

Preventing Embezzlement

How embezzlement happens

One person counts church offerings. That person can easily remove cash, especially what's not in an offering envelope.

The same two people count offerings each week for years. Over time, they agree to divide cash between them.

People who count the offerings give a total to a person who will deposit the money. That person takes out cash and deposits a lesser amount.

One person has authority to write checks for the church. That person pays personal bills out of the church's account.

Contribution receipts aren't regularly issued to church members. When they are, members aren't encouraged to report discrepancies. A volunteer takes cash, knowing the risk of discovery is remote.

Offerings aren't deposited immediately. People dip into the cash, claiming they're using it for unauthorized expenses.

Preventive action

Assign more than one person to count each offering.

Appoint a pool of counters. Each week two people are randomly chosen to count the offerings.

Assign one person who neither counts nor deposits to reconcile offerings with bank deposits.

Make at least two signatures mandatory for every check above a certain amount.

Issue regular receipts and encourage immediate reporting of errors to someone other than the one who issues receipts.

Deposit offerings immediately into the bank.