



Fraud Policy

Dec 23

BACKGROUND

The Boys & Girls Club of Aberdeen Area fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against the Club. It is the intent of the Boys & Girls Club of Aberdeen Area 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 fraud, or suspected fraud, involving employees as well as Board members, volunteers, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Boys & Girls Club of Aberdeen Area.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to the Club.

POLICY

Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. 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. Each member of the 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 fraud that is detected or suspected must be reported immediately to the Executive Director and/or President of the Board of Directors, who coordinates all investigations with Law Enforcement officials.

ACTIONS CONSTITUTING FRAUD

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

- Any dishonest or fraudulent act
- Forgery or alteration of any document or account belonging to the Club
- Forgery or alteration of a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering because of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Disclosing to other persons' securities activities engaged in or contemplated by the club
- Accepting or seeking anything of material value from contractor's vendors or persons providing services/materials to the Club.
- Exception: Gifts less than \$50 in value.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

OTHER INAPPROPRIATE CONDUCT

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct should be resolved by management.

If there is any question as to whether an action constitutes fraud, contact the Executive Director for guidance.

INVESTIGATION RESPONSIBILITIES

The Executive Director has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates those fraudulent activities that have occurred, the Executive Director 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 legal counsel and senior management, as will final decisions on the disposition of the case.

CONFIDENTIALITY

The Boys & Girls Club of Aberdeen Area treats all information received *confidentially*. Any employee who suspects dishonest or fraudulent activity will notify the Executive Director immediately and *should not attempt to personally conduct investigations interviews/or 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 to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Club from potential civil liability.

AUTHORIZATION FOR INVESTIGATING SUSPECTED FRAUD

Members of the Investigation will have:

- Free and unrestricted access to all Club records and premises, whether owned or rented; 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 may 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 wrongdoings to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

An employee who discovers or suspects fraudulent activity will *contact the Executive Director immediately or in the event the ED is suspected contact the Board President*. 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 Executive Director or the Club's legal counsel. No information concerning the status of an investigation will be given out. The proper response to any inquiries is: "I am not at liberty to discuss this 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.

REPORTING PROCEDURES

The reporting individual should be informed of the following:

- Do not contact the suspected individual to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions, or allegations with anyone unless specifically asked to do so by the Executive Director, Clubs legal counsel, or other law enforcement officials.

TERMINATION

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives and the Clubs legal counsel and, if necessary, by outside counsel, before any such action is taken.