

Q&A Regarding Investigation of Possible Misappropriation of Funds

In general, how many external accounts are held by student organizations, and who manages them?

External accounts are maintained separately by student organizations and managed through private banks. MU officials have no way of knowing how many of these accounts exist.

How many MU employees hold “signatory authority” to approve expenditures made from these accounts?

University-affiliated student organizations [must establish their own bank accounts](#) to handle non-university funds, and the funds must be governed by the students within the recognized group. In some instances, student organizations have granted university employees (such as advisers to the organizations) permission to make expenditures from their non-university bank accounts. University officials will seek to determine how many MU employees have signatory authority through the internal review process.

When did MU discover the possible misappropriation?

The initial concern was identified by staff members in Greek Life in mid-July. Internal auditors were asked to review available information, and their review identified the suspicion of criminal activity. The university turned the case over to the MU Police Department for further investigation.

When were the police alerted?

A report was filed with MUPD on Tuesday, July 25.

When did this employee leave MU?

The employee was terminated upon confirmation that the individual violated university policies.

How much money is involved? What has the university been able to determine so far?

The scope of the possible misappropriation of funds will be determined through the criminal investigation.

Where does the money in these accounts come from?

Student organizations raise and manage their own funds. They have the autonomy and responsibility to spend these funds as the organizations see fit.

You said the accounts are affiliated with Greek Life. What does that mean?

The accounts where suspicious activity has been identified are held by an organization of Mizzou’s Greek community.

What is the new directive for approving expenditures from external student organization accounts?

The directive from Interim Chancellor and Provost Garnett Stokes and Chancellor-designate Alexander Cartwright states: “Any university employee who has authority to make expenditures, transfers, or other disposition of funds in a bank or other financial account of any student organization must obtain advance written approval of the employee’s supervisor and the Vice

Chancellor for Student Affairs for each expenditure, transfer, or other disposition of funds from such account that the employee makes. This approval requirement does not apply to expenditures from accounts of student organizations that are executed by students alone and not by a university employee.”

Who is reviewing the policies and practices for proper management and oversight of external accounts?

The review has been initiated by the Chancellor’s Office with support from University of Missouri System President Mun Choi.

What was MU doing before implementing this two-layer approval process?

The university has existing policies and guidelines related to the management of finances for student organizations. The university’s [Business Policy and Procedure Manual](#) requires university-affiliated organizations to establish their own bank accounts to handle non-university funds. The [Organization Resource Group](#) recommends recognized student organizations to have at least two officers sign all checks and to avoid paying for expenses with cash. The [guidelines](#) also encourage groups to complete an independent audit on a periodic basis.

In addition, many groups are subject to fiscal guidelines set by regional or national affiliate organizations.

Can you tell me the name of the organization or anything more specific about the accounts?

Details about the organization and any individuals involved are part of an active investigation. MU officials cannot disclose this information.

Is the directive from the provost and chancellor-designate a permanent measure?

Final recommendations will be based on findings from the internal review. However, Interim Chancellor and Provost Garnett Stokes and Chancellor-designate Alexander Cartwright felt it was important to make immediate changes to increase oversight of expenditures involving university employees. This directive has already been incorporated into the university’s [Business Policy and Procedure Manual](#).

Do students need to seek approval from a supervisor and the Vice Chancellor for Student Affairs for their expenditures from external student organization accounts?

The approvals are required only for expenditures made by university employees.