

IS EMBEZZLEMENT POSSIBLE AT MY CHURCH?

Too often, the answer is yes. Many churches have no system of internal control. Internal control is an accounting term indicating the organization establishes preventive measures which limit the possibility of embezzlement. Following is a list of easily established procedures which should be in place in every church.

This list is a

start, far from

exhaustive. Taking these precautions is good stewardship for the protection of God's money, not an expression of lack of trust.

1. Separate responsibilities.

- A. At least two ushers (not always the same two) should collect and count offerings, signing a sheet that lists receipts of cash and checks separately.
- B. The church bookkeeper/treasurer should record the offering and prepare a bank deposit.

- C. Someone other than the bookkeeper/treasurer/ushers should deposit the offerings.
- D. A person other than the bookkeeper/treasurer/ushers should randomly open bank statements once each quarter and compare the deposits and expenditures with the ushers' accounting sheets and with invoices and receipts

(time consuming but VERY IMPORTANT).

- 2. Have an independent, outside accountant conduct an annual audit or review. Small churches may not be able to afford a full audit, but should at least have an annual review.
- 3. Insure/Bond for risk. It is possible your present insurance does not cover embezzlement. Bonding will require background searches on those who handle the money the most frequently.

CHURCH LAW

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