Top Ten Practices to Avoid Fraud

10. Deposit all monies with the Campus or Auxiliary Cashiers. Off-Campus Bank accounts are not allowed. *Campus funds need to be transparent to avoid inappropriate acts, errors and misappropriation of funds.*

9. Campus and Auxiliary expenditures require appropriate authorization. Individuals cannot approve their own expenditures for reimbursements and must obtain their supervisor’s signature. In addition, a direct or indirect subordinate may not sign their supervisor’s reimbursement request even if they have CFS Delegation of Authority for that department. *Lack of proper approval for expenditures increases the risk of unallowable or inappropriate payments, as well as non-compliance with Campus, Auxiliary or CSU requirements.*

8. Provide all necessary documentation for travel or other reimbursements. Include required receipts, description and related business purpose. *Reimbursing employees without proper approvals and documentation increases the risk of paying for non-business-related expenses and can result in non-compliance with Campus and CSU policies, as well as potential tax consequences.*

7. Submit a requisition in advance of a procurement requiring a purchase order (e.g., services from an independent contractor). A Purchase Order is required in advance of work being started. *Risks include misunderstanding of business terms, responsibilities, and liabilities involved in performing the work and expose the Campus to unauthorized financial and legal obligations.*

6. Follow Human Resource and Departmental request and approval procedures for hiring employees or special consultants, taking vacation, and accepting overloads, additional or outside employment. *Risk of overcompensating employees, misunderstanding of terms and condition of employment, unclear scope of work to be performed by a special consultant, and exposes the Campus to financial obligations for unauthorized work being performed and legal obligations.*
5. Vendors, Consultants and Employees must be independent from the Decision Maker. To avoid a financial conflict of interest, you cannot engage immediate family members or a business entity you own or manage. Risks include negative publicity, substandard work, and penalties from the Fair Political Practices Commission.

4. Remember expenditures must match the allowable purchases for the Fund (Operating, Continuing Education, Specific Course Fee, etc.) per the specification sheet, contract or grant award. For example, a purchase in a TExxx Fund must benefit activities related to continuing education or self-supporting instructional programs. Risk of non-compliance includes inappropriate expenditures, legal liabilities and negative public scrutiny.

3. Ensure equipment is properly accounted for and tagged. Departments should pay special attention to sensitive equipment (examples include laptops, tablets, cell phones, cameras, etc.). Inadequate accountability for sensitive equipment, especially computer-related items that may contain personal information or have access to such protected information, increases the risk of loss, inappropriate use of state property, and increases exposure to information security breaches.

2. Provide all necessary documentation for hospitality expenditures. Required documentation includes itemized receipts, list of attendee with relationship to the Campus, description of event indicating the host/date/time/location, and related business purpose. Hospitality expenses must be directly related to, or associated with, the active conduct of official Campus business. Inadequate documentation of hospitality expenditures increases the risk of non-compliance with Campus and CSU requirements, as well as potential unallowable or inappropriate hospitality purchases.

1. Please help prevent Fiscal Improprieties by sending questions/concerns to the Campus Internal Auditor. Kaye Milburn, x87439, kaye.milburn@csus.edu, zip 6050.