



Charity Fraud Prevention Tips

- Implement a “segregation of duties” policy
 - Some examples of segregation of duties include:
 - Charity volunteers are often responsible for cash-handling at charitable events, which can make the charity vulnerable to theft. When charity members are handling cash, two members should be involved: one to maintain the records of cash receipts and the other to maintain physical access of the cash until it is deposited in the bank. If a shift change requires another member to take over during the event, the cash should be counted and reconciled with both members present.
 - The individual recording checks received should be separate from the individual responsible for depositing checks.
 - Monthly bank reconciliations should be performed by an independent member of the organization.
- Secure all cash and checks received (e. g., in a safe, locked drawer) and make deposits as soon as possible after receipt (e.g., daily).
- Establish check signing authorities based upon specific dollar thresholds. Require dual signatures for amounts above a pre-set threshold.
- Limit the number of individuals with access to checks, debit cards and/or online banking.
- Establish a policy to ensure appropriate supporting documentation (invoice, receipt or purchase order) is retained for all payments processed.
- Review detailed financial results periodically (e.g., monthly or quarterly) for anomalies. Follow up on anything that looks out of the ordinary (increase in particular expense line item, reduction in cash donations or increase in petty cash).
- Learn how to spot counterfeit money and use multiple detection methods when accepting cash ([see tips](#)).