

Louisiana Tech University

Division of Finance and Administration



Bonds, Crime, and Property Program

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Louisiana Tech University Bonds, Crime, and Property Program

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Louisiana Tech University Bonds, Crime, and Property Program

Introduction

The Bonds, Crime, and Property Program is intended to protect the State of Louisiana and Louisiana Tech University from financial and/or property losses resulting from any act and/or omission by any Louisiana Tech University employees in the performance of their respective duties. Louisiana Tech University shall abide by all federal, state, and local guidelines and legal requirements, including the accounting control guidelines established by the Office of Statewide Reporting and Accounting

The purpose of the Bonds, Crime, and Property Program is to:

- Assign responsibility for developing and managing fiscal controls.
- Establish each individual's accountability for the performance of his/her duties in compliance with the University's fiscal control program.
- Safeguard University assets.
- Maintain the public's confidence in the ability of University's employees to conduct business in an honest and professional manner.

Components of the Bonds, Crime, and Property Program

1. University Policies and Procedures
2. Bonds, Crimes, and Property Coverage
3. University System of Internal Accounting and Administrative Controls (Internal Control)
4. Security Plan
5. Key Control Policies and Procedures

Louisiana Tech University Bonds, Crime, and Property Program

Component 1: University Policies and Procedures

A. Program Responsibilities

Louisiana Tech University, the Division of Finance and Administration, is responsible for developing and implementing a Bonds, Crimes, and Property Program.

The University Bonds, Crime, and Property Program Policies and Procedures Manual is available online at <http://www.ltadm.latech.edu/comptrol> and in the Office of the Comptroller, 128 Keeny Hall. The Bonds, Crime, and Property Program is also included in the mandatory online training course offered quarterly by the University to new and continuing faculty and staff. (See Component 1, Section C of this manual).

Louisiana Tech University Bonds, Crime, and Property Program

Component 1: University Policies and Procedures

B. University Procedures

The University policies and procedures for managing the University assets and the fiscal internal control system to minimize potential losses and damages include the following:

- Handling/processing negotiable items
- Employee accountability for equipment assigned to them
- The securing of vaults and safes
- Purchasing procedures.

Procedures for Negotiable Items:

All University employees responsible for handling and processing negotiable items such as cash and checks must follow University policies and procedures related to cash. The procedures for handling and processing negotiable items are included in Appendix A of this manual and in the online Louisiana Tech University Policies and Procedures at <http://www.latech.edu/administration/policies-and-procedures>.

[Policy 5402](#): University Funds

[Policy 5404](#): Cash Handling Policy and Procedures

[Policy 5405](#): Permanent Cash Advance Policy and Procedures

[Policy 5406](#): Temporary Cash Advance Policy and Procedures

Procedures for Equipment:

All University employees are required to comply with the University Property Control Regulation. The procedures regarding employee accountability for equipment assigned to them are included in Appendix B of this manual and in the online Louisiana Tech University Policies and Procedures at <http://www.latech.edu/administration/policies-and-procedures>.

Property Control Regulations:

[Policy 5301](#): Property Regulations and Responsibility

[Policy 5302](#): General Procedure

[Policy 5303](#): Annual Inventory Process

[Policy 5304](#): Forms

[Policy 5305](#): Departmental Listings

[Policy 5306](#): Property Location Index

[Policy 5307](#): Data Sanitization Policy

[Policy 2302](#): Campus Computer Use Policy

[Policy 5408](#): Vehicle Use Policy

Procedures for Vaults and Safes:

All employees granted the authority to access University safes and vaults must follow all required procedures to limit unauthorized access by others. Any keys, combinations, or codes for vaults, safes, or money boxes assigned to employees must be safeguarded at all times.

General university procedures regarding the security of vaults and safes in applicable departments are located in Appendix C of this manual and online at <http://www.ltadm.latech.edu/comptrol>. Departments with vaults and safes may also maintain additional policies and procedures at the departmental level.

The Cash Handling and Vault Procedures for the Office of the Comptroller – Cashiers Office are included in Appendix D. Cashiers are responsible for reviewing these procedures and agreeing to adhere to them. Copies of the signed procedures are maintained in the Office of the Comptroller.

Procedures for Purchasing:

All University employees are required to comply with the Louisiana Tech Purchasing Policy and the State of Louisiana purchasing laws and regulations. The University Purchasing Policy ([Policy Series 5200](#)) is included in Appendix E of this manual and in the online Louisiana Tech University Policies and Procedures beginning at <http://www.latech.edu/administration/policies-and-procedures/5201.shtml>. Additional information regarding the Louisiana Tech University Purchasing Office and purchasing policies and procedures is available at <http://www.ltadm.latech.edu/purchasing>.

Louisiana Tech University Bonds, Crime, and Property Program

Component 1: University Policies and Procedures

C. Training Programs for Employees

University-Wide Training Programs:

The University conducts training programs for employees on an ongoing basis. Training includes both formal programs and on-the-job training. Training is documented by the appropriate office.

University [Policy 1442](#) addressing employee training is included in Appendix F of this manual and in the online Louisiana Tech University Policies and Procedures at <http://www.latech.edu/administration/policies-and-procedures>. The mandatory training programs include ethics, safety issues, sexual harassment, drug free workplace, violence in the workplace, Americans with Disabilities Act, bonds, crimes, and property control, and computer use policies.

As stated in Policy 1442, training for the Bonds, Crime, and Property Program is included in the mandatory training required for all new faculty and staff and continuing faculty and staff once every three years. The University offers the training course online quarterly. The subjects contained in the course have been mandated by the Office of Risk Management, State of Louisiana, and other State and Federal agencies. The online presentation for the Bonds, Crime, and Property Program is included in Appendix G of this manual.

Other University-sponsored training programs are conducted as necessary to inform and train department heads, faculty, and administrative clerical staff regarding changes in University policies and procedures, including assets and property management issues.

All University employees are required to participate in quarterly safety meetings. These quarterly meetings may address the management of university assets and property.

Departmental Training Programs:

New employees receive individual training in the management of University assets and property administered or controlled by their particular department. Supervisors and other employees provide on-the-job training to new employees. All employees are provided with the policies and procedures applicable to their assigned job duties.

Training is provided for all continuing employees as needed. Employees will be required to attend University-sponsored seminars and training sessions related to their job duties. Employees may also attend conferences and meetings provided by outside agencies and organizations.

Louisiana Tech University Bonds, Crime, and Property Program

Component 1: University Policies and Procedures

D. Internal Audits

Internal audits and reviews are required by the Bonds, Crime, and Property Program. These audits and reviews include:

- Regular reviews performed by departmental supervisors or administrators (example: petty cash review).
- Annual audits performed by other University Departments (example: annual property inventory).
- Periodic audits performed by the University Internal Auditor. An annual audit plan is developed by the Internal Auditor for the University. The plan is approved by the University President and a copy of the plan is provided to the University of Louisiana System Board of Supervisors. A listing of Internal Audit Reports for 2008-09 is included in Appendix H.
- Biannual audits/reviews performed by the State of Louisiana Legislative Auditor. This audit/review is conducted in compliance with *Statement of Auditing Standards Number 99: Consideration of Fraud in a Financial Statement Audit*. The University's responses regarding SAS 99 are included in Appendix I.

Louisiana Tech University Bonds, Crime, and Property Program

Component 1: University Policies and Procedures

E. Procedures for Responding to Audit Findings

In the event of findings and recommendations by the University Internal Auditor, Louisiana Legislative Auditor, or any other outside auditor, the following procedures or followed:

1. The appropriate department will evaluate the findings and recommendations, determine the proper actions, and respond in a timely manner. The response will include a corrective action plan with estimated implementation dates to resolve findings, whether or not the availability of resources is a restraining factor. Such lack of resources should be documented.
2. The findings and/or recommendation, along with the response from the department, is reviewed by the appropriate dean (if applicable), appropriate Vice President, and the University President.
3. The University's response is submitted to the Internal Auditor or the Legislative Auditor by the designated deadline.
4. The department head, the Internal Auditor, and or/other appropriate parties will periodically review the progress made in implementing the corrective action plan to help ensure completion by the specified dates.

Louisiana Tech University Bonds, Crime, and Property Program

Component 1: University Policies and Procedures

F. Investigation/Reporting Procedures for Incidents Involving Losses/Damages

In the event of a loss or damages involving University assets, the following investigation and reporting procedures are undertaken:

1. Notification of the supervisor or department head. If the loss involves the supervisor or the department or the department head, the appropriate higher level administrator should be informed.
2. The supervisor or department head will report the loss to the appropriate authorities. The authorities may include the University Internal Auditor, University President, University Police, District Attorney, or the Louisiana Legislative Auditor.
3. Investigation of the incident will be performed by the appropriate party.
4. Results of the investigation will be reported to the appropriate authorities.
5. Policies and procedures are reviewed periodically to ensure that necessary changes and/or corrective actions are undertaken. A specific loss incident may result in immediate review and revision of the policies and procedures.
6. Claims for insurable losses or damages are reported to the Division of Finance and Administration. The Director of Facilities and Support Services serves as the University contact with the Office of Risk Management in connection with the filling of claims for loss recovery.

Louisiana Tech University Bonds, Crime, and Property Program

Component 1: University Policies and Procedures

G. Policies/Procedures for Employees Requiring Bonds, Crime, and Property Coverage

All individuals assigned to manage or handle cash, checks, or credit cards, University equipment or other property, or purchasing and/or other financial transactions should be authorized and trained for those duties.

Employees who have duties related to cash, property, purchasing, and other financial transactions are responsible for reviewing and complying with the applicable University policies and procedures outlined in Component 1, Section B: University Procedures.

Specific Responsibilities for University Employees:

Program Administration:

The Vice President for Financial and Administration is designated as program administrator for the Louisiana Tech University Bonds, Crime, and Property Program. The Division of Finance and Administration is responsible for the implementation of an internal fiscal control program and for reviewing the fiscal control program regularly for efficiency and effectiveness.

Supervisor Responsibility:

Supervisors must insure that employees are properly trained in the program's policies, procedures, and guidelines so that all safeguards are followed at all times. Supervisors should review the program's internal controls to ensure protection of the University's assets and property from losses.

Employee Responsibility:

The program applies to all employees who manage or handle any of the following:

- Cash, checks, or credit cards
- University equipment or other property
- Purchasing or other financial transactions

Employees are expected to follow the program fiscal controls and to report any deviations. Deviations include but are not limited to:

- Deliberate recording of a transaction with inadequate documentation, inadequate information, and/or approval
- Deliberate omission of information in a financial/statistical report
- Failure to safeguard an asset
- Unauthorized use of an asset
- Failure to safeguard fiscal/personal information
- Failure to secure files with confidential information.

An employee should report a deviation from program controls in accordance with University policies and procedures.

Louisiana Tech University Bonds, Crime, and Property Program

Component 2: Bonds, Crime, and Property Coverage

All University employees are covered under a fidelity bond through the State of Louisiana Office of Risk Management. The Employees Faithful Performance Blanket Bond covers loss sustained by the University because of dishonest or fraudulent acts of employees or by failure of employees to faithfully perform duties. The following mandatory areas are covered:

1. **Property Manager Bond:** This bond covers dishonest or fraudulent acts or failure to faithfully perform duties in connection with the handling and control of state property, resulting in loss to insured. There is a \$1,000 deductible for this coverage.
2. **Notary Bond:** This bond guarantees that a notary public will comply with applicable laws and regulations. There is a \$1,000 deductible for this coverage.
3. **Postal Bond:** This bond guarantees that a post office contract, branch, or station located at such places as a university or college shall faithfully discharge all duties required under rules and regulations of the U.S. Postal Service. It must account for, deliver, and pay over monies, mail matters, and other properties that come in its 2007 V-1.0 Page 6 of 11 possession to the proper post office official. There is no deductible for this coverage.
4. **Public Official Bond:** This bond is required for state elected or appointed officials to fill positions of trust. It protects against dishonest and fraudulent acts as well as a person's failure to perform duties required. There is no deductible for this coverage.
5. **Crime (Inside/Outside Premises): Money and Securities; Depositors Forgery (usually secured by Combination Crime Policy):** This policy should cover all perils except those that are excluded by the policy on money and securities including outside premises while conveyed by messenger. Property other than money and securities is insured against robbery or burglary. Coverage is provided against loss through forgery or alteration of checks drawn by insured. The Crime Policy shall also provide coverage for property damage to a safe during an attempted or actual robbery. There is a \$1,000 deductible for this coverage.

Louisiana Tech University Bonds, Crime, and Property Program

Component 3: Internal Control

The University has established a system of internal accounting and administrative controls in accordance with applicable federal laws and Louisiana state statutes and regulations. The internal control procedures include the following:

- Reasonable assurance that internal control objectives will be met.
- Competent personnel with adequate education, experience and training to accomplish their assigned duties.
- Internal control objectives including:
 - Obligations and costs comply with applicable state laws (e.g., state contracts and bid process).
 - Funds, property, and other assets are safeguarded against waste, loss, fraud, unauthorized use, or misappropriation.
 - Revenues and expenditures are properly recorded and accounted for to permit the preparation of reliable financial reports and maintain accountability over University assets.
- Documentation of internal control systems, transactions, and events. Documentation for the recording of cash receipts, purchasing, University assets, and other financial transactions is available in the appropriate department.
- Separation of duties. Key duties (e.g., authorizing, approving, and recording transactions; issuing or receiving assets; making payments; and reviewing or auditing) are assigned to separate individuals or separate departments to minimize to risk of loss to the State and University. Duties are assigned so that no one individual controls all phases of an activity or transaction. Within the Division of Finance and Administration, there are multiple departments that coordinate expenditure functions ranging from payroll to purchases. For example, the Purchasing Office is responsible for the procurement of supplies, equipment, and services for the University; the Receiving Depot, part of the Physical Plant, receives equipment, supplies, and other purchases; the Property Office maintains the moveable property inventory, and the Office of Comptroller is responsible for the disbursement of payments to vendors for these goods and services.
- Supervision. Proper supervision is provided in each University department to assure that approved procedures are followed. Lines of personal responsibility and accountability are clearly defined. Both classified and unclassified employees have official job descriptions that are updated periodically by the supervisor and the employee.

- Access to Resources. Access to resources is limited to authorized personnel. Access includes both direct physical access and indirect access through the preparation or processing of documents that authorize the use or disposition of resources. Periodic internal audits are made comparing the physical resources with the recorded accountability to determine whether the two agree.

Examples:

- Cash Counts. There are periodic unscheduled cash counts of the Comptroller vault and the Cashier money boxes by other Comptroller personnel.
 - Inventories. A physical inventory is conducted annually in each department that maintains inventories. The objective of the annual inventory is to update and verify all items on hand, thus ensuring the accuracy of the accounting data. The University's Internal Auditor observes and verifies certain departmental inventory counts each year. All final inventory reports are compiled and sent to the Office of the Comptroller. Copies of the reports are sent to the Internal Auditor.
 - Athletic Tickets. Athletic tickets are counted and reconciled by the Athletic Ticket Office and then forwarded to the Office of the Comptroller for independent count and review.
 - University Deposits. The cashiers' daily receipts and the daily bank deposit are reviewed and verified daily by employees in other areas of the Office of the Comptroller. University police transport the deposit to the bank daily and are required to sign a register (log) in the Cashiers' Office when the locked bank bag is picked up and returned.
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- Addressing Audit Findings. As outlined in Component 1, Section E the appropriate University department is responsible for promptly evaluating findings and recommendations reported by auditors; determining proper action, and implementing actions that correct the findings within the designated time frame. The audit findings may be a result of either an internal or external audit as detailed in Component 1, Section D.

Louisiana Tech University Bonds, Crime, and Property Program

Component 4: Security

The University's goal is to ensure the safety and security of each University employee, student, and visitor, while also securing University property. The University Police Department is responsible for the University's overall security plan. The University Police maintains a detailed procedure manual that includes specific policies and procedures for securing the campus. For enhanced security, these procedures are not published for the general public.

Examples of security measures for the University include:

- Departmental vault, safes, and alarm systems – See Appendix C
- Fob access systems for University buildings
- Police responsibility for transport of University bank deposits
- Night patrol by police officers and police student employees
- Use of golf carts to carry students across the campus, particularly after dark
- Safety programs for students conducted by the Division of Student Affairs
- “High Mast” lighting for safety

The University has also established a Crisis/Risk Management Plan for the campus. As part of this plan, the University has established an Emergency Response Team that is designated to handle emergency situations that may affect the entire campus.

Louisiana Tech University Bonds, Crime, and Property Program

Component 5: Key Control

The purpose of the University-wide key control policy is:

- To ensure that all University keys are accounted for and used appropriately.
- To implement a tracking system for all University keys.
- To ensure the safe access and security to all University buildings.

The University-wide key control policy, Keys for Offices and Buildings: [Policy 4106](#) is included in Appendix J of this manual and in the online Louisiana Tech University Policies and Procedures at <http://www.latech.edu/administration/policies-and-procedures>.

The policy and procedures address the issuance and return of keys; the reporting of lost or stolen keys; the changing of locks (when applicable); and the employee responsibility for handling keys.

Louisiana Tech University Bonds, Crime, and Property Program

Other University Policies and Procedures

Other University-wide policies and procedures related to the Bonds, Crime, and Property Program are included in the online Louisiana Tech University Policies and Procedures <http://www.latech.edu/administration/policies-and-procedures>.

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Policy 1306:	Records Retention and Disposition
Policy 2303:	Policies on Internet Use
Policy 2304:	Ethical and Legal Use of Computer Software for Members of the Academic Community
Policy 4103:	Insurance Protection for Personal Property Located on Campus
Policy 4107:	Locking and Unlocking Buildings
Policy 4200 Series:	Safety Plan
Policy 5407:	Information Security Program
Policy 6100:	Student Handbook