

Ethics Scenarios
TED Treasurer Seminar
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Ethics Scenarios for Internal Control

The Permanent Loan: The petty cash fund at a church-owned university is \$1,000. The petty fund cashier occasionally cashes checks for university staff as the bank is some distance away from campus. The petty cashier has his personal check for \$500 as part of the petty cash disbursements. That check has been in the petty cash box for 3 months. The petty cashier is the only one who has access to the petty cash box and he reimburses it on a regular basis when funds run low. The reimbursement check is run through the check signature machine (not hand-signed). Documentation to support the reimbursement is attached to the check voucher.

1. Is it ethical for the petty cashier to cash a personal check in the petty cash fund?
2. Is it ethical for the petty cashier to leave his personal check in the petty cash box for 3 months?
3. What internal control issues are related to the petty cash fund at this university?

The Community Service Organization: The local community service organization receives donations from church members and from those who receive its services. While some of these donations are in kind, many of them are in cash. Some of these donations come in the mail; most of them are cash donations, not checks. In addition, the local community service office sells produce at a reduced price to those who shop at its small store. The store's products vary, depending on the season of the year. A tin can is set out by the produce so the clientele can put their money into the can as payment for any food purchases.

The community service organization uses volunteers to run its store, receive donations of goods, and assist people in need. Only the director is paid. A volunteer opens the mail for the organization, counts the cash, records the amount received on the envelope, prepares the bank deposit, and takes the envelopes to the director's office, where the director writes out the receipts in the evenings after the community service center is closed. Different volunteers open the mail, depending on the day of the week, because the Director gives that job to whoever is not busy when the mail arrives.

The Director is concerned because cash donations are down this past year, although donations in kind are up.

1. What could be happening?
2. What internal control system can be put into place in such a small organization?

The Cash in the Safe: The local conference office is geographically close to a number of churches where there are frequent visitors from the United States. When these visitors put their offerings into the plate on Sabbath, they often use US dollars rather than the local currency. The local churches bring the US dollars to the conference office, where the conference treasurer gives the local church the credit for the offering and puts the US dollars into the office safe. These dollars are taken to the bank infrequently because the exchange rate between dollars and the local currency fluctuates a lot and because the bank charges a high service fee to exchange the dollars into local currency. The treasurer prefers to send the dollars back to the US with someone traveling in that direction. That way the dollars are spent in the US, the conference has no bank charges for currency conversion, and as long as the amount is under US\$10,000 the carrier is not required by US law to declare the currency upon arrival in the US. However, local law prohibits taking US dollars out of the country unless the individual with U.S. dollars is a tourist; it is illegal for a citizen to take these funds out of the country.

While waiting for someone to use the US dollars in connection with US travel, the treasurer keeps the money in a drawer in a file inside the office safe. The door to the safe is open at all times because financial records are also kept in the safe, as well as some office supplies. While office personnel must pass by the treasurer's secretary to go into the safe, she is often away from her desk on other business. All office personnel know about the US dollars in the safe and they know which file drawer contains the money. Also known is the fact that because he is so busy, the treasurer often dumps the US dollars into several gallon-sized ice cream containers in the file drawer without counting the amount. Thus, at any given time, no one knows for sure how many US dollars are held in the safe.

1. The auditor has arrived and discovered the ice cream containers. What advice should the auditor give to the conference?
2. What internal control response will the conference give?
3. What controls do you suggest?
4. The auditor learns that the conference plans to "sell" these dollars to the principal of the local elementary school (not an Adventist school) who is going to the US on vacation. Is it ethical for the conference to sell these dollars to this individual?

Scrap Sales: The local college has a press which prints various publications for the church, including books and magazines. In the course of printing, there is scrap from the paper, plates

and other materials used in production. Monies come back to the press (and thus to the college) through the sale of scrap paper to the local recycling plant. The sales of scrap are not monitored by the college's accounting staff as the press is located in a building some distance from the main administrative offices and the amount is considered to be too small to monitor.

1. Under what circumstances should the accounting staff be concerned about the sale of scrap paper from the press?

2. Assuming that the sale of scrap is not monitored by the accounting staff, does the press management have any responsibility for scrap sales?

3. The press needs new carpet in its administrative offices. The administration of the college states that there is no money for re-carpeting the press administrative offices. The press administration decides to keep the scrap money at the press to build up a fund to re-carpet the administrative offices. Is this ethical?

Assume the same scenario as above, except that the local college has a maintenance department and the scrap items are composed of pipe, steel, copper, etc. The maintenance department's recycle fund is significant in amount because these scrap items bring in a lot of money on the recycle market. The maintenance department uses the scrap funds for pizza parties and celebratory occasions like birthdays and anniversaries and Christmas parties.

1. Does it make any difference to your answers above if the funds are much greater in amount (i.e., the maintenance department amounts are triple the amounts in the press)?

Assume that in the past the scrap items in both the press and the maintenance department were dumped, and it was the directors in these departments who independently decided that recycling was a good idea. Each director believes that since the scrap was thrown away in the past, any scrap funds are "his" to be used as "he" desires.

1. Does the fact that the director of the department is the one who thought of the recycle idea change your answers to the above questions?

2. What procedures would you employ next?

3. Would you permit the local department (maintenance department or press) to have any input into how the scrap money is used?

Another consideration: What about the sale/control of spoiled or damaged product???

Paying Bills: The college cafeteria asked the accounting office if it could keep the original invoices for its vendors and send copies to the accounting office for payment. The accounting office agreed because copies were so good that they would be accepted for support for any

checks that were written. Besides, every month the accounting office sent a listing of all checks paid to the cafeteria director for review and approval.

The cafeteria director noticed that no matter how hard he tried to keep costs in line, the cafeteria continued to lose money during the school year. He discussed this with his secretary, who also appeared as puzzled about the financial results each month as the director was.

At the end of the year the secretary went on vacation with her husband who had just graduated from the college. They were planning to move to another part of the country where he was going to work. While she was gone, the monthly listing of all checks paid arrived, and the cafeteria director decided to review the list himself. Usually he handed to the secretary to review, but since she was on vacation and would have much to do when she returned, he decided to assist her with this matter.

He noticed that there were several checks on the list to a company he had not used for the past two years. He called the accounting office to complain about these old charges showing this fiscal year. He was told that these were current invoices to support these disbursements and if he wished, he could come to the office and look them over, as they were approved by him.

Puzzled, he went to the accounting office. Indeed—there were supporting invoices and they were approved by him. He returned to the cafeteria office and pulled those invoices from his files. He discovered that old invoices had been doctored to change dates so that they looked current. These invoices were then copied and submitted for payment. All of the doctored invoices were made out to one company which was a cash-on-delivery (COD) vendor, as it was a local fruit farmer.

When she returned, the cafeteria director confronted the secretary with the evidence. Initially she denied that she had doctored the invoices, but when he called her bank, deposits matching these doctored invoices were found over the past two years.

What internal controls could have prevented this theft?

The Missing Church Treasurer: A local church of about 1,000 members has lost its treasurer due to the previous treasurer moving away from the area in mid-July. About the same time the pastor's wife is diagnosed with cancer, and the church members form a prayer chain to pray for her recovery on a daily basis.

With the loss of the church treasurer, at the August board meeting the church pastor persuades his church board to vote his friend in as church treasurer. The friend is moving into the area from a distant state, but he is a CPA and will be joining the church shortly through transfer of membership. The pastor has known this person for some time, so even though the new treasurer is not present at the time of appointment, the church board votes him in as church treasurer. Subsequently, the newly-appointed church treasurer is never present at the monthly board meetings—i.e., he is traveling; he is ill; he had an unexpected family emergency; etc. There are monthly treasurer reports, but they are somewhat incomplete. Five months have passed.

1. Should the church board ask questions? If so, what questions?

In early December the church secretary tells the head elder that she has noticed that less cash has been coming into the church in the weekly offerings, but the slips that the deacons were putting into an envelope after they counted the offering have been lost over the past several months. The head elder tells the secretary that he believes that more people in the congregation are using checks these days rather than cash.

1. Is this something the head elder should be worried about?
2. Are there any internal control issues?

In late December the bank calls the church secretary's office and informs the church secretary that they are holding a check for clarification, as the check is unsigned. The pastor overhears the conversation and tells the secretary that he will take care of this matter at the bank.

In early January the local conference treasurer checks the church's tithe and offering totals to compare them with prior years. They are down significantly. The conference treasurer calls the number he has in his records to talk to the local church treasurer, but is informed that the number is not in service. The conference treasurer then calls the church secretary and asks for the phone number of the treasurer. She gives him the number she has, but the conference treasurer states that he has already tried that number and learned it is not in service. The church secretary asks the pastor for a working number, and the pastor responds: "I'll take care of that matter. Please tell the conference treasurer that I'll give him a call as soon as I finish speaking with this church member on the phone."

The pastor does not call the conference treasurer, so a few days later the conference treasurer again calls the church secretary to get the new number. The pastor is out when the conference treasurer calls. The secretary remembers the December incident with the bank call, and informs the conference treasurer. She also tells him that cash offerings have been down over the past few months.

1. You are on the church board and are friends with the church secretary. She has shared with you the incident with the bank and the pastor's response, and the fact that no one can locate a working number for the church treasurer, nor can he be located. She has also told you that it appears that the cash portion of the offerings is down.

What questions do you have at the next board meeting?
What responses do you expect from the pastor?

Epilogue: The pastor has been taking the cash offerings because his wife is ill and he did not know where else to get the funds for her medication. He only sent the checks to the bank because he did not want to be caught endorsing checks made out to the church. He made up the information about the church treasurer; there was no church treasurer.

Internal Control for the Local Church

You have been asked by the board of trustees of a local church to review its accounting procedures. As part of this review you have prepared the following comments relating to the collections made at weekly services and record keeping for members' pledges and contributions.

1. The church's board of trustees has delegated responsibility for financial management and the financial records to the finance committee. This group prepares the annual forecast and approves major disbursements, but it is not involved in collections or record keeping. No internal or independent audit has been considered necessary in recent years because the same trusted employee has kept church records and service as financial secretary for 15 years.
2. The offering at the weekly service is taken by a team of ushers. The head usher counts the offering in the church office following each service. He then places the offering and a notation of the amount counted in the church safe. The next morning the financial secretary opens the safe and recounts the offering. He withholds about \$100 to meet cash expenditures during the coming week and deposits the remainder of the offering intact. In order to facilitate the deposit, members who contribute by check are asked to draw their checks to cash.
3. At their request a few members are furnished prenumbered, predated envelopes in which to insert their weekly contributions. The head usher removes the cash from the envelopes to be counted with the loose cash included in the offering and discards the envelopes. No record is maintained of issuance or return of the envelopes, and the envelope system is not encouraged.
4. Each member is asked to prepare a contribution pledge card annually. The pledge is regarded as a moral commitment by the member to contribute a stated weekly amount. Based upon the amounts shown on the pledge cards, the financial secretary furnishes a letter requested members to support the tax deductibility of their contributions.

Describe the weaknesses and recommend improvements in procedures for:

- a. Offerings given at weekly services.
- b. Records keeping for members pledges and contributions.

Ethics Scenarios for Boards

The Purchase: The local conference executive committee is asked to purchase a plane for the conference so that the conference president, who has his pilot's license, can easily fly around the conference for meetings and preaching assignments. The conference president is a very charismatic individual and is very persuasive in presenting his arguments for the plane. He

argues that even though no one else in the conference has a pilot's license, he is happy to "share the plane" by flying the entire officer group to meetings, as required, as well pilot other conference people to their preaching or meeting assignments.

1. As a conference committee member, what questions should you ask? What implications should you consider?
2. Would you vote to purchase the plane for the conference?

Assume that the executive committee voted to purchase the plane for the conference. The conference treasurer does not have access to the plane's logbook (the conference president keeps forgetting to bring it to the office) so he does not know what flights are taken for what purposes. However, when asked, the president informs the treasurer of any trips taken for conference purposes, and also when asked, reports personal trips with his family and then makes financial restitution to the conference.

The executive committee asks for a report on the use of the plane, as it is an expensive item and the total cost is a matter of discussion when the financial statements are presented. The treasurer reports what he has been informed regarding the trips.

1. Assume that when asked at the executive meeting about the treasurer's report, the President states that the report is complete and all trips have been reported and that he has paid for all personal trips. Do you accept the president's word? Would you ask for further documentation?
2. Assume that the plane is too expensive for the conference budget. What do you recommend the conference to do?

The Best Investment: The President of a local conference asks his Conference Committee if it is acceptable for the conference to loan money to an educational institution in another country. The Conference Committee discusses the matter for some period of time, but while it is a bit uncomfortable, it decides there is no reason to object. The conference president does not disclose that the educational institution who receives the funds is his alma mater and that the CFO of the educational institution needing the funds is his uncle. The Conference Committee does not ask why the conference should loan the money. They concentrated on whether such a loan is likely to be repaid. The conference president shows the letter that promises full

repayment on demand.

1. What questions should the conference committee have asked?
2. Is this type of loan within policy?
3. What additional information is needed/required?
4. How would you vote?

Subsequently the country in which the educational institution is located blocked its currency. At the constituency session, the constituents ask about this sizeable loan (which is now called an “investment” because it cannot be repaid) that was made by the conference. The president refused to give any information because he indicated that the entire matter was voted by the Conference Committee.

1. As a constituent, what questions would you ask the President? The Conference Committee members?
2. Would you vote to rehire the President?
3. The “word on the street” is that the conference officials have purchased beach-front property for personal use at a famous resort and THAT is the “investment” they do not wish to discuss. As a member of the Conference Committee, you’ve been called to the microphone. What do you say?

The “Broke” Organization: One of the Adventist institutions in your Division is well-recognized and financially sound. However, the new Division president put his brother-in-law in charge of the institution at the first board meeting of the new constituency year through a back-door election process (i.e., by the strength of his presence at the meeting). The board is caught unawares because it is a brand new board.

Unfortunately the brother-in-law has no experience in managing any kind of organization. His first step at the second board meeting is to fire his CFO and recommend his best friend for that

position. In explaining this action to the board in order to get their approval, the brother-in-law states that the institution is broke so the current CFO must be fired.

1. As a board member who voted for the brother-in-law as the new manager, what questions would you ask at this second meeting where the brother-in-law wishes to fire the CFO?
2. Would you vote to fire the CFO?

Subsequently, the audited financial statements were released and the year in question was the best year ever from a financial perspective for the institution. This information is given at the third board meeting, but it is provided in a somewhat oblique manner. The statement is made that the audited statements showed an unqualified opinion, but the actual year-end numbers are not mentioned. The current financial statements are presented.

1. What questions would you ask at this third board meeting?

One board member asked for the actual audited statement. It was sent the following week to all the board members. At this point, as a responsible board member, what do you do?

The Christian Board: An Adventist organization has a new CEO who is clearly unwilling to abide by working policies or accounting rules. The CFO is loyal to the CEO, but concerned. The internal audit department is incapable of doing its job because of the break-down in internal controls and the strong personality of the CEO. In desperation, the internal audit director approaches the Chair of the Audit Committee and explains what is happening internally at the organization. The Chair of the Audit Committee reports what he has heard to the Board Chair, Vice Chair, and Chair of the Finance Committee. Unfortunately, these individuals feel powerless as this organization is structurally under the Division. The internal audit director, sensing that nothing will happen to bring the organization in line with working policy and

acceptable accounting practices, resigns. The CEO expresses pleasure at his departure to the CFO.

The CFO calls the Chair of the Audit Committee and reports the resignation and expresses concern about how this resignation will affect the internal control strength at the organization. At the next board meeting, the Chair of the Audit Committee reports to the Board regarding the resignation of the Internal Audit Director, states that the internal control structure of the organization is compromised and that without a functioning internal audit department with a strong director, things will only worsen.

1. **Reaction One:** The board asks: Why did the Internal Audit Director leave? What does the CEO think about this resignation? The CEO responds by offering a name of an individual as a possible replacement. The CFO knows that the offered name is a former associate of the CEO who does not have any audit experience, nor does he have a CPA license. The board notes that the CFO is silent and looks grave.

What additional questions should the board ask?

2. **Reaction Two:** The board was silent and pensive.

3. **Reaction Three:** In the midst of the presentation by the Chair of the Audit Committee, one of the board members says: “It is unchristian for you to criticize the CEO of this organization who has been appointed to this position by God.”

As a board member, what is your response?

Ethics Scenarios for Personal Ethical Decisions

Recarpeting the House: The local conference office is being renovated. The renovation includes new carpet and paint. When the carpet is ordered, it is noted by the conference treasurer that more carpet has been ordered than is required to re-carpet the office. The treasurer takes the extra carpet home and re-carpets his own house with the new carpet.

1. Assume that the carpet cannot be returned. Is it ethical for the treasurer to use the extra carpet to re-carpet his own house? Does the treasurer have an ethical obligation to tell

anyone that the carpet was used for his house?

2. Again assuming that the carpet cannot be returned, does the treasurer have to personally pay for the carpet used to re-carpet his own house? If so, how much should he have to pay? Could the carpet be considered scrap carpet?

3. What are the treasurer's ethical responsibilities if the carpet can be returned? Could he buy it? At what price?

4. Do any of your responses change if later the carpet supplier stated that the amount of carpet shipped to the conference office matched the amount ordered?

Per Diem Days: The treasurer and the assistant treasurer went from England to a conference on IASB accounting principles in Sydney, Australia. The treasurer took his wife to the conference as well. When they returned from the conference, the treasurer asked the assistant treasurer to compare his expense report with him.

The assistant treasurer turned in full per diem for the days they traveled to the conference but he did not turn in full per diem for the days they attended the conference because breakfast and lunch were covered by the conference fees. The treasurer turned in full per diem for the travel days, as well as the conference days. The treasurer asked the assistant treasurer to adjust his expense report so that it matched the treasurer's expense report in total amount of per diem requested.

The treasurer paid for his wife's airfare personally. However, he and his wife stayed in Australia for another 5 days attending a business meeting one day at the Division office and spent the other days sightseeing. The IASB meetings ended on Thursday at noon. The meeting at the Division office was scheduled for Monday, so the decision was made to stay over the long weekend. The treasurer turned in full per diem for himself for the 5 extra days. Because the expense reports are approved by himself, he was reimbursed for the entire time he was away from the office.

1. What is the ethical amount of per diem that should be claimed when meals are furnished by the conference as provided in the conference fee? What if one of the evenings during the conference the local Adventist conference treasurer took all the visiting Adventist treasurers out to dinner and paid for the dinner. What is the ethical amount to claim for per diem for that day?

2. Is it ethical for the treasurer to ask the assistant treasurer to change his report to match the one the treasurer will file? Is there any possibility of pressure to conform due to the positions of the two individuals?

3. It is ethical for the treasurer to stay on in Australia with his wife for a little vacation?

4. Is it ethical to ask for per diem for the days of vacation with his spouse? Is it ethical to report the hotel charges for the 5 days the couple waited for the day of the meeting at the Division office?

The Interview, Part I: The local Adventist university had an opening in their Undergraduate Admissions area for an administrative assistant. The job responsibilities included accepting college applications and the supporting documentation (including transcripts), greeting incoming students and their families and directing them to appropriate offices, and managing the department when the Director of Undergraduate Admissions was away. The position was a salaried position, one which Karen needed as a single-mom to support her two elementary-age children. Karen applied for the position and took and passed the required clerical tests. Because of her good scores on these tests, Karen was scheduled for an interview.

At the interview the Director of Undergraduate Admissions asked about her educational background, as the job required a bachelor's degree. Karen replied that while employed she hopes to go on for a masters' degree under the university's policy of permitting full-time staff to take one free class.

In fact, Karen requires one more year of undergraduate work before she will have her bachelor's degree, but she needed the job. She plans to go on for a masters degree as soon as her bachelor's degree is completed.

1. What factors led to Karen's decision to respond to the Director of Undergraduate Admissions the way she did?
2. What are the likely benefits and/or difficulties Karen will face, given her decision during the interview process?
3. Was Karen unethical in her response to the Director of Undergraduate Admissions?

The Interview, Part II: Use the first paragraph as in "The Interview, Part I."

At the interview the Director of Undergraduate Admissions asked about her educational background, as the job required a bachelor's degree. Karen replied that she has a degree and that while employed she hopes to go on for a masters' degree under the university's policy of permitting full-time staff to take one free class.

In fact, Karen earned a bachelor's degree but due to a hold on her academic record because of unpaid debts, she has never been formally awarded a college degree.

Is Karen's response to the Director honest?

What if Karen plans to use the money from this job to pay off her debt to the school where she earned her degree. In such a situation, ideally the degree will be in her hands before any more questions are asked, if she only gets this job. Is anyone really hurt in this situation? Is this something the Director of Undergraduate Admissions needs to know?

What if the hold on her academic record was because of cheating?

Does that change your response to the situation where the issue was payment of her account? Is this something the Director of Undergraduate Admissions needs to know?

The Vacation Gift: After a successful evangelistic campaign, the pastor/evangelist and his wife took a trip to South Africa from the U.S.A. (an expensive air fare) to visit his 90-year-old mother on her birthday. Members of the congregation questioned how the pastor/evangelist and his wife could afford such a trip on his church salary. The pastor tells the congregation that the trip was a gift but he cannot reveal who provided the tickets.

1. The rumor circulating about the church is that the pastor used the money collected at the evangelistic meetings to fly to South Africa. Does the pastor owe an explanation for the tickets to his congregation?

2. Later it was discovered that the trip was funded by a member of the congregation. Is it appropriate to give a large gift (like tickets to South Africa) to the pastor? Is it appropriate for

the pastor to accept a large gift (like tickets to South Africa) from a member of the congregation?

3. After the trip the pastor recommended the donor (unknown to the congregation) to be on the conference committee. Was this ethical? Industry has limits on gifts to corporate personnel. Should there be a limit on a gift to someone working for the church? If so, how much?

3. What if the gift was a private yacht? A yacht also requires upkeep and storage, which would require additional gifts from the donor. Should a pastor accept a private yacht from a church member?

4. Is there a difference between accepting airline tickets (which are quickly used) and a yacht (which requires further upkeep)?

The “Lemon”: The local conference has purchased a car for conference use. However, the car keeps going into the shop for repairs, so that often it is not available. Many wonder why the conference would have purchased a car that turned out to be such a “lemon.” Eventually the car is sold. Later it comes to light that the car never needed any of the repairs that it went to the shop for, but the repair shop owner was a friend of the conference treasurer. Taking the car to the repair shop and charging the repairs to the conference accounts was the treasurer’s way of helping his friend get his business established.

When questioned, the treasurer stated that he felt trapped between his friend’s need, his job and the possibility that he could help his friend.

What should happen to the treasurer?

The Land Sales: The local Adventist academy is in a difficult financial position. The school was founded in the early 1900s and initially owned a great deal of land, as the school was not only planned for educational purposes, but also as an institution where students could work their way through academy. Now it appears that the only way to save the academy is to sell off a large portion of its land holdings.

The academy’s business manager’s son places a bid on approximately 25% of the land which is for sale. When all the bids are in, the son is awarded the property. When asked, the business manager states that his son placed the high bid for that section of the land. The academy principal and the academy board accept the business manager’s statements.

1. Should the academy principal and the academy board accept the business manager’s word regarding the outcome of the bidding process? If they do not accept the business

manager's word, will it appear that they do not trust the business manager? What additional questions should the academy board ask? What additional documentation should they request?

2. Assume that the academy board accepts the word of the business manager and votes to accept the bidding process and records the amount received for the sold property in its minutes. The auditor arrives several months later to do the annual audit. The auditor reviews the sale of the land to the various parties, and notices that the amount paid by the business manager's son is considerably lower than the amount paid by other parties. When asked, the business manager explains that the land his son purchased was the hilly and rocky section of the property where farming is almost impossible. Thus, that land is only good for grazing cattle, and thus attracted fewer buyers who obviously bid lower than for the more agriculturally-friendly land.

The auditor asks to review the bids. The business manager explains that because the academy board voted to accept the bidding process, he has destroyed all the bids.

What additional questions should the auditor ask of the business manager? Of the principal? Of the academy board members?

The Entrepreneur: The CFO at the local Adventist university is very entrepreneurial and over the years he has purchased a large number of rental properties around the university, which he primarily offers to university students for cheaper housing than what is available on campus.

1. Is it a conflict of interest for the CFO of the university to rent his properties to students?
2. If you believe this is a conflict of interest, can this conflict of interest be "cared for" through disclosure on the CFO's annual conflict of interest declaration form?
3. Would you change your response to question #2 if all campus housing were full? What if there were vacancies in campus housing, but the CFO's properties are full because they rent for a lower monthly price?

The "talk" in the plant service area of campus centers around the frequency with which they are

called to make plumbing and electrical repairs on the CFO's apartments. You are a parent and your daughter is renting an apartment from the CFO. She tells you that the man who came to fix the fan in the bathroom and the kitchen was wearing a university plant service shirt, which is why she let him come into her apartment while she was present. Your son works in custodial on campus and has heard the talk among the plant service personnel. He tells his sister in your presence that he knows that plant service people repair the apartments for the CFO and that their time is charged to the university, not to a special account for the CFO's properties. Your daughter asks you if this is ethical?

What do you say to your daughter? What do you say to your son? What do you say to the CFO, who happens to be your roommate from college?

The New Receptionist: The new receptionist at the local conference office whose job is to greet incoming guests, answer the phones, take messages, and notify conference personnel when a guest has arrived, is both young and attractive. But she is also inexperienced and because of her inexperience, often makes mistakes. Sometimes she fails to deliver important messages in a timely manner; sometimes she is so caught up with a visitor that she spends much longer than necessary talking with them and in the meantime, fails to care of other matters, including phone calls.

The treasurer's secretary, who has been at the conference office for 20 years, is very frustrated. Her office is just down the hall from the receptionist, so people who cannot get attention from the receptionist because of her tendency to visit, go on down the hall to the treasurer's secretary. In fact, people trying to reach individuals in the conference office call the treasurer's secretary whenever they cannot get an answer on the main conference line, which goes to the receptionist's desk.

Lately the treasurer's secretary has reprimanded the receptionist publicly almost daily. Today she raised her voice when a number of people were in the lobby and not only were they aware of her frustration, but so was everyone down the hall. You are the conference president's secretary.

1. Do you have any responsibility to talk with the receptionist regarding her work? The receptionist was hired and reports to the Communications and PR Department.
2. Do you have any responsibility to talk with the treasurer's secretary regarding her behavior?

A few days later the receptionist comes to your office in tears. She tells you that one of the pastors (who is married) has been calling her on the phone at the conference office almost daily, asking her if she was available to meet him after work at a local restaurant for coffee. Whenever she sees his number come up on the phone, she declines to answer it. That morning she had seen his number come up and therefore let the phone ring. The treasurer's secretary heard the ringing phone, bounced out of her office and demanded to know why the receptionist couldn't answer the phone! Visitors were in the lobby heard the conversation. The receptionist is totally humiliated by the incident, but is also terrified by the advances of the pastor.

1. Do you have any responsibility to talk with the treasurer's secretary regarding her behavior?
2. Do you have any responsibility to confront the pastor?
3. What actions will you take?