

1. This policy applies to the institutions.
2. "Fiscal misconduct" is a willful or deliberate act with the intention of obtaining an unauthorized benefit, such as money or property, by deception, concealment of material fact, or other unethical means. Fiscal misconduct also includes abusive financial practices or financial irregularities that give the appearance of fiscal misconduct or impropriety. Examples of fiscal misconduct include:
 - a. Theft or embezzlement of institution funds or assets (supplies, equipment, etc.)
 - b. Bribery, kickbacks or bid rigging.
 - c. Unauthorized use of institution equipment and property, such as communication systems, computers, automobiles or building space.
 - d. Accepting or seeking anything of material value from contractors, vendors, or persons providing services/materials to the institution in exchange for official action.
 - e. Falsification of official financial records such as contracts, timesheets, travel claims, vendor invoices, etc.
 - f. Improper destruction or alteration of institution financial records.
 - g. Improprieties in the handling of money or financial transactions.
 - h. Illegal or unauthorized transfer, storage or distribution of institution data for personal gain.
 - i. Intention misuse of Institution trademarks, licenses, etc.
 - j. Compensation for hours not worked or covered by appropriate available leave.
 - k. Significant violations of institution accounting policy or procedures
3. Institution Responsibilities
 - a. Institution employees are prohibited from engaging in any activity that constitutes fiscal misconduct.
 - b. Institution employees are responsible for making reasonable efforts to prevent and detect fiscal misconduct within their areas of responsibility. This includes

establishing and adhering to a system of internal controls in accordance with institution policy and procedure.

- c. Institution employees are required to report known or suspected fiscal misconduct. Reports can be made through established institution reporting mechanisms or directly to Internal Audit and Advisory Services (IAAS).
- d. Institution administrators, managers and supervisors who receive reports of fiscal misconduct are required to immediately notify IAAS and the institution compliance officer.
- e. Accusations of fiscal misconduct not made in good faith may be grounds for disciplinary action.
- f. Institution employees are required to cooperate with IAAS, legal counsel, institution compliance officers and others who have been engaged to assist in the review or investigation of suspected fiscal misconduct.
- g. Institution employees are prohibited from performing their own investigations of potential fiscal misconduct.

4. Fiscal Misconduct Investigations

- a. All reports of fiscal misconduct will be reviewed by the Chief Audit Executive (CAE) pursuant to Board Policy V.H. The CAE will work with the institution legal counsel and compliance officers, as applicable, to plan and coordinate review of reports of fiscal misconduct. A review may include work performed by IAAS, other institution administrative areas (e.g., compliance, human resources, information technology services, etc.) and/or outside investigators or reviewers.
- b. The CAE shall make the final determination as to the level of IAAS involvement. The CAE has the authority to escalate any issue to the Audit, Risk and Compliance Committee of the State Board of Education.

5. Whistleblower Protection

- a. Institutions are prohibited from taking adverse action against an employee because the employee, or a person authorized to act on behalf of the employee, communicates in good faith the existence of any waste of public funds, property or manpower, or a violation of a law, rule or regulation adopted under the law of Idaho or who participates in investigations or court cases relating to the

allegation. See Idaho Protection of Public Employees Act, Idaho Code, Title 6, Chapter 21.

6. Violation of Policy

- a. Violations of this policy could result in one or more of the following:
 - i. Disciplinary action up to and including termination of employment
 - ii. Repayment or replacement of institution property or money
 - iii. Referral to law enforcement for additional investigation
 - iv. Civil action

7. Resolution

- a. The Board, at its discretion, can choose to directly resolve any matter of fiscal misconduct, but shall always determine the resolution of fiscal misconduct involving an institution chief executive officer.
- b. For matters not directly resolved by the Board, the institution chief executive officer has the final authority to decide on appropriate resolution or corrective action needed in response to violation of this policy.