The Campus Strategic Plan priority #5 states: “Believing that we are accountable to the people of the State of California, we will continue to diversify our sources of revenue and strategically manage the resources entrusted to us.” In an effort to meet this strategic priority, the following “Top Ten Practices to Avoid Fraud” is being distributed for your review and implementation. Following these best practices allows the campus to be in compliance with policies, laws and regulations; result in accurate and reliable financial information and reports; provide economical and efficient use of resources and allow the campus to achieve its mission.

10. Student Organization Funds
Monies collected in the name of the student organization must be maintained in a bank account of the university or an auxiliary organization as determined by the campus CFO. At no time shall a student organization deposit funds into an unauthorized bank account. Any exceptions to this requirement (nationally affiliated organizations or local organizations with a separate 501(c)(3) status) must be approved by the campus CFO or designee. Please reference ICSUAM Policy 3141.01 for more information. Staff and faculty members should not have authorization for off-campus bank accounts for student clubs and organizations.

9. Signature Authority
Campus and auxiliary expenditures require appropriate authorization. Individuals cannot approve their own expenditures for reimbursements and must obtain their supervisor’s signature. In addition, a direct or indirect subordinate may not sign their supervisor’s reimbursement request even if they have signature authority for that department. Lack of proper approval for expenditures increases the risk of unallowable or inappropriate payments, as well as non-compliance with campus, auxiliary or CSU requirements.

8. Travel and Other Reimbursement
Provide all necessary documentation for travel or other reimbursements. Include required receipts, description and related business purpose. Reimbursing employees without proper approvals and documentation increases the risk of paying for nonbusiness-related expenses and can result in non-compliance with campus and CSU policies, as well as potential tax consequences.

7. Purchasing
Submit a requisition in advance of a procurement requiring a purchase order (e.g., commodities, services, etc.) A purchase order is required in advance of work being started or items being received. Risks include misunderstanding of business terms, responsibilities, and liabilities involved in performing the work and expose the campus to unauthorized financial and legal obligations.

6. Human Resources Procedures
Follow campus procedures for hiring employees and special consultants. Properly account for all time off, such as vacation and sick time, and report additional and/or outside employment when required. Risks include not properly compensating employees, misunderstanding the terms and conditions of employment, and an unclear scope of work to be performed by a special consultant exposes the campus to possible financial obligations and legal challenges.
5. Conflicts of Interest
Vendors, consultants and employees must be independent from the decision-maker. To avoid a financial conflict of interest, you cannot engage immediate family members or a business entity you own or manage. Risks include negative publicity, substandard work, and penalties from the Fair Political Practices Commission.

4. Funding Sources
Remember expenditures must match the allowable purchases for the fund (Operating, Continuing Education, IRA, Lottery, etc.) per the specification sheet, contract or grant award. For example, a purchase in a Cxxx Fund must benefit activities related to continuing education or self-supporting instructional programs. Risk of non-compliance includes inappropriate expenditures, legal liabilities and negative public scrutiny.

3. State Property
Ensure equipment is properly accounted for, tagged, and tracked, to protect against theft and unauthorized use of state property. Departments should pay special attention to sensitive equipment (examples include computers, laptops, tablets, and other computing devices). Inadequate accountability for sensitive equipment, especially computer-related items that may contain personal information or have access to protected information, increases the risk of loss, inappropriate use of state property, and increases exposure to information security breaches.

2. Hospitality Expenditures
Provide all necessary documentation for hospitality expenditures. Required documentation includes itemized receipts, list of attendees with relationship to the campus, description of event indicating the host/date/time/location, and related business purpose. Hospitality expenses must be directly related to, or associated with, the active conduct of official campus business. Inadequate documentation of hospitality expenditures increases the risk of non-compliance with campus and CSU requirements, as well as potential unallowable or inappropriate hospitality purchases.

1. Whistleblower Complaints
Please help the campus prevent fiscal improprieties. All whistleblower complaints about waste, fraud or fiscal improprieties should be reported to the Assistant Vice President for Staff Human Resources.