Fraud Awareness and Reporting

1. Purpose
To ensure appropriate paths for communication of potential fraudulent financial activity or other weaknesses in internal control.

2. Related Policy/Authority
Policy 1015
Policy 2041

3. Faculty/Staff Responsibilities
Vice President of Administration/CFO is responsible to ensure that an overall structure of sound internal controls is implemented, GAAP is followed in all accounting, and that all external regulations and requirements for routine business transactions are addressed in the control and reporting structure. The Vice President of Administration/CFO is responsible to periodically review the structure and implementation of internal controls, and to regularly review all financial reports presented to the Ownership, the Board, the Debt Trustee, and any governmental agency or accrediting body.

One of the components of sound internal control is the presence of an independent mechanism for any stakeholder to securely report allegations or concerns related to potential financial fraud occurring within the organization. The Compliance Officer is responsible for the administration of this reporting system.

The Controller is responsible for the implementation and oversight of all other internal control procedures.

4. Definitions/Abbreviations

5. Procedural Steps
1. All employees are encouraged to report any indication of inappropriate or questionable financial activities to one of the following offices:
   a. Compliance Officer
   b. Chief Financial Officer
   c. Controller
   d. President
2. Each of these above parties will forward any reports of fraudulent activity received to the attention of the Chief Financial Officer for investigation, with an informational copy to the other parties, unless the President, Chief Financial Officer or Controller is implicated in the report; under those circumstances, the report will be investigated by the Compliance Officer. At the discretion of the Compliance Officer, reports implicating either the President or the Chief
Financial Officer, or any Board member, may be forwarded directly to the Chairman of the Board of Trustees or to the New Mexico Higher Education Department.

3. Questions concerning financial procedures should be directed to the Controller.

4. The above procedures are provided verbally in training, and posted to the Finance Officer website.

6. Reports/Charts/Forms/Attachments/Cross References

   NA

7. Maintenance

   Office of the Controller; updated whenever an external reporting requirement is added or changed.

8. Signature

   Signature on File  |  8/23/19
   Jennifer Taylor, VP Administration/CFO  |  Date

9. Distribution List

   Internal/External

10. Revision History

<table>
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<tr>
<th>Revision Date</th>
<th>Subsection #</th>
<th>Summary of Changes</th>
<th>New/Cancellation/Replacement Procedure? (if applicable)</th>
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<tr>
<td>8/23/19</td>
<td>3 and 5</td>
<td>Added Compliance Officer role in addressing reports of fraud</td>
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