

<b>The University of North Texas at Dallas Policy Manual</b>	Chapter 10.000
<b>10.001 Fiduciary Responsibility</b>	<b>Fiscal Management</b>

**Policy Statement.** It is the policy of the University of North Texas at Dallas to protect the assets, resources, and interests of the University; to increase the awareness of all employees of their fiduciary responsibilities, and to govern the reporting and investigation of allegations of suspected fraud, waste, and abuse by establishing and maintaining strong internal control systems to assist in the prevention, deterrence and detection of fraud, waste, and abuse as prescribed by Governor’s Executive Order #RP36.

**Application of Policy.** This policy applies to the total university.

**Definitions.**

1. **Fraud.** “Fraud” means any intentional act or omission designed to deceive others and resulting in the victim suffering a loss and/or the perpetrator achieving a gain (a willful or deliberate act or failure to act with the intention of obtaining an unauthorized benefit, such as money or property, by deception or other unethical means). For purposes of this policy, fraud and fraudulent activities include, but are not limited to, such acts as:
  - i. theft of any University asset including money, tangible property, time, trade secrets and intellectual property;
  - ii. embezzlement;
  - iii. bribery/rebate/kick-back;
  - iv. misappropriation, misapplication, destruction, removal or concealment of University assets;
  - v. forgery, alteration, or falsification of documents; and
  - vi. conflicts of interest.
  
2. **Waste.** “Waste” means intentional or unintentional, thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of resources to the detriment of the University. Waste also includes incurring unnecessary costs as a result of inefficient or ineffective practices, systems, or controls.
  
3. **Abuse.** “Abuse” means excessive or improper use of a resource. Intentional destruction, diversion, manipulation, misapplication, or misuse of resources. Extravagant or excessive use as to abuse one’s position or authority.
  
4. **Employee.** “Employee” means any faculty member, staff member, or student who receives compensation, either full or part time, from the University. The term also includes any volunteer who provides services to the University through an official arrangement with the University or a University organization.

5. Management. "Management" means any administrator, manager, account holder, director, supervisor, or other individual who manages or supervises funds or other University resources, including human resources.
6. Factual Information. "Factual Information" Information supported by observation and/or documentation.

### **Procedures and Responsibilities.**

1. **Responsibilities of Management**. Management at all levels with the University are responsible for establishing the appropriate tone of fiduciary responsibility by promoting a culture founded on integrity and high ethical standards and principles. Management must display the proper attitudes toward complying with laws, policies, and rules, including the Governor's Executive Order #RP36 on fraud prevention.
  - 1.01. The Chief Financial Officer/Vice President Finance and Administration (CFO) shall have the primary responsibility for identifying potential areas of risk for fraud, waste, and abuse through a formal risk assessment process and for taking the appropriate actions to minimize the risks to an acceptable level.
  - 1.02. The CFO shall designate a contact person responsible for overseeing the University's fraud prevention program.
  - 1.03. Irrespective of how incidences of suspected fraud, waste, and abuse are initially reported, the CFO is responsible for ensuring the issue is reported in a timely manner to the University of North Texas System's Chief Internal Auditor, Office of General Counsel, and other appropriate authorities.
  - 1.04. The University will not tolerate retaliation against individuals who report fraud, waste, and abuse. Management at all levels within the University is responsible for ensuring that employees can report these activities without fear of retaliation.

Responsible Party: All University Management/ Chief Financial Officer

2. **Responsibilities of All Employees**. All employees are responsible for acting with propriety in the use of any resources of the University and to abide by laws, policies, and rules of the University. When suspected fraud, waste, or abuse is observed by or made known to an employee, the employee is responsible for reporting reasonable, factual information that contains as much specific information as possible to allow for proper assessment of the nature, extent, and urgency of preliminary investigative procedures.

- 2.01. When suspected fraud, waste, or abuse is observed by or made known to an employee, the employee is responsible for reporting that information to his/her superior for reporting to the proper management official. When the employee believes the supervisor is involved in the inappropriate activity, the employee shall make the report to the next higher level of management.
- 2.02. Although these reports can be made anonymously, employees are encouraged to provide identifying information to ensure a more thorough investigation. The identity of the reporting employee will remain confidential to the extent allowed by law.
- 2.03. The reporting employee shall refrain from further investigation and discussion of the incident unless requested to by the CFO, Internal Audit, Office of General Counsel, and/or law enforcement.

Responsible Party: University Employees

3. **Responsibilities of the Chief Internal Auditor.** The University of North Texas System's Chief Internal Auditor shall have the primary responsibility for the investigation, documentation, and reporting of all allegations of suspected fraud, waste, and abuse in the University. The Chief Internal Auditor shall notify the State Auditor's Office of fraudulent or unlawful conduct that has occurred within the University as required by state law. The investigation, documentation, and reports shall be considered confidential to the extent permitted by law.

Responsible Party: Chief Internal Auditor

4. **Investigation Process.** The CFO shall insure that the University uses all available resources to investigate allegations of suspected fraud, waste, and abuse. Participation among appropriate parties, including Internal Audit, Office of General Counsel, and law enforcement officials, shall allow for a comprehensive and coordinated investigative process to be conducted.

Responsible Party: Chief Financial Officer

5. **Actions.** The University shall pursue appropriate corrective, disciplinary, and/or recovery actions concerning employees found to have participated in fraudulent, wasteful, or abusive acts as defined by this policy. The Director of Human Resources shall be consulted prior to taking any corrective, disciplinary, or recovery action.

Responsible Party: Chief Financial Officer/ Director of Human Resources

**References and Cross-references.**

State of Texas Governor's Executive Order #RP36, dated July 12, 2004

Regents Rule 10.702

Texas Government Code, § 321.022

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