

Churches, generally, are the most vulnerable to embezzlement because their methods for handling money are so lax. Don't think it could happen in your church? Think again! In the last five year, several ministries have experienced some type of embezzlement ranging from a few thousand dollars to over \$300,000. These reflect only the number of reported cases.

You can help your church reduce the risk of embezzlement by implementing a few basic policies and procedures:

- **Separation of duties**
This is basically a check and balances system. The person(s) who collects, counts and deposits the offerings is not the same person who writes the checks to pay expenses. Pushing this a bit further, the person counting the money shouldn't live in the same home as the person paying the expenses.
- **Require two signatures**
All checks should require two signatures. No blank checks should ever be signed in advance by individuals going on vacation, etc. Checks should always be matched to a voucher for verification before ever being signed. Pastors can have signature rights but it is strongly recommended that they only sign in the case of an emergency.
- **Money never goes to someone's home.**
All money collected by the church should be locked in a safe on the church property or deposited in the bank's night deposit until it can be counted, recorded, and deposited.

These small steps of check and balances can help reduce the risk of embezzlement. This list is by no mean exhaustive but it will help churches get started in the right direction.