

10 Practices that Safeguard Against Church Embezzlement

1. Policy and Procedures

The first step in any effort of control is to write [policies and procedures](#). Spend some time thinking through how your organization would like to control the handling of, and access to, church funds.

There should be clearly stated policies for things like [cash handling](#), two-person accountability, rotation of counters and a commitment to auditing – just to name a few.

The more eyes on the books, the more likely it will be for someone to notice irregularities.

2. Training

Employees and volunteers who help with counting the offering, or assisting in the church office, should be trained (at least annually) on the policies and procedures that relate to church funds.

Included in this training should be the measures that the ministry takes to safeguard its financial resources.

This simple step will make would be perpetrators think twice because they will see that the organization is diligent in its efforts to protect its resources.

3. Audits

Church audits are expensive, there is no question, but it is critical that the church takes steps to conduct thorough church audits on a regular basis.

These audits should be done by an independent outside auditor. This is another step that alerts someone that the books will be reviewed and that misappropriation of funds will be discovered.

4. Rotation

Volunteers and employees who help with counting the offering should be rotated on a regular basis.

No one should stay in the role indefinitely and the use of multiple, unrelated people will make it more difficult to skim dollars from the offering.

5. Safes

Cash and checks should be kept securely in a locked safe until it is delivered to the bank.

Get a safe with a drop slot so that it doesn't require someone to open it to make a deposit into it.

Have a policy that the safe is only opened by two people and the combination is limited to a few people who do not have a key to the room the safe is kept.

These simple security measures will help to control your risk.

6. Two-Person Rule

The cash handling policy should have a strict two-person rule, stating that there will always be a minimum of two people when cash is handled, counted or transported.

The two people should not be related and should not have personal financial issues.

7. Background/Credit Checks

In today's society, it is only wisdom to [perform a background check](#) on all church employees and volunteers.

In addition, people who have access to church funds should also be subjected to a credit check.

While this practice may seem a little invasive, this simple step can provide information that can ultimately protect the church. As with all sensitive information, [strict confidentiality practices](#) should be used.

8. Watch for Warning Signs

There are many signs you can watch for, but a few to think about are:

- Only one person has access to offering, cash, checks and check log.
- A person with access doesn't take vacations and guards against someone else doing their job.
- A person with access is living beyond their means.
- A person with access has personal financial issues.
- It is difficult to get a financial summary from the responsible person.
- There is inadequate supervision of person(s) handling cash.

9. Supervision/Management

Management and supervision is a crucial aspect of financial controls.

Church leaders are responsible for [managing operational practices within the church](#). Whether that oversight is of employees or volunteers, it is critical to have good supervision of those who deal with church funds.

Our natural leadership tendency is to empower people with the freedom to work independently. However, when it comes to church finances, that leadership principle should be thrown out the window.

Enforce the practice of keeping church financial records in the church office. Make your presence known, ask questions, and insist on timely [financial reporting](#).

10. Act on Suspicion

If you have a gut feeling, take the time to investigate and act on your instincts. Solicit help from a trained [fraud examiner](#) to help you sort through your suspicions.

Churches could not exist without the generous support of its members. Those who embrace the Christian principle of giving, trust that [church leadership will be good stewards of their money](#).