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## Fraud Policy

### Definition of Fraud

For purposes of this policy, fraud is the intentional use of deceit or dishonest means to deprive the university of its resources, including its money, property, or a legal right.

### Fraud Deterrence

The university has adopted the [Church Educational System Honor Code](#), which applies to all its personnel and students. The university [Personnel Conduct Policy](#) also applies to all its personnel. Fraudulent activity at the university constitutes a serious violation of the [Church Educational System Honor Code](#) and the [Personnel Conduct Policy](#). Fraud deterrence at the university is the responsibility of all members of the campus community, particularly academic and administrative management. Effectively fulfilling this charge requires the establishment of and adherence to effective policies, procedures, and internal controls. Periodic audits, system reviews, and other special analyses assist management in its responsibility. However, these aids are not a substitute for establishing and monitoring effective controls that ensure the integrity of day-to-day university processes and operations. The Church Auditing Department is available to perform audits in coordination with university management.

### Duty to Report

The university is committed to providing an environment in which individuals report reasonable suspicions of fraud. All university personnel have a duty to report reasonable suspicions of fraud in the workplace to their direct supervisor or to the Integrity and Compliance Office. Management and supervisors must promptly report all such concerns to the director of the Integrity and Compliance Office, who will coordinate with the Office of the General Counsel and the Church Auditing Department. Reports can be made to the Integrity and Compliance Office directly in person, by phone, or by email. Reports can also be made through [BYU's compliance hotline](#).

### Directing the Investigation

University management will direct the Church Auditing Department to conduct necessary investigations of fraud unless an investigation is initiated and directed by the Office of the General Counsel or a case is initiated by or referred to government law enforcement agencies. When the director of the Integrity and Compliance Office receives an allegation of fraud, the director will notify the relevant vice president and the Church Auditing Department. If the Church Auditing Department receives an allegation of fraud at BYU, its appointed chief audit executive for BYU will notify the director of the Integrity and Compliance Office. When the Church Auditing Department determines there is a reasonable basis for the allegation, and at the request and direction of BYU, the Church Auditing Department will notify the appropriate



supervisors of the allegation, including the dean, director, or equivalent manager with supervisory responsibility for the unit in which the alleged fraud occurred, the vice president of the university with responsibility for that unit, and the general counsel. However, if a relevant manager or university official with compliance or internal auditing oversight is the subject of a reasonable suspicion of fraud, the general counsel and director of the Church Auditing Department will together coordinate the investigation, including the determination of the parties who need to be notified.

Personnel who obstruct the reporting of or fail to report a potential fraud of which they become aware may be subject to disciplinary action up to and including termination of employment.

### **Protection for Reporting**

The university will keep confidential the identity of the person making a report under this policy unless (1) the person consents to disclosure, (2) maintaining confidentiality would interfere with the university's ability to investigate specific allegations and take corrective action, or (3) a governmental authority compels disclosure (e.g., a subpoena lawfully issued by a court of competent jurisdiction). Confidentiality means that disclosure will be made only to university personnel or agents who have a legitimate need to know in order to fulfill their responsibilities to the university or contribute to the investigation.

Retaliation against an individual who has made a good faith report of suspected fraud is strictly prohibited. No adverse action or threat of action may be taken in retaliation against any person who makes a good faith report under this policy; who reports reasonable suspicions of fraud in the workplace to a governmental authority; or who participates in a judicial, administrative, legislative, or university proceeding related to such allegations. As used in this policy, adverse action is broadly defined as any act or decision, including a failure to take appropriate action, by a supervisor or higher-level authority that might prevent or dissuade a reasonable person from making or supporting an allegation of fraud in the workplace. Violations of this section (Protection for Reporting) must be reported to the general counsel.

### **Disciplinary Action for Violations**

University personnel who violate the terms of this policy will be subject to disciplinary action up to and including termination of employment.

**APPROVED:** 3 Feb 2020

**PRIOR VERSION:** 3 Dec 2018



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**APPLICABILITY:** This policy applies to all university personnel.

**POLICY OWNER:** General Counsel

**RESPONSIBLE OFFICE:** Integrity and Compliance Office, Office of the General Counsel

**RELATED POLICIES:**

- [Administrative and Staff Employee Discipline Policy](#)
- [Administrative and Staff Employee Leaves Policy](#)
- [Budget Policy](#)
- [Business Gifts and Entertainment Policy](#)
- [Church Educational System Honor Code](#)
- [Conflict of Interest and Conflict of Time Commitment Policy](#)
- [Employee Termination Policy](#)
- [Employee Vendor Policy](#)
- [Faculty Discipline and Termination Policy](#)
- [Financial Accounting Policy](#)
- [Financial Conflict of Interest in Sponsored Research Policy](#)
- [Independent Contractors Policy](#)
- [Information Security and Appropriate Use Policy](#)
- [Intellectual Property Policy](#)
- [Inventory of Products and Supplies Policy](#)
- [Meals and Hosting Policy](#)
- [Misconduct in Federally-Funded Research Policy](#)
- [Nepotism Policy](#)
- [Payroll Policy](#)
- [Personnel Conduct Policy](#)
- [Purchasing Policy](#)
- [Sales Tax Policy](#)
- [Staff Overtime Policy](#)
- [Supplemental Compensation for Administrative Employees Policy](#)
- [Supplemental Compensation for Faculty Policy](#)
- [Supplemental Research Compensation for Externally Sponsored Work Policy](#)
- [Surplus Property Policy](#)
- [Travel Policy](#)
- [University Vehicle Policy](#)
- [Working from Home Policy](#)
- [Wkweek for Employees Policy](#)