PURPOSE:

This policy is designed to establish the overall roles and responsibilities of the University of Richmond’s (the “University”) employees and its affiliates for identifying, reporting, and investigating financial fraud, waste, and abuse (collectively, “misconduct”).

SCOPE:

This policy applies to the University of Richmond and all of its Affiliates. As used in this policy, the term “Affiliates” means organizations or entities in which the University owns a controlling interest or has the right to elect the majority of the entity’s governing board.

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POLICY STATEMENT:

FIN-16001.1 – Definitions

Abuse
Abuse involves behavior that is excessive or improper when compared with behavior that a prudent person would consider a reasonable and necessary business or educational practice in a similar situation, given the facts and circumstances. Abuse also includes misuse of authority or position for personal financial gain or for
those of a family member or business associate. Abuse does not necessarily involve fraud, violation of laws, regulations, or provisions of a contract or grant agreement, and can occur in both financial or nonfinancial settings. Examples may include use of University resources for personal use, excessive charges, improper billing practices, or payment for unnecessary and/or unauthorized services.

**Fraud, including Financial Misconduct**

Fraud is the intentional deception perpetrated by an individual or individuals, or an organization, either internal or external to the University, which could result in a tangible or intangible benefit to themselves, others, or the University, or could cause detriment to others or the University. Fraud and financial misconduct include making a false representation of a matter of fact, whether by word or conduct; making false or misleading statements; or concealing that which should have been disclosed, which deceives the other party and is intended to deceive.

Fraud and financial misconduct may include, but is not limited to, the following actions:

- Embezzlement or financial irregularity
- Misappropriation, misapplication, removal, or concealment of assets
- Falsification of work or employment records
- Engaging in bribery, kickbacks, or seeking unauthorized rebates
- Forgery, falsification, or alteration of documents
- Authorizing or receiving payments for goods or services not performed
- Consistent misuse of the p-card for personal purchases
- Inappropriate deposit or transmission of University funds

**Good Faith Claim**

An honest and sincere belief that fraud, waste, or abuse has occurred.

**Internal Controls**

Policies, practices, and procedures that are designed to provide reasonable assurance that objectives are achieved in the following categories:

- Effectiveness and efficiency of operations (including safeguarding of assets and records)
- Reliability of financial reporting
- Compliance with laws and regulations

Internal controls are used to monitor and control the use of University assets and, thereby, reduce the potential for fraud and financial misconduct.

**Retaliation**

An adverse employment action or credible threat of an adverse employment action, taken against an employee who has reported actual or suspected misconduct, participated in an inquiry or investigation, or raised a concern. Types of adverse action include, but are not limited to the following: dismissal from employment; demotion; unfounded negative performance evaluations or job references; loss of salary or
benefits; transfer or reassignment; denial of promotion that otherwise would have been received; or unwarranted actions as part of the University’s progressive discipline process. Disciplinary action taken as a result of misconduct is not considered retaliation.

Waste

Waste is the intentional, thoughtless or careless expenditure, consumption, mismanagement, use, or squandering of resources, to the detriment or potential detriment of the University and its educational mission.

FIN-16001.2 – Policy

The University is committed to maintaining the highest professional standards in its operations; promoting ethical practices among its faculty, staff, and affiliates; and ensuring a level of accountability appropriate for a higher education institution. The University has a “no-tolerance” approach to fraudulent misconduct or abuse of University or University-related funds, property, or other resources. University employees are responsible for safeguarding resources under their control and for ensuring that those resources are used only for authorized purposes as determined by institutional policies, procedures, and applicable laws. University administration and all levels of management have additional responsibility for establishing and maintaining an adequate system of internal control designed to prevent and detect errors or irregularities that may lead to misconduct. In addition, management is responsible for setting the appropriate tone of intolerance for misconduct by displaying the proper attitude toward complying with laws, rules, regulations, and policies. Finally, administrators should be cognizant of the risks and exposures inherent in their area of responsibility, be familiar with the types of improprieties that might occur within their area of responsibility, and be alert for any indications of irregularity.

An employee suspected of committing or otherwise involved in misconduct may be suspended with or without pay, at the discretion of the University, during an investigation of the allegations. If the evidence indicates that the employee participated in or is otherwise involved in misconduct, the employee will be subject to disciplinary action, up to and including termination, in accordance with the Student Code of Conduct, Faculty Handbook, or the Code of Organizational Ethics and Integrity, as applicable. In addition, criminal or civil actions may be taken against employees who participate in misconduct. The determination of disciplinary action is not dependent on the outcomes of law enforcement’s investigations or prosecutorial decisions as to whether or not to file charges.

The University prohibits retaliation against employees for making good faith claims, as stated in the University’s Policy Prohibiting Retaliation. The University will provide appropriate support to reporting employees to protect against retaliation and respond to concerns of retaliation or unfair treatment linked to the employee's reporting. Any such concerns may be reported to Human Resources.

FIN-16001.3 – Roles and Responsibilities

Responsibilities for Reporting Misconduct

All members of the University community have a responsibility for the stewardship of the University’s resources and ensuring that those resources are used for appropriate purposes. Upon the discovery of
circumstances that suggest financial misconduct may have occurred, University employees have an obligation to report the incident in a timely manner to one of the following:

- University of Richmond Internal Audit Department: (804) 289-8099
- University of Richmond Police Department: Non-Emergency (804) 289-8715
- Confidential University Ethics and Compliance Helpline (804) 287-1800

Responsibilities for Investigating Allegations of Financial Misconduct
All reported allegations will be fully reviewed and reported to appropriate levels of management for further determination of disciplinary measures. Investigating responsibilities are as follows:

1. Employees are expected to be truthful and fully cooperate with those performing the investigation pursuant to this policy.

2. Employees should not confront the individual being investigated or initiate investigations on their own; such actions can compromise any ensuing investigation. The investigation must maintain a level of confidentiality and therefore must be restricted to those individuals authorized to investigate the allegation.

3. Except for instances that involve immediate safety or personal welfare concerns, the occurrence of suspected misconduct shall be initially investigated by the Internal Audit Department often in consultation with the University’s General Counsel to determine the possible extent of the misconduct or criminal activity. This includes those instances reported through the University Ethics and Compliance Helpline, as well as those reported directly to management.

4. The Department of Internal Audit will be responsible for coordinating audits or reviews in instances where there appears to be a misuse of University resources, or when allegations of misconduct exist but it is unclear that a law has been violated.

5. In order to avoid the use of investigatory techniques that might prevent evidence from being used in a criminal prosecution; the University Police Department will assume the lead on the criminal investigation once probable criminal activity has been detected. The Department of Internal Audit shall assist University Police in investigations of suspected theft, misappropriation, and other fiscal irregularities.

6. Those individuals assigned to investigate suspected misconduct will have free and unrestricted access to examine, copy, and/or remove all University records and premises, whether owned or rented, as it relates to the alleged misconduct.

7. If suspected misconduct or other wrongdoing involves programs funded in whole or in part with federal funds, additional actions, as required under the relevant agreement, program requirements, or Federal regulations, may be required. It is the responsibility of the University to fully comply with all additional reporting disclosures and other requirements as described in award documents.

**RELATED POLICIES:**

[Code of Organizational Ethics and Integrity]
POLICY BACKGROUND:

Prior to approval on May 28, 2019, policy was reviewed by President’s Cabinet and Academic Deans on May 05/20/2019, and Audit and Compliance Committee of the Board of Trustees on 04/25/2019.

POLICY CONTACTS:

Assistant Vice President for Internal Audit