

Wabasha-Kellogg Public Schools Policy

702-1 FISCAL MANAGEMENT GOALS AND OBJECTIVES – FINANCIAL ETHICS

I. GENERAL PURPOSE

As trustee of local, state, and federal funds allocated for use in public education, the Wabasha-Kellogg School District board and employees will be vigilant in fulfilling the responsibility to see that these funds are used wisely for achievement of the purpose for which they are allocated.

II. ETHICAL AND PROFESSIONAL CONDUCT

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

See the Cross References section at the end of this policy for administrative regulations regarding conflicts of interest, ethics, and financial oversight.

III. FRAUD AND FINANCIAL PROPERTY DEFINITION

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

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

- A. Forgery or unauthorized of any document or account belonging to the School District.
- B. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
- C. Misappropriation of funds, securities, supplies, or other School District assets, including employee time.
- D. Impropriety in the handling of money or reporting of School District financial transactions.
- E. Profiteering as a result of insider knowledge of School District information or activities.
- F. Unauthorized disclosure of confidential or proprietary information to outside parties.
- G. Unauthorized disclosure of investment activities engaged in or contemplated by the School District.
- H. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or School District policy.
- I. Inappropriately destroying, removing, or using records, furniture, fixtures, or

equipment.

- J. Failure to provide financial records required by federal, state, or local entities.
- K. Failure to disclose conflicts of interest as required by law or School District policy.
- L. Any other dishonest act regarding the finances of the School District.
- M. Failure to comply with requirements imposed by law, the awarding agency, or a pass-through entity for state and federal awards.

IV. FINANCIAL CONTROLS AND OVERSIGHT

Each employee who supervises or prepares School 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.

V. FRAUD PREVENTION REPORTS

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

Any person who suspects fraud or financial impropriety in the School District shall report the suspicions immediately to any supervisor, the Superintendent or designee, the Board Chair, 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.

VI. PROTECTION FROM RETALIATION

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

VII. FRAUD INVESTIGATION

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

VIII. RESPONSE

If an investigation substantiates a report of fraud or financial impropriety, the Superintendent 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

Superintendent 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 District shall take appropriate action, which may include cancellation of the District's relationship with the contractor or vendor.

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

IX. FEDERAL AWARDS DISCLOSURE

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.

X. ANALYSIS OF FRAUD

The School District shall disclose, in a timely manner in writing to the federal awarding agency or pass-through entity, all violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting a federal grant award.

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

Legal References: Reference: MS§ 363A.15 Reprisals, MS§ 181-931 et seq.

Cross References: Wabasha-Kellogg Policy 209 (Code of Ethics)
Wabasha-Kellogg Policy 210 (Conflict of Interest – School Board Members)
Wabasha-Kellogg Policy 306 (Administrator Code of Ethics)
Wabasha-Kellogg Policy 403 (Discipline, Suspension and Dismissal of School District Employees)
Wabasha-Kellogg Policy 404 (Employment Background Checks)
Wabasha-Kellogg Policy 421 (Gifts to Employees)
Wabasha-Kellogg Policy 511 (Student Fundraising)
Wabasha-Kellogg Policy 701 (Establishment and Adoption of School District Budget)
Wabasha-Kellogg Policy 701.1 (Modification of School District Budget)
Wabasha-Kellogg Policy 702 (Accounting)
Wabasha-Kellogg Policy 702-1 (Fiscal Management Goals & Objectives-

Financial Objectives)

Wabasha-Kellogg Policy 702-1 (State and Federal Revenue Sources

Conflict of Interest

Wabasha-Kellogg Policy 705 (Investments)

Wabasha-Kellogg Policy 715 (Inventory and Sale of Federal Funded
Equipment)