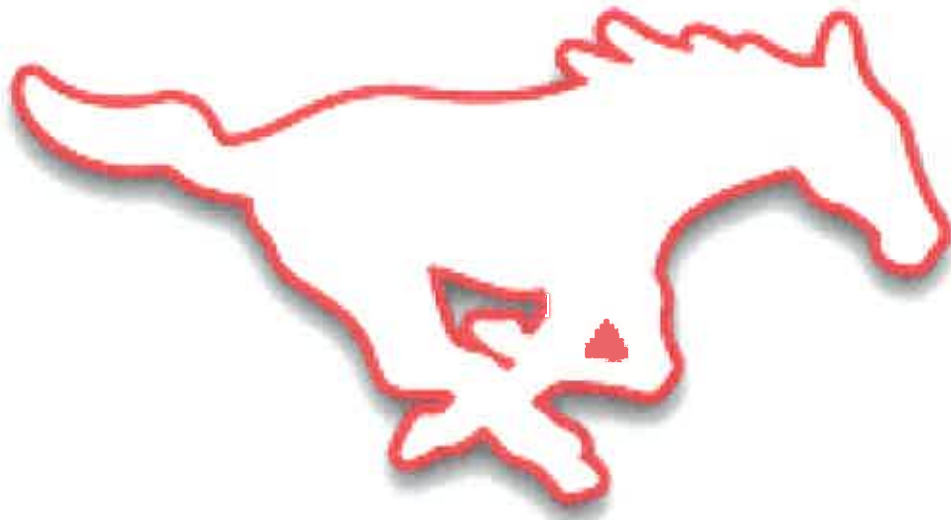


Claude Independent School District
Fraud Policy and Code of Conduct Handbook



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Claude ISD Fraud Policy

Policy Statement

The management of Claude ISD is responsible for detecting fraud of any type. Each member of the management team (consisting of the school board president, superintendent of schools, business manager, and accounts payable/payroll officer) should be familiar with the types of fraud that might occur within his or her area of responsibility and should be alert for any indication of fraud.

Any detected or suspected fraud must be reported immediately to the Superintendent of Schools.

Scope

This policy applies to any fraudulent activity involving not only employees but also directors, vendors, outside agencies, and/or unknown parties. Investigations will be performed without regard to length of service, title/position, or relationship.

Actions Constituting Fraud

The term fraud, misappropriation and irregularities refer to, but are not limited to:

Any dishonest or fraudulent act	Forgery or alteration of documents
Misapplication of funds or assets	Impropriety in reporting transactions
Profiting on insider knowledge	Gifts from vendors (outside of limits)
Destruction of records or assets	Disappearance of records or assets
Disclosure of confidential information	Any similar or related irregularity

Non-fraud Irregularities

Identification of allegations of personal improprieties or irregularities whether moral, ethical, or behavioral, should be resolved by the campus principals and the superintendent.

Investigation Responsibilities

Investigation of potential fraudulent matters and the resulting reporting, should be under the direction of the superintendent. The superintendent shall cause an investigation to be performed utilizing available internal and/or external resources. Information regarding potential fraudulent activities should be forwarded to the appropriate authorities of state agencies.

Confidentiality

The Superintendent of Schools is receptive to receiving information on a confidential basis from an employee who suspects that a fraudulent activity has occurred. That employee should contact the superintendent immediately and should not attempt to confront the accused or conduct his/her own investigation.

The results of investigations will not be disclosed or discussed with anyone other than those persons associated with the organization who have a legitimate need to know in order to perform their duties and responsibilities. This does not preclude the disclosure of the results in accordance with resulting prosecution under legal authority.

Authorization for Investigation

Those individuals or agencies assigned the responsibility for investigation may take control of and gain full access to the organizations' records and premises without prior consent of any individual who may have custody of any such records or facilities.

Reporting Procedures

Care must be exercised in the investigation to avoid mistaken accusations. The reporting individual must not contact the suspected individual for information. No facts of the case may be discussed with anyone inside or outside the organization, except those individuals conducting the investigation.

Suspension/Termination

During an investigation, the suspected individual may be suspended with pay. Based upon the results of the investigation, the individual will either be reinstated or terminated, based upon the review of the school district's legal counsel. Fraudulent activities will be prosecuted to the fullest extent of the law.

Fraud Policy Code of Conduct

Claude ISD and its employees must, at all times, comply with all applicable laws and regulations. Claude ISD will not condone the activities of employees who achieve results through violation of the law or unethical business dealings. This includes any payments for illegal acts, indirect contributions, rebates, and bribery. Claude ISD does not permit any activity that fails to stand the closest possible public scrutiny.

All business conduct should be well above the minimum standards required by law. Accordingly, employees must ensure that their actions cannot be interpreted as being, in any way, in contravention of the laws and regulations governing Claude ISD's operations.

Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their supervisor.

General Employee Conduct

Claude ISD expects its employees to conduct themselves in a businesslike manner. Drinking, gambling, fighting, swearing, and similar unprofessional activities are strictly prohibited while on the job.

Employees must not engage in sexual harassment, or conduct themselves in a way that could be construed as such, for example, by using inappropriate language, keeping or posting

inappropriate materials in their work area, or accessing inappropriate materials on their computer.

Conflicts of Interest

Claude ISD expects that employees will perform their duties conscientiously, honestly, and in accordance with the best interests of Claude ISD. Employees must not use their position or the knowledge gained as a result of their position for private or personal advantage. Regardless of the circumstances, if employees sense that a course of action they have pursued, are presently pursuing, or are contemplating pursuing may involve them in a conflict of interest with their employer, they should immediately communicate all the facts to their supervisor.

Outside Activities, Employment, and Directorships

All employees have a serious responsibility for the District's good public relations, especially at the community level. Their readiness to help with religious, charitable, educational, and civic activities bring credit to Claude ISD and is encouraged.

Employees must, however, avoid acquiring any business interest or participating in any other activity outside Claude ISD that would, or would appear to:

- Create an excessive demand upon their time and attention, thus depriving Claude ISD of their best efforts on the job.
- Create a conflict of interest – an obligation, interest, or distraction – that may interfere with the independent exercise of the judgment in Claude ISD's best interest.

Relationships with Clients and Suppliers

Employees should avoid investing in or acquiring a financial interest for their own accounts in any business organization that has a contractual relationship with Claude ISD, or that provides goods or services, or both to Claude ISD, if such investment or interest could influence or create the impression of influencing their decisions in the performance of their duties on behalf of Claude ISD.

Gifts, Entertainment, and Favors

Employees must not accept entertainment, gifts, or personal favors that could, in any way, influence, or appear to influence, business decisions in favor of any person or organization with whom or with which Claude ISD has, or is likely to have, business dealings. Similarly, employees must not accept any other preferential treatment under these circumstances because their position with Claude ISD might be inclined to, or be perceived to, place them under obligation.

Kickbacks and Secret Commissions

Regarding Claude ISD's business activities, employees may not receive payment or compensation of any kind, except as authorized under the District's remuneration policies. In

particular, Claude ISD strictly prohibits the acceptance of kickbacks and secret commissions from suppliers or others. Any breach of this rule will result in immediate termination and prosecution to the fullest extent of the law.

Organization Funds and Other Assets

Employees who have access to Claude ISD funds in any form must follow the prescribed procedures for recording, handling, and protecting money as detailed in the employee handbooks and other explanatory materials. Claude ISD imposes strict standards to prevent fraud and dishonesty. If employees become aware of any evidence of fraud and dishonesty, they should immediately advise their supervisor so that the appropriate personnel can promptly investigate further.

When an employee's position requires spending school funds or incurring any reimbursable personal expenses, that individual must use good judgment on the school's behalf to ensure that good value is received for every expenditure.

District funds and all other assets of the District are for Claude ISD's purposes only and not for personal benefit. This includes the personal use of district assets, such as computers.

Organization Records and Communication

Accurate and reliable records of many kinds are necessary to meet the District's legal and financial obligations and to manage the affairs of the District. Claude ISD's books and records must reflect in an accurate and timely manner all business transactions. The employees responsible for accounting and record keeping must fully disclose and record all assets, liabilities, or both and must exercise diligence in enforcing these requirements.

Employees must not make or engage in any false record or communication of any kind, whether internal or external, including but not limited to:

- False expense, attendance, production, financial, or similar reports and statements.
- False advertising, deceptive marketing practices, or other misleading representations.

Dealing with Outside People and Organizations

Employees must take care to separate their personal roles from their school positions when communicating on matters not involving District business. Employees must not use Claude ISD identification, stationery, supplies, and equipment for personal or political matters.

When communicating publicly on matters that involve Claude ISD business, employees must not presume to speak for the District on any topic, unless they are certain that the views they express are those of the District, and it is the District's desire that such views be publicly disseminated.

When dealing with anyone outside the District, including public officials, employees must take care not to compromise the integrity or damage the reputation of either the District or any outside individual, business, or government body.

Prompt Communications

In all matters relevant to customers, suppliers, government authorities, the public and others in Claude ISD, all employees must make every effort to achieve complete, accurate, and timely communications—responding promptly and courteously to all proper requests for information and to all complaints.

Privacy and Confidentiality

When handling financial and personal information about customers or others with whom the District has dealings, observe the following principles:

1. Collect, use, and retain only the personal information necessary for the District's business. Whenever possible, obtain any relevant information directly from the person concerned. Use only reputable and reliable sources to supplement this information.
2. Retain information only for as long as necessary or as required by law. Protect the physical security of this information.
3. Limit internal access to personal information to those with a legitimate business reason for seeking that information. Use only personal information for the purposes for which it was originally obtained. Obtain the consent of the person concerned before externally disclosing any personal information, unless legal process or contractual obligation provides otherwise.