



Applies to: Employees, students, visitors, and volunteers

Responsible Office

Office of Business and Finance

POLICY

Issued: 02/01/2006

Revised: 01/07/2021 (minor revision)

The university will take appropriate disciplinary and legal action against **employees**, students, and visitors who commit **financial fraud**. This may include termination and/or criminal prosecution.

Purpose of the Policy

To define the university community’s responsibility for reporting financial fraud and to establish procedures for addressing wrongful acts.

Definitions

Term	Definition
Employee	Faculty, staff, graduate associates, and student employees.
Exception	Any violation of or noncompliance with a university policy issued by the Office of Business and Finance (Business and Finance).
Financial fraud	A deliberate act or deliberate failure to act that is contrary to law, rule, or policy with the intent to obtain unauthorized financial benefit from the university for oneself, one’s family, or one’s business associates. Financial fraud includes, and is not limited to, misappropriation of university funds or property, authorizing or receiving compensation or reimbursement for goods not received or services not performed or hours not worked, or unauthorized alteration of financial records. Examples of financial fraud include and are not limited to: <ol style="list-style-type: none"> 1. Embezzlement or other financial irregularities; 2. Misappropriation, misapplication, destruction, removal, or concealment of property; 3. Forgery, falsification, or alteration of documents (e.g., checks, bank drafts, deposit tickets, promissory notes, time sheets, time and effort reporting, travel expense reports, contractor agreements, purchase orders, electronic files, etc.); 4. Improprieties/misrepresentation in the handling or reporting of money or financial transactions, including procurement card; 5. Theft, destruction, or misappropriation of funds, securities, supplies, inventory, or any other asset (including furniture, fixtures or equipment, trade secrets, and intellectual property); 6. Authorizing or receiving payment for goods not received or services not performed; 7. Authorizing or receiving payment for hours/time not worked; 8. Misuse of university facilities, such as vehicles, telephones, mail systems, or computer-related equipment; 9. Intentional violation of university purchasing requirements; 10. Bribery, kickbacks, or rebates; 11. Assigning an employee to perform non-employment-related tasks by a person in a supervisory or management position; and 12. Actions related to concealing or perpetuating above mentioned activities.

Policy Details

- I. Employee Responsibility
 - A. All employees of The Ohio State University, regardless of rank or position, have a stewardship responsibility with regard to university funds and other assets.
 - B. University employees are responsible for safeguarding university resources and ensuring that those resources are used only for authorized purposes, in accordance with university rules, policies, standards, requirements, other guidance, and applicable federal and state laws.



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- C. It is a violation of university policy for any employee, regardless of rank or position, to receive or use university resources for non-university purposes or personal gain.
 - D. Any employee who has reason to believe, or has knowledge that financial fraud has occurred, is required to report the incident(s) and all relevant information to an appropriate university authority.
 - E. Reporting requirements are outlined in the Procedure section below.
- II. Management Responsibility
- A. All management personnel are responsible for detecting fraudulent activities in their areas of responsibility.
 - B. Managers should be familiar with the types of improprieties which might occur in their areas of responsibility and be alert for any indication that improper or dishonest activity is or was in existence in their areas.
 - C. When dishonest or improper activity is detected or suspected, management must determine whether an error or misunderstanding occurred or whether financial fraud exists.
 - D. Management reporting requirements are outlined in the Procedure section below.
- III. Internal Audit and University Police are responsible for conducting investigations. Investigation requirements are outlined in the Procedure section below.

PROCEDURE

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- I. Reporting Requirements
- A. When financial fraud is suspected, observed, or otherwise made known to an employee, the employee must report the activity to their supervisor.
 - B. If the employee has reason to believe their supervisor may be involved in the financial fraud, the employee is obligated to report the fraudulent activity to the next higher level of management or to other university officials such as Internal Audit, University Police, or the university's confidential reporting line at:
 - 1. 866-294-9350, or
 - 2. ohio-state.ethicspoint.com.
 - C. The reporting employee must refrain from further involvement in the matter unless directed otherwise by Internal Audit or University Police.
 - D. In addition to, or instead of, filing a report with their supervisor, the appropriate office, or the university's confidential reporting line, the employee may:
 - 1. File a written report with the Ohio Auditor of State's Office, Special Investigations Unit, 88 East Broad Street, P.O. Box 1140, Columbus, OH 43215, or
 - 2. Call the Ohio Auditor of State's Fraud Hotline at 866-372-8364.
- II. Management will cooperate with Internal Audit, University Police, or Legal Affairs, and other units and law enforcement agencies in the detection, reporting, and investigation of the fraud, including prosecution of offenders.
- III. Management Reporting Requirements
- A. If a member of management has reason to believe that financial fraud has occurred, they must contact their immediate supervisor.
 - B. When a supervisor is informed that financial fraud has potentially occurred, the supervisor must contact Internal Audit, who will consult with Legal Affairs and University Police.
 - C. The supervisor must also contact Human Resources Employee and Labor Relations, who in conjunction with University Police and Legal Affairs will determine the appropriate administrative action.
- IV. Investigation Requirements
- A. Internal Audit and/or University Police must conduct an investigation with the appropriate units.
 - B. Internal Audit must report the outcome of the investigation to all the appropriate units.



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- C. Management must refrain from any involvement in the investigation unless directed otherwise by Internal Audit, University Police, or Legal Affairs.
- D. If the investigation determines that criminal activity has occurred, University Police must report this information to the local prosecuting attorney.

V. Policy Violations

- A. All policy violations must be tracked as an **exception** in accordance with the [Fiscal Stewardship policy](#).
- B. The university may require successful completion of training.
- C. The university may enforce corrective action, up to and including termination, in accordance with applicable policies or rules.
- D. The university may seek restitution, as appropriate.
- E. Criminal charges may be filed, as appropriate.

Responsibilities

Position or Office	Responsibilities
Employees	<ol style="list-style-type: none"> 1. Safeguard university resources and ensure they are used only for authorized purposes. 2. Refrain from receiving or using university resources for non-university purposes or personal gain. 3. Report suspected or known instances of financial fraud to the supervisor. If the supervisor may be involved, report it to the next higher level of management, Internal Audit, University Police, or the university confidential reporting line. 4. Refrain from further involvement unless directed by Internal Audit or University Police.
Human Resources Employee and Labor Relations	Determine the appropriate administrative action in conjunction with University Police and Legal Affairs.
Internal Audit	<ol style="list-style-type: none"> 1. Consult with Legal Affairs and University Police in the investigation of potential financial fraud. 2. Conduct investigations with University Police. 3. Report investigation findings to all appropriate units.
Legal Affairs	<ol style="list-style-type: none"> 1. Consult with Internal Audit and University Police on fraud investigations. 2. Consult with University Police and Human Resources Employee and Labor Relations regarding appropriate administrative action.
Management	<ol style="list-style-type: none"> 1. Cooperate with Internal Audit, University Police, Legal Affairs, other units and law enforcement agencies. 2. Contact the supervisor for suspected or known instances of financial fraud. 3. Refrain from further involvement unless directed by Internal Audit, University Police, or Legal Affairs.
Supervisor	<ol style="list-style-type: none"> 1. Contact Internal Audit when informed by management that fraud has potentially occurred. 2. Contact Human Resources Employee and Labor Relations when fraud has potentially occurred. 3. Cooperate with Internal Audit, University Police, Legal Affairs, other units and law enforcement agencies. 4. Contact the supervisor for suspected or known instances of financial fraud. 5. Refrain from further involvement unless directed by Internal Audit, University Police, or Legal Affairs.
University Police	<ol style="list-style-type: none"> 1. Conduct investigations with internal Audit. 2. Consult with Legal Affairs and Human Resources Employee and Labor Relations regarding appropriate administrative action. 3. Report to the local prosecuting attorney if an investigation determines that criminal behavior occurred.

Resources

Governance Documents

Fiscal Stewardship policy, go.osu.edu/fiscal-stewardship-policy

Financial Code of Ethics, busfin.osu.edu/sites/default/files/financial-code-of-ethics.pdf

University Rule 3335-5-04, Faculty, Governance, and Committees, trustees.osu.edu/bylaws-and-rules/3335-5



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Contacts

Subject	Office	Telephone	E-mail/URL
Policy questions	University Controller, Office of Business and Finance	614-292-6220	busfin.osu.edu/controller
Administrative action; employment action	Employee and Labor Relations, Office of Human Resources	614-292-2800	hr-elr@osu.edu hr.osu.edu/services/elr/
Anonymous reporting	University Anonymous Reporting Line	866-294-9350	ohio-state.ethicspoint.com
Investigation	University Police, Department of Public Safety, Office of Administration and Planning	614-292-2121	dps.osu.edu/
Investigation, financial fraud	Internal Audit, Office of Business and Finance	614-292-0680	busfin.osu.edu/internal-audit
Legal issues	Office of Legal Affairs	614-292-0611	legal.osu.edu/

History

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