





**FRAUD:
COULD YOUR ORGANIZATION
BE A VICTIM?**

JULY 2010

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Fraud is more common than you think



***“SEVEN PERCENT
OF NON-PROFIT REVENUE LOST
TO FRAUD ANNUALLY”***

**FROM THE 2008 STUDY BY THE ASSOCIATION
OF CERTIFIED FRAUD EXAMINERS**



Prevent Fraud =
Improve your
Fiscal Controls

Six Simple Steps

Don't let it happen to you

What is Fraud?

The Misappropriation
of Funds

Falsifying or inflating
expenses is the most
common form of fraud

- Skimming income before it is deposited
- Stealing the organization's property
- Using the organization's credit card for personal expenses
- Stealing donor credit cards
- Making up a vendor and keeping payments
- Faking an employee and keeping the pay
- Falsifying or inflating expenses
- Personal use of organization's assets like equipment, a vehicle, or other property



#1 Set the Right Tone



**FOLLOW POLICIES
NO EXCEPTIONS**

2. Separation of Duties



**AT LEAST 2 (3 BETTER)
PEOPLE NEEDED TO DO
CHECK PREP
CHECK SIGNING
BANK RECONCILIATION**

***PREVENT
FALSIFYING EXPENSES
THE MOST COMMON
TYPE OF FRAUD***

3. Prioritize the Bank Reconciliation



**DONE BY SOMEONE
BESIDES THE PERSON
DOING CHECK PREP**

KEPT UP TO DATE

***LOOK FOR
FICTITIOUS
EXPENSES AND
EMPLOYEES***

4. Lock Up



LOCK UP CHECK STOCK

**LOCK CASH, CHECKS TO
BE DEPOSITED AND
DONOR CREDIT CARD
NUMBERS**

5. Safeguard your Income



**TWO PEOPLE INVOLVED IN
MAKING DEPOSITS AND
TRACKING INCOME**

***PREVENT THE
SKIMMING OF FUNDS***

6. Timely Financial Statements



**CLEAR BUDGET
MONTHLY BUDGET TO
ACTUAL REPORT
SOLID EXPLANATION FOR
VARIANCES**



TREC

Training Resources for
the Environmental Community



PREVENT FRAUD

**SIX SIMPLE STEPS
TO IMPROVE
YOUR FISCAL CONTROLS**

**(AVAILABLE FOR DOWNLOAD ON
TREC'S WEBPAGE)**

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