

[Church Name]

Fraud Prevention Policy and Procedure

Counting

Fiduciary responsibility shall be exhibited in counting congregational funds. In order to suitably handle church monies, the following procedures will be adhered to when counting and handling collections:

- Persons who participate in counting and recording the offerings will be trained for that purpose. Counting volunteers shall be members and in good standing and have a demonstrated history of regular giving. The Treasurer, in consultation with the Pastor, shall appoint and train counting volunteers.
- Responsibility for counting shall be rotated on a weekly basis.
- Two people, not from the same household, will always be present during the counting process.
- Counters will maintain confidentiality with regard to the giving of individuals.
- Collections will be counted in a secure location, immediately following the services/events during which they are received.
- Each counter will perform **three separate and independent counts**.
- All counters must then confirm their respective totals match and verify the amounts by a signature on the Counting Form.
- Funds will be deposited into the church bank accounts as quickly as possible. The use of an after-hours depository or next day deposit services is acceptable.

Audit

An annual audit/review of the church's financial accounts will be conducted at the close of each fiscal year. The Board of Directors shall determine on a yearly basis if the audit/review will be conducted by an external organization or by an internal committee.

If an audit/review is to be conducted, any cost of said audit/review shall be considered an administrative expense and will be paid out of the General Fund. This expense should be reflected in the proposed budget for each fiscal year.

If an internal committee is established, the Board of Directors shall appoint at least two members of the congregation who aren't currently Board members will work on the review in conjunction with the Treasurer. When an audit/review is done by an internal committee, the review will consist of inspecting compliance with the established Financial Operating Procedures, reviewing financial control policies, and verifying the bank reconciliations and other financial reports.

The scope of an external audit/review shall be determined by the Board of Directors and sent in a Letter of Engagement prior to the start of the audit/review.

The results of the audit/review shall be presented to the Board of Directors and then made available to congregation at the Annual Congregational Meeting.