VP Business & Finance/CFO, Campus President, and other relevant parties

E. Training Requirements

1. Audit Liaison will conduct annual training with cabinet members
2. Campus VP Business & Finance/CFO will send out semi-annual reminder to campus community
3. Audit Liaison will post and review annually information related to the reporting of fiscal improprieties on the campus audit website page

F. Attachment A– Fiscal Impropriety Checklist



Fiscal%20Impropriety%20Checklist.xlsx

G. Attachment B – [EO 1104](#)

APPROVAL AND REVISION HISTORY

Approved by	Title	Signature	Date Approved	Effective Date	Version	Description of changes
Rose McAuliffe	VP B&F/CFO		01/27/2023	Upon approval	1.0	Initial Release