

UNITED WAY OF VENTURA COUNTY FRAUD POLICY

Background

The United Way of Ventura County's Fraud Policy is established to facilitate the development of controls that will aid in the detection and prevention of fraud against the United Way. It is the intent of the United Way to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Scope of Policy

This policy applies to any irregularity, or suspected irregularity, involving employees as well as board members, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with the United Way.

Policy

Management is responsible for the detection and prevention of fraud, misappropriations, and other irregularities. Fraud is defined as the intentional, false representation, or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury with actions constituting fraud as defined below. Each member of management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity,

Any irregularity that is detected or suspected must be reported immediately to the Chief Executive Officer, Immediate Past Chair and Current Board Chair who coordinates all investigations with the Treasurer and Finance Committee and other affected areas, both internal and external,

Actions Constituting Fraud

The terms defalcation, misappropriation, and other fiscal irregularities refer to, but are not limited to:

- Any dishonest or fraudulent act.
- Misappropriation of funds, supplies, or other assets.
- Impropriety in handling or reporting of money of financial transactions.
- Profiteering as a result of insider knowledge of company activities.
- Disclosing confidential proprietary information to outside parties,
- Accepting or seeking anything of material value from contractors, vendors, or person providing services material to United Way,
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related irregularity.

Other Irregularities

Irregularities concerning an employee's moral, ethical, or behavioral conduct should be resolved by Management and the Administrative Committee.

If there is any question as to whether an action constitutes fraud, contact the President and CEO and/or Immediate Past Board Chair for guidance.

Investigation Responsibilities

The Finance Committee has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Finance Committee will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors.

Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with United Way's legal counsel and the Board of Directors, as will final decisions on disposition of the case.

Confidentiality

The Finance Committee treats all information received confidentially. Any employee who suspects dishonest or fraudulent activity will notify the appropriate leadership personnel as described in the Policy section immediately, and should not attempt to personally conduct investigations or interview/interrogations related to any suspected fraudulent act.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and protect United Way from potential civil liability.

Authorization for Investigating Suspected Fraud

Members of the Finance Committee investigation team will have:

- Free and unrestricted access to all Association records and premises, and,
- The authority to examine, copy, and/or remove all or any portion of the contents of files, desks, cabinets, and other storage facilities on the premises without prior knowledge or consent of any individual *who might use or have custody* of any such items or facilities when it is within the scope of their investigation.

Reporting Procedures

Great care *must* be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee who discovers or suspects fraudulent activity will contact the President & CEO, Immediate Past Board Chair, and Current Board Chair. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative, or any other inquirer should be directed to the Board of Directors or the United Way's attorney. No information concerning the status of an investigating will be given out. The proper response to any inquiries is, "I am not at liberty to discuss the matter." Under no circumstances should any reference be made to "the allegation", "the crime," "the fraud," "the forgery," "the misappropriation," or any other specific reference.

The reporting individual should be informed of the following:

- Do not contact the suspected individual in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegation with anyone unless specifically asked to do so by the Finance committee or Association attorney.

Termination

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the President & CEO and the Board of Directors and, if necessary by United Way's legal counsel, before any such action is taken. The Finance Committee does not have the authority to terminate an employee. The decision to terminate an employee is made by the employee's management. Should the Finance Committee believe the management decision inappropriate for the facts present, the facts will be presented to the Board of Directors for a decision.

Review Process

The Board of Directors is responsible for the administration, revision, interpretation, and application of this policy. The policy will be reviewed annually and revised as needed,

Approved by the:

BOARD OF DIRECTORS

_____ 1/23/2014 _____
Date