

Fiscal Misconduct – Affiliated Campuses Policy

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Subject: Financial Affairs
Effective Date: October 7, 2015
Review Date: January 2026
Responsible Party: MSU Billings: Vice Chancellor for Administrations and Finance
MSU at Bozeman: Vice President for Administration and Finance
Great Falls College MSU: Executive Director of Operations
MSU-Northern: Vice Chancellor for Administration and Finance

Scope:

This policy applies to the following MSU campuses:

- MSU Billings
- MSU at Bozeman
- Great Falls College MSU
- MSU-Northern

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100.00 Introduction and Purpose

This policy establishes the procedures for reporting and resolving instances of known or suspected fiscal misconduct.

100.10 Definitions:

Fiscal Misconduct – A deliberate act, or failure to act, by any party regarding fiscal matters that violates laws, regulations or policies. Examples include:

- embezzlement;
- misappropriation of goods, services, or resources;
- diversion of assets;
- conflict of interest situations;
- violation of federal, state or University fiscal laws, regulations, policies or procedures;

- use of University facilities and equipment or use of personnel for personal gain; and
- any activity related to intentional wrongdoing and improper behavior related to federal, state or University fiscal matters.

Response Team – The individuals identified by a Responsible Official to conduct an inquiry into reports of fiscal misconduct.

Responsible Official – The campus administrator responsible for responding to fiscal misconduct reports. The Responsible Official(s) for each campus are listed in Section 200 At MSU at Bozeman, all Responsible Officials collectively will be known as the Fiscal Misconduct Committee.

200.00 Reporting

Any employee or student associated with the University who knows of, or suspects, fiscal misconduct should promptly notify his or her supervisor or one of the Responsible Officials for his or her campus indicated below to initiate a response to the situation. If a supervisor is notified of suspected fiscal misconduct, they will promptly notify a Responsible Official.

Alternatively, anyone who suspects fiscal misconduct can use the MSU Compliance Hotline to report the situation (see section 600.00 Resources).

Responsible Officials by Campus

MSU at Bozeman	MSU Billings	MSU Northern	Great Falls College MSU
Director of Audit Services, Legal Counsel, or Director of University Police	Vice Chancellor for Administration and Finance	Vice Chancellor for Finance and Administration	Executive Director of Operations

300.00 Procedures for All Campuses:

300.10

The director, department head or other supervisor of the affected unit shall be informed of the allegation by the response team or fiscal misconduct committee. Notice shall also be provided to the relevant Dean or Vice President unless the response team or fiscal misconduct committee determines that notice will negatively impact the review or investigation. The response team or fiscal misconduct committee will provide guidance on any immediate personnel actions or procedural changes that may be necessary to proceed with or protect University resources during the review or investigation. The response team or fiscal misconduct committee will keep those who have been informed as outlined above apprised of the on-going investigation and its results.

300.20

The CEO of each campus shall promptly notify the Attorney General and the Legislative Auditor in writing upon the discovery of any theft, actual or suspected, involving state monies or property as required by [MCA 5-13-309](#). A copy of this notice shall also be provided to the Director of Audit Services.

300.30

Upon notification, the director, department head or other supervisor in the work unit where the situation has occurred shall not attempt to conduct an independent review or investigation, nor shall they confront or question the individual(s) accused of misconduct. Rather, the director, department head or other supervisor shall cooperate and coordinate with the response team.

300.40

Members of the response team, fiscal misconduct committee and affected unit employees shall use discretion and shall not discuss the circumstances with persons not involved in the incident or with persons without an essential need-to-know. The response team shall conduct an initial review to determine whether a formal investigation is warranted and if no investigation is warranted, shall document the basis for this determination.

300.50

At the completion of an investigation, the director, department head or other supervisor is responsible for implementing changes in policy and procedures for improving internal controls, if warranted, to prevent a reoccurrence or other issues. Audit Services will provide the Office of the Commissioner of Higher Education the internal control report, if any.

300.60

If evidence of alleged fiscal misconduct is found, the individual(s) will be subject to such disciplinary actions as may be appropriate and in accordance with the due process provisions of the MSU, Board of Regents, and State personnel policies. The individual may also be subject to such civil or criminal actions as may be appropriate.

300.70

Nothing in this policy is intended to interfere with or delay any police investigation.

400.00 Procedures for MSU at Bozeman:

400.10

Upon receipt of a report of suspected fiscal misconduct, the fiscal misconduct committee will determine if a formal investigation is warranted and the procedures to be used and will appoint a response team to further review or investigate the allegations. The review or investigative process may include other University employees as needed.

400.20

Audit Services will inform the MSU President, the Vice President for Administration and Finance and other appropriate campus officials that they have received a report of suspected fiscal misconduct within 2 business days of the Fiscal Misconduct Committee initial meeting.

400.30

Audit Services will inform the University President, Vice President for Administration and Finance, Associate Vice President for Financial Services, and other campus officials as appropriate, about the review or investigation's outcome and resulting internal control changes.

500.00 Procedures for MSU Billings, Great Falls College MSU and MSU Northern:

500.10

The campus response team shall promptly notify the campus CEO and the Director of Audit Services that they have received a report of suspected fiscal misconduct and shall determine if a formal investigation is warranted and the procedures to be used and the appropriate team to review or investigate the allegations. The review or investigative process may include other University employees as needed. The Director of Audit Services will notify the MSU President and the Vice President of Administration and Finance of the nature of the allegations and the proposed response.

500.20

Audit Services, Legal Counsel and University Police at MSU Bozeman will be available to assist campus response teams upon their request.

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Campus response teams will inform Audit Services about an investigation's outcome and resulting internal control changes. Audit Services will inform the University President and campus CEO as well as the MSU Bozeman Vice President for Administration and Finance and Associate Vice President for Financial Services, and other campus officials as appropriate, about the review or investigation's outcome and resulting internal control changes.

600.00 Resources:

600.10

[MSU Compliance Hotline](#) for reporting suspected legal, regulatory or policy violations.

600.20

How to report fraud, waste or abuse to the State of Montana's Legislative Auditor. [Website Link](#).

700.00 References:

700.10

[MCA 5-13-309](#). Information from state agencies.

700.20

MSU policy on [Reporting Suspected Legal, Regulatory or Policy Violations](#)