



UMBC Procedures for Reporting and Investigating Suspected or Known Fiscal Irregularities

- I. These procedures are established in accordance with the USM Board of Regents Policy VIII – 7.10 approved June 21, 1990 and revised June 17, 2017.

Suspected or known fiscal irregularities exceeding \$1,000 such as embezzlement, fraud, theft, falsification of documents, and financial conflict of interest must be brought to the attention of the Vice President for Administration and Finance, who is the institutional official responsible for taking the appropriate course of action, outlined below. Sequential events in which multiple related irregularities of less than \$1,000 each total \$1,000 or more shall be reported to the Chancellor and OIA.

- II. The person discovering or suspecting the fiscal irregularity will ensure that the Vice President for Administration and Finance is immediately notified, by reporting the irregularity either directly or via [Management Advisory Services](#).

Alternatively, the individual may immediately notify the USM Office of Internal Audit (OIA) via the [Fraud Hotline](#). The OIA will investigate and, if warranted, will report their preliminary findings to the Chancellor and UMBC President for further action.

Anonymity will be maintained to the extent allowed by law at the request of the person reporting the known or suspected irregularity.

If the irregularity is initially discovered or reported to the campus police, they must immediately notify the Vice President for Administration and Finance.

- III. The Vice President of Administration and Finance (VPAF)/designee shall inform the following per the USM Policy and any others found appropriate:
- Chancellor
 - President
 - UMBC Office of General Counsel
 - Manager of financial operations where the irregularity allegedly occurred (e.g., Business Manager, Associate Athletic Director, Assistant Dean, Assistant Director, etc.), and
 - USM Office of Internal Audit – Director
 - Office of the Attorney General – Higher Education Division

- Office of the Attorney General – Criminal Division will be notified only if the identity of the perpetrator is known.
 - If the perpetrator is an employee or contractor of the State, the Chief Legal Counsel to the Governor shall be notified in accordance with USM Policy VII 8.05 [Policy on Professional Conduct and Workplace Bullying](#).
- IV. All irregularities that occur in departments that routinely handle cash or cash equivalents, inventories, accounts receivable, marketable securities, or involve persons responsible for major fiscal functions such as payroll, procurement, bookkeeping, or accounts payable shall be reported by the VPAF to the Chancellor and Director of OIA regardless of the dollar amount.
 - V. The VPAF shall immediately have the report of alleged misconduct investigated, and determine if assistance from OIA is needed. Management Advisory Service will oversee the investigation and will record actions taken and conclusions reached. If federal funds are involved, the VPAF will follow federal requirements, which may include, but not be limited to, notification of the appropriate federal agency.
 - VI. When a full investigation has been completed, the VPAF will report the findings to the President. If the irregularity is verified, the President, in consultation with the UMBC Office of General Counsel, and Office of the Attorney General, shall determine a course of action, e.g., discipline, restitution, or discharge.
 - VII. The President shall report the course of action determined to the Chancellor and OIA.
 - VIII. The Office of the Attorney General will determine if criminal prosecution is warranted.
 - IX. Following completion of the case, MAS will prepare a report summarizing the outcome and remedial action to be taken. This report will be circulated to appropriate persons and stakeholders who must take appropriate action and improve controls to mitigate the scope for future recurrence of the activity. MAS will follow up on any required action to confirm that it has been implemented.