

FISCAL MANAGEMENT GOALS AND OBJECTIVES  
FINANCIAL ETHICS

CAA  
(LOCAL)

All Trustees, employees, vendors, contractors, agents, consultants, volunteers, and any other parties who are involved in the District's financial transactions shall act with integrity and diligence in duties involving the District's fiscal resources.

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**Note:** See the following policies and/or administrative regulations regarding conflicts of interest, ethics, and financial oversight:

- Code of ethics:
    - for Board members—BBF
    - for employees—DH
  - Financial conflicts of interest:
    - for public officials—BBFA
    - for all employees—DBD
    - for vendors—CHE
  - Compliance with state and federal grant and award requirements: CB, CBB
  - Financial conflicts and gifts and gratuities regarding federal funds: CB, CBB
  - Systems for monitoring the District's investment program: CDA
  - Budget planning and evaluation: CE
  - Compliance with accounting regulations: CFC
  - Activity fund management: CFD
  - Criminal history record information for employees: DBAA, DC
  - Disciplinary action for fraud by employees: DCD, DCE, and DF series
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**Fraud and Financial  
Impropriety**

The District prohibits fraud and financial impropriety, as defined below, in the actions of its Trustees, employees, vendors, contractors, agents, consultants, volunteers, and others seeking or maintaining a business relationship with the District.

Definition

Fraud and financial impropriety shall include but not be limited to:

1. Forgery or unauthorized alteration of any document or account belonging to the District.

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2. Forgery or unauthorized alteration of a check, bank draft, or any other financial document.
3. Misappropriation of funds, securities, supplies, or other District assets, including employee time.
4. Impropriety in the handling of money or reporting of District financial transactions.
5. Profiteering as a result of insider knowledge of District information or activities.
6. Unauthorized disclosure of confidential or proprietary information to outside parties.
7. Unauthorized disclosure of investment activities engaged in or contemplated by the District.
8. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the District, except as otherwise permitted by law or District policy [see BBFA, CB, and DBD].
9. Inappropriately destroying, removing, or using records, furniture, fixtures, or equipment.
10. Failure to provide financial records required by state or local entities.
11. Failure to disclose conflicts of interest as required by law or District policy.
12. Any other dishonest act regarding the finances of the District.
13. Failure to comply with requirements imposed by law, the awarding agency, or a pass-through entity for state and federal awards.

**Financial Controls  
and Oversight**

Each employee who supervises or prepares District financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility for fraud and financial impropriety.

**Fraud Prevention**

The Superintendent ~~or designee~~ shall maintain a system of internal controls to deter and monitor for fraud or financial impropriety in the District.

**Reports**

Any person who suspects fraud or financial impropriety in the District shall report the suspicions immediately to any supervisor, the Superintendent ~~or designee~~, the Board President, or ~~local law en-~~

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~~enforcement~~ **ANY PEACE OFFICER WITH AUTHORITY TO INVESTIGATE THE CRIME** or to the District's hotline in the internal audit office.

Reports of suspected fraud or financial impropriety shall be treated as confidential to the extent permitted by law. Limited disclosure may be necessary to complete a full investigation or to comply with law. All employees involved in an investigation shall be advised to keep information about the investigation confidential.

*Protection from  
Retaliation*

Neither the Board nor any District employee shall unlawfully retaliate against a person who in good faith reports perceived fraud or financial impropriety. [See DG]

**Fraud Investigations**

In coordination with legal counsel and other internal or external departments or agencies, as appropriate, the Superintendent ~~or a designee~~ shall promptly investigate reports of potential fraud or financial impropriety.

If a report is made of potential fraud or financial impropriety involving the Superintendent, then the Board President or a designee shall lead the investigation and coordinate with legal counsel and other internal or external departments or agencies, as appropriate.

Response

If an investigation substantiates a report of fraud or financial impropriety, the Superintendent ~~or designee~~ shall promptly inform the Board of the report, the investigation, and any responsive action taken or recommended by the administration.

If an employee is found to have committed fraud or financial impropriety, the Superintendent ~~or designee~~ shall take or recommend appropriate disciplinary action, which may include termination of employment. If a contractor or vendor is found to have committed fraud or financial impropriety, the District shall take appropriate action, which may include cancellation of the District's relationship with the contractor or vendor.

When circumstances warrant, the Board, Superintendent, or **A** designee may refer matters to appropriate law enforcement or regulatory authorities. In cases involving monetary loss to the District, the District may seek to recover lost or misappropriated funds.

The final disposition of the matter and any decision to file a criminal complaint or to refer the matter to the appropriate law enforcement or regulatory agency for independent investigation shall be made in consultation with legal counsel.

Federal Awards  
Disclosure

~~The~~ **IN CONNECTION WITH FEDERAL AWARDS, THE** District shall **PROMPTLY** disclose, ~~in a timely manner~~ in writing ~~to the fed-~~

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~~eral awarding agency or pass-through entity, all violations~~ **WHEN-  
EVER THE DISTRICT HAS CREDIBLE EVIDENCE OF THE  
COMMISSION OF A VIOLATION** of federal criminal law involving  
fraud, **CONFLICT OF INTEREST**, bribery, or gratuity violations ~~po-  
tentially affecting~~ **FOUND IN FEDERAL LAW, INCLUDING THE  
CIVIL FALSE CLAIMS ACT. THIS PROVISION APPLIES TO ANY  
ACTIVITIES OR SUBAWARDS OF** a federal ~~grant~~ award. [See  
CBB]

**Analysis of Fraud**

After any investigation substantiates a report of fraud or financial  
impropriety, the Superintendent ~~or designee~~ shall analyze condi-  
tions or factors that may have contributed to the fraudulent or im-  
proper activity. The Superintendent ~~or designee~~ shall ensure that  
appropriate administrative procedures are developed and imple-  
mented to prevent future misconduct. These measures shall be  
presented to the Board for review.