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Safeguard Your Business Against Fraud

Safeguarding your business against the threat of fraud doesn't have to be difficult or time consuming. In fact, some common-sense prevention tips such as the ones shared in this article can minimize risk and protect your hard earned assets.

Keep an eye on the check supply.

Although a growing number of business conduct transactions electronically, paper checks still play a significant role. Here's how you can protect their use

- Carefully choose your check vendor. Use an established, respected provider.
- Limit check styles. Using one design for each account makes recognition easier.
- Design security features into your checks.
- Monitor supply shipments. Notify your supplier if new check orders are not received within a reasonable amount of time.
- Store checks safely. Keep blank checks and check printing equipment in a secure area with controlled access. Limit the amount of checks removed from the secure area as a working supply.

Adopt best practices designed to stop fraud.

Fraud prevention is easier when it's part of the landscape. Make the following procedures part of normal business operations.

- Implement dual control procedures with the following transactions: Automated Clearing House (ACH), Wires and Check Automation.
- Review transactions before they leave the company.
- Conduct surprise audits.

Add controls that minimize risk.

The power to eliminate fraud is ultimately yours. Use it to the extent necessary to prevent inappropriate activity.

- Limit authorization. Only give financial access to employees who need it.
- Preauthorize high value checks. Approve high dollar amounts before the checks are written.
- Never sign checks in advance. Sign only once the recipient and amount information have been filled in.
- Signature Cards. Review and update bank signature cards annually.
- Clear division of duties within Accounting Department. Give accounts receivable access to send receivables and post receivables. Give Accounts Payable access to check writing and reconciliation.
- Review employee access privileges regularly. If an employee transfers to a new department or position within the company review what systems the individual had access to.
- Review your annual report if you included executive signatures, consider removing them to prevent someone from illegally scanning and using.
- Use internet banking to review account activity daily.
- Reconcile daily/monthly (including separation of duties between who issues payment versus who reconciles.)

For questions on the following article please contact The Glynn Group, Ltd.

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