

## Susquehanna County Historical Society and Free Library Association

### Fraud Policy

Last Updated: unknown

Committee Review: 1 November 2023

Board Review:

Board Vote:

In Effect: DATE

The corporate fraud policy is established to facilitate the development of controls which will aid in the detection and prevention of fraud against the Susquehanna County Historical Society & Free Library Association (Association). It is the Association's intent ~~of the Susquehanna County Historical Society & Free Library Association~~ to promote consistent organizational behavior by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

#### **Scope of Policy**

The policy applies to any fraud, or suspected fraud involving employees as well as property owners, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/other parties with a business relationship with the ~~Susquehanna County Historical Society & Free Library Association (also called the~~ Association).

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

#### **Policy**

Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. For purposes of investigation, 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 President of the Board, who coordinates all investigations with the Board of Trustees and other affected areas, both internal and external.

~~As needed, t~~The elected officers of the Board of Trustees will constitute an ad hoc ~~the~~ Fraud Committee for the purposes of this policy.

#### **Actions Constituting Frauds**

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

- Any dishonest fraudulent act

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- Forgery or alteration of any document of account belonging to the Association
- 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 as a result of insider knowledge of company activities
- Disclosing confidential and proprietary information to outside parties
- Accepting or seeking anything of material value from contractors, vendors, or persons providing materials/services to the Association. 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**

If there is any question as to whether an action constitutes fraud, contact the Association President or Treasurer for guidance.

### **Investigation Responsibilities**

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

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 the Board of Trustees, as will final decisions on the disposition of the case.

### **Confidentiality**

The Fraud Committee of the Board of Trustees treats all information received *confidentially*. Any employee who suspects dishonest or fraudulent activity will notify the President or Treasurer immediately, and should not attempt to personally conduct investigations or interviews/interrogations related to any suspected fraudulent act (see Reporting Procedure section below).

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 reputation of ~~persons~~ people suspected but subsequently found innocent of wrongful conduct and to protect the Association from potential civil liability.

## **Authorization for Investigating Suspected Fraud**

Members of the Investigative Unit will have:

- Free and unrestricted access to all Association 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 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 ~~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 or Treasurer of the Association immediately. 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 other inquirer should be directed to the Association's attorney. No information concerning the status of the 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.

SUSQUEHANNA COUNTY HISTORICAL SOCIETY AND FREE LIBRARY ASSOCIATION

FRAUD POLICY

BOARD MEMBER CONFIRMATION FORM

I, \_\_\_\_\_, have received, read, and understand my responsibility as a member of the Board of Trustees or a staff member of the Susquehanna County Historical Society & Free Library Association in preventing association fraud. If I detect or suspect fraud, I will report it immediately to the board president or treasurer.

Signature \_\_\_\_\_

Date \_\_\_\_\_