



Section Number: ____

Section Header: Financial Integrity Policy

Responsible Office: Finance and Administration

Effective Date: June 12, 2006

Revision Date: December 8, 2008

Responsible Officer: Vice President
for Administration and Finance

INTRODUCTION

The Board of Trustees has adopted certain best practices related to the Sarbanes Oxley Act of 2002 (SOX) and in accordance with New Jersey State Statutes. Policies approved by the Board of Trustees as well as NJSA 34:19-1 provide protection to any employee who provides evidence of fraud, waste or abuse at an organization.

PURPOSE

The purpose of this policy is to provide guidelines with respect to the financial integrity of the University, specifically fraud, waste and abuse which are defined as fraudulent financial reporting and/or misappropriation of University assets. Implementation of this policy provides additional transparency and fiscal accountability in the University's fiscal practices and processes. The policy is also intended to communicate the mechanism for reporting improper financial conduct and describe NJCU's responsibility in investigating such claims.

SCOPE

This policy applies to all members of the University Board of Trustee and all employees and volunteers of the University.

FINANCIAL CONTROLS AND OVERSIGHT

Each employee who authorizes, supervises or prepares University financial reports or transactions shall set an example of honest and ethical behavior and shall actively monitor his or her area of responsibility to ensure financial integrity.

POLICY

Improper financial activities shall include but not be limited to:

1. Forgery or unauthorized alteration of any financial document, including checks and/or bank drafts.
2. Misappropriation of University funds, services, supplies or other University assets, including employee time.
3. Improper handling of money or reporting of University financial transactions, such as but not limited to collection of revenues and procurement of goods and services.



4. Profiteering as a result of inside knowledge of University information and/or activities.
5. Unauthorized disclosure of confidential financial or proprietary information to internal and/or external parties.
6. Unauthorized disclosure of current or future University investment activities.
7. Accepting or seeking anything of material value from contractors, vendors, or other persons providing services or materials to the University, except as otherwise permitted by law or University policy.
8. Inappropriately destroying, removing, or using University furniture, fixtures or equipment.
9. Failure to maintain and provide financial records required by State entities or University policy.
10. Failure to disclose financial conflict of interest as required by law or University policy.
11. Taking any action to influence, coerce, manipulate, or mislead a member of the University's financial management team or an auditor engaged in the performance of an audit with the intent or purpose to render the University's financial statements materially misleading.
12. Any other dishonest act regarding the finances of the University.

It is NJCU policy to investigate and report any instance of improper financial activity such as fraud, waste, or abuse. It is also NJCU policy to encourage employees to report, as provided in the Procedures described herein, any instance of improper financial activity such as fraud, waste, or abuse which they reasonably believe to be occurring or to have occurred. Employees who make or wish to make such reports should take note that New Jersey law prohibits an employer from taking any retaliatory action against an employee because the employee does any of the following:

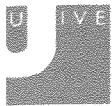
- a. Discloses, or threatens to disclose, to a supervisor or to a public body, an activity, policy, or practice of the employer or another employer, with whom there is a business relationship, that the employee reasonably believes is in violation of a law, or a rule or regulation issued under the law, or, in the case of an employee who is a licensed or certified health care professional, reasonably believes constitutes improper quality of patient care; or



- b. Provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into any violation of law, or a rule or regulation issued under the law by the employer or another employer, with whom there is a business relationship, or, in the case of an employee who is a licensed or certified health care professional, provides information to, or testifies before, any public body conducting an investigation, hearing or inquiry into quality of patient care; or
- c. Objects to, or refuses to participate in, any activity, policy, or practice which the employee reasonably believes:
 - (1) Is in violation of a law, or a rule or regulation issued under the law, or, if the employee is a licensed or certified health care professional, constitutes improper quality of patient care;
 - (2) Is fraudulent or criminal; or
 - (3) Is incompatible with a clear mandate of public policy concerning the public health, safety or welfare.

PROCEDURES

1. NJCU has developed a confidential hotline or email address to address reports or complaints of fraud, waste, or abuse defined as fraudulent financial reporting and/or misappropriation of University assets through an external reporting service. The hotline is available through EthicsPoint at www.ethicspoint.com or by calling 888-572-8038.
2. The reporting service will report allegations regarding financial fraud, waste or abuse to the Risk Management Department and to the President's designee.
3. The Risk Management Department shall review the report or complaint and recommend an investigation or some other appropriate course of action to the Vice President for Administration and Finance or his/her designee.
4. The Vice President for Administration and Finance or his/her designee shall decide whether to investigate the report or complaint or take other appropriate action and memorialize his/her decision in writing.
5. In instances of conflict of interest involving any unit of the Controller's Office or the Vice President for Administration and Finance's Office, the President's designee shall be substituted and the office(s) having the conflict of interest shall have no involvement in the review or investigation of the report or complaint filed under this policy and procedure.



6. The reporter will be sent notification that the report has been received and is under review.
7. A written report that describes the nature of the complaint, the steps taken in the review or investigation and the findings of the review or investigation shall be prepared by the Vice President for Administration and Finance or his/her designee.
8. The written report shall be submitted to the Finance, Audit and Planning Committee of the Board of Trustees prior to each Board Meeting or as deemed necessary by the Vice President for Administration and Finance

KEY PERFORMANCE INDICATORS

The success of the policy will be assessed annually using the following quantifiable measures:

1. Communicate the policy to all board members, employees and volunteers.
2. Review the number of reports or complaints reported and reviewed or investigated with management and the Finance, Audit and Planning Committee of the Board of Trustees.
3. Ensure the reports or complaints are reviewed or investigated promptly and verify receipt of the report or complaint to the individual making the complaint within four to six weeks.

EXCEPTIONS TO THE POLICY

Any perceived exception(s) to this policy will be reported to the University's Board of Trustees at its next scheduled meeting.

POLICY REVIEW

To assure continued relevance of the guidelines and objective as established in this policy, the NJCU Board of Trustees will review the policy annually. By June 30 of each year, this policy shall be reviewed and updated as deemed necessary.



CONTACT

This policy is managed by:

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