

FRAUD DETECTION/PREVENTION POLICY

Background: This policy is established to aid in the detection and prevention of fraud against MVNU.

Scope: This policy applies to any irregularity involving employees, students, trustees, consultants, vendors, contractors, outside agencies, and/or any other parties with a business relationship with MVNU. The focus of the policy is financial irregularity.

Responsibility: According to the MVNU Bylaws, (a) the Board of Trustees (BOT) has general oversight responsibility for MVNU, (b) the President is the CEO of MVNU and has supervisory power over all officers, agents, teachers, and other employees of MVNU, and (c) the President appoints senior administrators (SLT) and define/assign their various duties. It is imperative, therefore, that the BOT, President, and SLT set a zero-tolerance environment with respect to fraud.

Actions Constituting Fraud: These include, but are not limited to, any dishonest or fraudulent act; misappropriation of funds, supplies, or other assets; impropriety in the handling or reporting of money or financial transactions; profiteering as a result of inside knowledge of MVNU activities; disclosing confidential and proprietary information to outside parties; disclosing to other persons securities activities engaged in or contemplated by MVNU; violation of any MVNU fraud-related policy or Conflict of Interest Policy; and/or destruction, removal, or inappropriate use of records, furniture, fixtures, or equipment.

Incident Reporting: Any individual who discovers or suspects fraudulent activity will contact the Controller immediately. (If the Controller is suspected of fraudulent activity, the individual will contact the HR Director.) The reporting individual will be informed that s/he may (a) remain anonymous, (b) may not contact the suspected individual in an effort to determine facts or for any other purpose, and (c) may not discuss the matter with anyone, unless specifically instructed by the Controller. The Controller (or HR Director, if applicable) will notify the CFO, who will notify the President. (If the CFO is suspected of fraudulent activity, the matter will be reported directly to the President.)

Investigations: The CFO (or President, if applicable) is responsible for conducting the investigation, including delegating any/all of the investigation to the Controller or the CFO's designee. There shall be free/unrestricted access to all MVNU records and premises, including the authority to examine, copy, and/or remove contents of files, desks, cabinets, computers, and other storage facilities without prior knowledge or consent of any individual who might use or have custody of any such items or facilities. Great care will be taken in the investigation of suspected improprieties or irregularities so as to avoid mistaken accusations or alerting suspected individuals that an investigation is underway.

Inquiries: All inquiries concerning the activity under investigation from the suspected individual, his/her attorney or representative, or any other inquirer will be directed to the CFO or the CFO's designee. No information concerning the status of an investigation will be provided. Under no circumstances should any reference be made to allegations, crimes, fraud, forgery, misappropriation, or any other circumstances.

BOT Reporting: The CFO (or President, if applicable) shall summarize all incidents (including disposition and any personnel/process changes that resulted) and report same to the Audit Committee and Finance Committee at the next regularly scheduled BOT meeting.

Violations: Employee fraud will be treated as misconduct and handled in accordance with the appropriate Handbook. Student fraud will be handled in accordance with the Student Handbook. Fraudulent activity may result in criminal charges.