



MEMORANDUM

To: All College Employees

From: Dennis Klaus, Vice President of Business Services
Douglas Hansen, Controller

Date: March 5, 2013

Subject: Employee Financial Responsibility for Safeguarding College Assets/Resources

Local newspaper articles continue to highlight dishonest, fraudulent and unethical acts committed by employees in local governmental entities and even within our institutions of higher education. Such reports are a reminder that SLCC is not immune to such activities and that ALL employees must be vigilant and watchful regarding College assets, resources and ethical behavior.

Dishonest acts will eventually be discovered; and when they are, the perpetrators are rightfully dismissed and prosecuted. Such acts not only cause long-lasting personal devastation to themselves and their families, but unfortunately they damage the institutions' reputation and generate emotional repercussions in the work place for their supervisors and fellow employees. Employee diligence fulfilling job duties and adhering to established College policies, procedures and internal controls can protect you and the College from such consequences.

The purpose of this memorandum is to reemphasize individual financial, ethical and stewardship responsibility regarding College resources and to discuss fraud deterrence to prevent dishonest acts and their consequences.

LINES OF RESPONSIBILITY

1. Employees

Every College member is responsible for safeguarding the College's financial resources which include:

- Learning, following and upholding financial policies and procedures established by the College and external agencies.
- Being alert to red flags, weaknesses or activities that can lead to loss, waste, misuse, misappropriation or destruction of assets (including data) and taking action to correct and report such instances.
- Ensuring College resources and funds are used only for legitimate business purposes.

2. Budget Center Managers

For every College department budget, financial activity or project, an accounting index number has been created and an individual has been designated as a "budget center manager" (BCM). The BCM is primarily responsible and accountable for all the financial resources and business transactions (cash receipting and cash disbursements) pertaining to the index numbers under his/her jurisdiction. The BCM has authority to expend College funds and manage College resources and equipment to

accomplish assigned goals and objectives. Although others may be designated to make purchases when properly instructed and authorized by the BCM, the BCM is ultimately responsible for all expenditures; and if applicable, for the proper collecting of revenue. Specific budget center manager financial responsibilities include:

- Verifying that purchase invoice amounts are accurate and represent agreed upon costs for goods or services “actually received” by the College, and seeing that all purchases of goods and services are done in accordance with established College purchasing policies and practices (includes the [Low Dollar Purchasing Guidelines](#) and [P-Card Procedures Manual](#)).
- Obtaining two proper approvals for all expenditures. It is expected that the BCM will be one of the two required approvals, or an authorized designee in the manager’s absence. Normally, the person initiating the purchase transaction, such as the administrative assistant, will be one approver and the BCM will be the second, higher level approver. Similarly, where the BCM initiates the purchase, the BCM’s supervisor should be the second higher level approver. For example, all expense reimbursements and travel settlements payable to the BCM should be approved by the BCM’s supervisor. If a BCM possesses a purchasing card, those monthly credit card charges must also be approved by the BCM’s supervisor. The higher level approver may not always have firsthand knowledge if the goods or services were actually received, but nevertheless should be one who is familiar enough with the department to reasonably know that the purchase was necessary and appropriate.

The approval signatures mean signors attest that purchased goods or services were received by the College for legitimate business purposes and the requested payment amount is accurate. Employees should not sign or approve an expenditure unless they are satisfied the goods and services were received for valid College purposes. This dual approval practice helps ensure that purchases are legitimate, reasonable and necessary.

- Reviewing the monthly Banner Detail Transaction reports to confirm all charges are valid and recorded to the proper index and account numbers. Any unexpected transactions or errors should be promptly investigated, and if necessary, reported to the Controller’s Office. Although strongly discouraged, if this review role is delegated, it is imperative for the BCM to remain sufficiently involved and knowledgeable about all financial matters and exert meaningful supervisory oversight.
- Where grants and contracts are the source of funding, ensuring that expenditures are allowable and consistent with the requirements, restrictions and intent of the particular grant, contract or donor.
- Seeing that College equipment, inventory or other assets are properly cared for and safeguarded. All inventoried assets assigned to the BCM should be physically verified and accounted for at least annually. If an item is to be surplus or transferred to another department, the custodian should obtain the signature of the receiving person to document that responsibility has been transferred and accepted by the other person. In situations where items are stolen, the BCM is responsible for promptly notifying and filing a theft report with the SLCC Public Safety Department.
- Ensuring that all income from money-generating activities is properly collected and accounted for. BCM’s should also review the monthly Banner Detail Transaction reports to ensure that expected revenue is recorded properly and investigate any discrepancies. Training and establishment of proper internal controls must occur before employees are allowed to handle cash receipts per the [College Cash Receipting Policy and Procedures \(C2S08.02\)](#).

- Reviewing employee work and otherwise monitoring compliance with department processes and internal controls to ensure they are functioning as intended, thereby minimizing any inherent risks associated with department operations to an acceptable level.
- Reviewing the monthly Payroll Labor Distribution Reports to verify all employees and pay rates are valid and totals agree to Banner Finance detail reports.

3. Administrators

All deans, directors, and department heads are expected to be familiar with College policies and procedures. They are responsible for setting an example of diligence, ethical behavior, and reinforcing high expectations of integrity and compliance while providing financial oversight.

REPORTING SUSPECTED IMPROPER ACTIVITIES

1. Reporting to Supervisors or College Officials

All employees share responsibility for preventing, detecting, and reporting suspected improper activities (i.e. violations of the law, waste or theft of College funds, endangering public health or safety). Certainly, all employees should feel free and safe from retaliation to report suspected improprieties first to their direct supervisor, or to a higher level supervisor. Or an employee may also file the report with another College official whom the employee may reasonably expect to have either responsibility over the affected area or the authority to review the suspected improper activity on behalf of the College. If a committed crime is suspected, it should be reported immediately to the College Public Safety department.

2. Reporting to the Whistleblower Hotline

In addition to the established employee-supervisor reporting line of authority, improper acts may also be reported via the College's "[Whistleblower Hotline](#)". The hotline is provided through a third party and offers independence, confidentiality, and has 24/7 availability. For instructions and to file a report, go to: <http://www.slcc.edu/eo/whistleblowing.aspx>. A report may also be filed by phone by calling 1-866-873-0614. Employees reporting suspected improper activities to the Whistleblower Hotline are encouraged to identify themselves so that the College may contact them for further information if necessary, but reports may be made anonymously if the employee feels that it is the only way he or she can disclose the information safely. The Hotline is also available to the public or persons who are not employees to report suspected improper activity.

In summary, the College is committed to protect employees who, in good faith, report suspected improprieties or illegal activities. In fact, it is unlawful in Utah to discharge, threaten, or otherwise bring a personal action against an employee who reports a violation of law or waste of public funds, property, or manpower unless the employee knows the report is malicious, false, or frivolous.

Salt Lake Community College is accountable to the public and holds itself to high standards of integrity and behavior. Financial accountability is a serious matter and is everyone's responsibility. Thank you for your efforts to maintain the highest degree of ethical standards and consequently safeguard the College's resources and reputation.