

All Board members, employees, vendors, contractors, agents, consultants, volunteers, and any other parties who are involved in the College District's financial transactions shall act with integrity and diligence in duties involving the College District's fiscal resources.

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**Note:** See the following policies and/or administrative regulations regarding conflicts of interest, ethics, and financial oversight:

- Code of ethics:
    - for Board members—BBF
    - for employees—DH
  - Financial conflicts of interest:
    - for public officials—BBFA
    - for all employees—DBD
    - for vendors—CFE
  - Compliance with state and federal grant and award requirements: CAA, CAAB
  - Financial conflicts and gifts and gratuities regarding federal funds: CAA, CAAB
  - Systems for monitoring the College District's investment program: CAK
  - Budget planning and evaluation: CC
  - Compliance with accounting regulations: CDC
  - Criminal history record information for employees: DC
  - Disciplinary action for fraud by employees: DCC and DM series
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### **Fraud and Financial Impropriety**

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

#### Definition

Fraud and financial impropriety shall include but not be limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the College District.

2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other College District assets, including employee time.
4. Impropriety in the handling of money or reporting of College District financial transactions.
5. Profiteering as a result of insider knowledge of College District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties.
7. Unauthorized disclosure of investment activities engaged in or contemplated by the College District.
8. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the College District, except as otherwise permitted by law or College District policy. [See [CAA](#), DBD]
9. Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
10. Failing to provide financial records required by federal, state, or local entities.
11. Failure to disclose conflicts of interest as required by law or College District policy.
12. Any other dishonest act regarding the finances of the College District.
13. Failure to comply with requirements imposed by law, the awarding agency, or a pass-through entity for state and federal awards.

**Financial Controls and Oversight**

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

**Fraud Prevention**

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

Reports

Any person who suspects fraud or financial impropriety in the College District shall report the suspicions immediately to a person with authority to investigate them, including any supervisor, the

College President or designee, the Board President, or local law enforcement.

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*

Neither the Board nor any College District employee shall unlawfully retaliate against a person who in good faith reports perceived fraud or financial impropriety. [See DG]

**Fraud Investigations**

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the College President, Board President, 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 College President or 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 College President 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 College District shall take appropriate action, which may include cancellation of the College District's relationship with the contractor or vendor.

When circumstances warrant, the Board, College President, or designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to the College District, the College 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 legal counsel.

Federal Awards  
Disclosure

The College District shall promptly disclose, in a timely manner in writing ~~to~~whenever, in connection with the federal ~~awarding agency award, which includes any activities~~ or ~~pass-through entity, all violations~~subawards, the College District has credible evidence of the commission of a violation of federal criminal law involving fraud, conflict of interest, bribery, or gratuity violations ~~potentially affecting a~~found in federal ~~grant award~~law, including the Civil False Claims Act. [See CAAB]

**Analysis of Fraud**

After any investigation substantiates a report of fraud or financial impropriety, the College President or designee shall analyze conditions or factors that may have contributed to the fraudulent or improper activity. The College President 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.