



## FISCAL MISCONDUCT

No: SAAP 8-2

**Date:** May 2018 (revised-5)

April 2015 (revised-4)

October 1988 (revised-3)

December 12, 1974 (original)

**Authority:** UW System Administrative Policy 304  
UW System Administrative Procedure 304.A  
Wis. Admin. Code Ch. UWS 8  
UWM SAAP 7-3 (Faculty/Staff Code of Conduct)  
Wis. Admin. Code Ch. UWS 18

**Initiator:** Vice Chancellor for Finance & Administrative Affairs

**Responsible Party:** Vice Chancellor for Finance & Administrative Affairs

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### I. Background

Acts of embezzlement and theft and financial conflicts of interest can and do occur in any organization, including a large and decentralized system of universities. These acts carry legal implications for the university employee both as an employee and as a citizen under the criminal law. Concern for a university's fiscal integrity must also be matched by concern for just and fair treatment of offenders. For this reason, the choice is not simply between discipline or discharge on the one hand and criminal prosecution on the other. Civil processes (employment action or civil legal action) are separate from criminal process, and each will be considered on its own merits. A determination as to the appropriate course of action in any given case can be made only after thorough inquiry into the facts and circumstances and appropriate consultation as described below.

For these reasons, the following procedures should be followed in the case of suspected or actual fiscal misconduct.

### II. Definition and Scope

**Fiscal misconduct** means a deliberate act or failure to act that is contrary to established laws, regulations or policies and which results or was intended to result in either loss or other damage to the State or the UW System or improper personal gain.

This Policy extends, but is not limited to, the following actions:

1. Theft, embezzlement, or misuse of cash, credit cards, equipment, or supplies;
2. Falsification of official records, such as time sheets or travel expense reports;
3. Misuse of university facilities, such as telephones, mail systems, vehicles or computers.
4. Employee conflicts of interest or ethics violations involving the use of one's public position for personal gain or advantage such as contracts for outside services which benefit the employee and/or his/her immediate family.
5. Improper handling or reporting of financial transactions.

### III. Purpose

The purpose of this Policy is to ensure:

1. Actual or suspected violations are reported in a timely and prescribed manner.
2. Investigations are completed in a timely and fair manner (to both the University and the employee).
3. Actions taken are timely, equitable and consistent from case-to-case.
4. Steps are taken to mitigate further losses.
5. University and UW System administrators are adequately informed of the status of ongoing investigations.
6. Obligations to extramural sponsors are satisfied.

### IV. Procedures

As soon as there is any indication of an actual or suspected violation of this Policy, the following steps should be taken:

1. The discovering party should immediately report the incident or issue to their supervisor.
2. Upon receipt of any such matter, the supervisor should immediately notify the Vice Chancellor for Finance and Administrative Affairs.
  - a. If the discovering party is uncomfortable speaking with their supervisor, is not satisfied with the supervisor's response, or does not have a supervisor, the discovering party should directly inform the Vice Chancellor for Finance & Administrative Affairs or designee in the Vice Chancellor's absence.
3. The Vice Chancellor will ensure that the institution conducts a preliminary review into the suspected instance of fiscal misconduct.
4. If the institution determines that the suspected fiscal misconduct has not caused or is unlikely to cause significant financial, legal, and/or reputational risk to the UW System or the institution, the institution may resolve and conclude the matter through appropriate institutional processes.
5. If the preliminary review finds that the suspected fiscal misconduct has caused or is likely to cause significant financial, legal, and/or reputational risk to the UW System or the institution, the chancellor or other appropriate institutional representative shall report the suspected misconduct to the Chief Audit Executive and the UW System Vice President for Finance. The remainder of UW System Administrative Procedure 304.A shall then be followed.

### V. Protections for Reporting Employees

UW System employees who report an actual or suspected instance of fiscal misconduct in good faith shall not be subject to any adverse employment action including separation, demotion, suspension, or loss of benefits because of the report.