

Excerpts from

“Stealing God's Money: Church Fraud Exposed”

by AG Financial Solutions <https://www.agfinancial.org/> (the only endorsed financial services provider of the General Council of the Assemblies of God)

“While it's easy to believe fraud could never happen in your church, the truth is that no church is invulnerable...”

Why people steal from the church

Most fraud occurs for one or more of these reasons:

- 1. No internal controls. Without proper internal controls, there is a perceived opportunity.**
- 2. Financial pressure. The embezzler needs money for some reason.**
- 3. Rationalization. An embezzler may think they aren't paid enough and so deserve the money, or they may consider it borrowing, not stealing.**
- 4. Continual exposure to funds in an unsupervised, unregulated environment. According to some studies, this is a more powerful driver in embezzlement than an actual need for money.**

How to prevent fraud at your church

The following list will help you safeguard church funds. In addition, it is recommended to hire an independent auditor, such as a CPA firm, to perform a compilation and review of your annual financial statements and internal controls.

Internal Controls

- Have a financial policy in writing.**
- Conduct background checks and run credit reports on those handling church funds.**
- The signers of checks must not be the person authorizing the expense.**
- Require two individuals to sign checks of more than a predetermined amount. The signature documentation (signature card) held by the bank should show this restriction.**
- All disbursements should be made by pre-numbered checks and be accounted for weekly.**
- Bank reconciliations should be approved by someone not authorized to sign checks or make the deposit and should be done promptly. Look for checks out of sequence.**
- Every check written should have written documentation (check request/receipt/invoice) except for payroll checks.**

- Invoices and check requests should be marked paid with the date and check number and then filed.
- Do not sign blank checks in advance.
- Implement a credit card policy, requiring prior approval of purchases.

Cash Management Procedures

- Distribute offering envelopes to members. This helps make cash less accessible and ensures members get credit for their cash giving.
- Require two unrelated cash counters for every service, with each completing an [Offering/Counter's Sheet](#). Have each counter verify the other's form.
- Rotate cash counters with different individuals on a weekly basis.
- Counting should be done behind a locked door. Install a camera overlooking the counting area.
- Checks should be stamped "For Deposit Only" immediately.
- Deposits should be made as soon as possible. If a deposit cannot be made immediately, place deposits in a locked bank bag and place into a safe. Use of a night depository is recommended if the bank is closed."

SEE: <https://www.agfinancial.org/blog/bid106654stealing-god-s-money-church-fraud-exposed/>