

Spectrum Charter School

Board of Trustees Policy

ANTI-FRAUD POLICY

Purpose

The Board of Trustees (“Board”) of Spectrum Charter School (“Charter School”) is entrusted with the responsible stewardship of public funds and resources. This policy establishes measures to uphold ethical conduct, promote transparency, and protect the Charter School from financial misconduct that could undermine its integrity and operations.

Definitions

Fraudulent activities include, but are not limited to:

1. Forgery, falsification, or unauthorized alteration of documents or records.
2. Misappropriation, misapplication, destruction, removal, or concealment of funds, securities, supplies, or other assets.
3. Improper handling or reporting of financial transactions.
4. Profiteering due to insider knowledge of organizational activities.
5. Disclosing confidential and proprietary information to outside parties.
6. Accepting or seeking bribes, kickbacks, or any other benefit for personal gain.
7. Authorizing or receiving compensation for goods not received or services not performed.
8. Authorizing or receiving unauthorized or non-compliant compensation or reimbursement.
9. Destroying, removing, or inappropriately using Charter School records or property.
10. Failure to provide complete and accurate financial records as required by authorized parties.
11. Failure to cooperate fully with audits, investigations, or other oversight activities.
12. Any other dishonest, fraudulent, or unethical act involving Charter School resources or operations.

Responsibilities

The CEO, or designee, shall develop, implement, and maintain a comprehensive system of internal controls to prevent and detect fraud, financial improprieties, and fiscal

irregularities within the Charter School. This system shall be subject to Board review and approval.

All employees, Board members, volunteers, contractors, vendors, and others affiliated with the Charter School must uphold ethical standards and comply with applicable laws, policies, and procedures. Individuals shall not engage in or condone fraudulent activities, nor ignore indicators that such activities may be occurring.

Any person who suspects or becomes aware of potential fraudulent activities shall promptly report the concern through established reporting channels.

Reporting Procedures

Employees shall report suspected fraudulent activities to their immediate supervisor or the CEO. If the report involves the CEO, the employee shall report to the Board President.

Other individuals shall report concerns to the CEO or Board President. Reports may be made anonymously, but sufficient information and evidence must be provided to initiate an investigation.

The Charter School shall maintain confidential reporting mechanisms, such as a whistleblower hotline or online reporting system, to facilitate the submission of fraud-related complaints.

Investigation and Resolution

The CEO, or designee approved by the Board, shall promptly investigate all credible allegations of fraudulent activities involving Charter School resources. Investigations may involve internal parties (e.g., legal counsel, auditors, human resources) and external entities (e.g., law enforcement, regulatory agencies, forensic specialists) as deemed necessary.

If an investigation substantiates fraudulent activities, the CEO, or designee approved by the Board, shall present findings to the Board and recommend appropriate disciplinary, legal, and remedial actions. The Board shall determine final resolution, including potential reporting to authorities, legal proceedings, and efforts to recover losses.

Investigations and their outcomes shall be documented and maintained for future reference and potential legal proceedings.

Confidentiality and Non-Retaliation

Investigations shall be conducted discreetly, with information shared only on a need-to-know basis. Individuals involved in the investigation process must maintain strict confidentiality.

The Charter School prohibits retaliation against anyone who reports suspected fraudulent activities in good faith or participates in related investigations. Retaliatory actions may result in disciplinary measures.

Prevention and Deterrence

The Charter School shall implement effective control measures to prevent and deter fraudulent activities, including but not limited to:

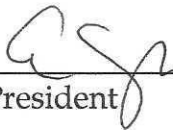
1. Segregation of duties for financial transactions and record-keeping.
2. Multiple authorized signatories for financial transactions above specified thresholds.
3. Secure handling, storage, and restricted access to financial instruments and sensitive information.
4. Comprehensive background checks for employees in fiscal roles.
5. Mandatory ethics and fraud awareness training for all personnel.
6. Regular internal audits and external audits by independent, qualified auditors.
7. Comprehensive documentation and record-keeping requirements.
8. Rigorous monitoring and reporting mechanisms for potential fraud indicators.
9. Consistent enforcement of disciplinary measures for substantiated fraudulent activities.

Compliance and Review

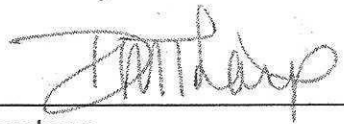
This policy shall be implemented in accordance with applicable laws, regulations, the Charter School's charter, and best practices in fraud prevention and detection. The Board shall review and update this policy periodically to ensure its continued relevance and effectiveness.

TO THE EXTENT THAT ANYTHING IN THIS POLICY COULD BE CONSTRUED TO CONFLICT WITH THE SCHOOL'S CHARTER OR APPLICABLE STATE AND/OR FEDERAL LAWS, THE APPLICABLE STATE AND/OR FEDERAL LAWS AND/OR CHARTER CONTROL.

Adopted this 11th day of June, 2026



President



Secretary

References: PA Charter School Law 24 PS §17-1719-A; Whistleblower Law – 43 P.S. Sec. 1421 et seq.; Sarbanes Oxley Act of 2002 – 15 U.S.C. Sec. 7201 et seq.; Whistleblower Protection – 18 U.S.C. Sec. 1513.