

C.1.1.1 (Procedure) Financial Ethics and Accountability

Responsible Department: Vice Chancellor for Finance and Administration

Based on Board Policy: [C.1.1](#) - Financial Ethics and Accountability

Approved: 8-18-09

Last Amended: 2-5-18

The Alamo Colleges District prohibits fraud and financial impropriety, as defined below, in the actions of its trustees, employees, vendors, contractors, consultants, volunteers, and others seeking or maintaining a business relationship with the Alamo Colleges District.

Definition

Fraud and financial impropriety includes but is not be limited to:

1. Forgery or unauthorized alteration of any document, electronic record or account belonging to the Alamo Colleges District.
2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document including any entry in Alamo Colleges District financial computer systems.
3. Misappropriation of funds, securities, supplies, or other Alamo Colleges District assets, including employee time.
4. Impropriety in the handling of money or reporting of Alamo Colleges District financial transactions.
5. Profiteering as a result of insider knowledge of Alamo Colleges District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties, regardless of whether the discloser will, or could, personally benefit from the disclosure.
7. Unauthorized disclosure of investment activities engaged in or contemplated by the Alamo Colleges District.
8. Accepting or seeking anything of more than nominal value from contractors, vendors, or other persons providing services or materials to the Alamo Colleges District, except as otherwise provided by law or Alamo Colleges District policy.
9. Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
10. Failing to provide financial records required by state or local entities.
11. Failure to disclose conflicts of interest as required by law or Alamo Colleges District policy.
12. Any other dishonest act regarding the finances of the Alamo Colleges District.

Financial Controls and Oversight

Each employee who supervises or prepares Alamo Colleges District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his/her area of responsibility for fraud and financial impropriety.

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Fraud Prevention

The Chancellor or designee shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the Alamo Colleges District.

Reports

Any person who suspects fraud or financial impropriety in the Alamo Colleges District shall report the suspicions immediately to any supervisor, the Chancellor or designee, the Board Chairperson, the Alamo Colleges District Ethics Hotline, local law enforcement, internal audit or the State Auditor's Office Hotline.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

Protection from Retaliation

The Alamo Colleges District shall not tolerate any form of retaliation against a person who in good faith reports perceived fraud or financial impropriety or for cooperating with an investigation. The Alamo Colleges District reserves the right to decline to indemnify or defend any employee or Trustee who engages in retaliation in violation of this policy.

However, nothing in this policy limits or delays the Alamo Colleges District's right to take appropriate disciplinary actions, up to and including termination, when an employee's behavior warrants the action.

Investigation

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Chancellor, Board Chairperson, or a designee shall promptly investigate reports of potential fraud or financial impropriety.

Response

If an investigation substantiates a report of fraud or financial impropriety, the Chancellor, Board Chairperson, or a designee shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Chancellor or designee shall take or recommend appropriate disciplinary action, which may include termination of employment.

If a contractor or vendor is found to have committed fraud or financial impropriety, the Alamo Colleges District shall take appropriate action, which may include cancellation of the Alamo Colleges District's relationship with the contractor or vendor.

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When circumstances warrant, the Board, Chancellor, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to the Alamo Colleges District, the Alamo Colleges District may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with the Office of Legal Affairs.

Analysis

After any investigation substantiates a report of fraud or financial impropriety, the Chancellor or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The Chancellor or designee shall ensure that appropriate administrative procedures are developed and implemented to prevent future misconduct. These measures shall be presented to the Board for review.