


Preventing Theft in Your PTA
National Representative
2016






**Preventing
Theft in
Your PTA**



By the end of this workshop you will know:

- How to Define: Theft, Fraud, and Embezzlement
- How to Recognize the Signs of Theft, Fraud, and Embezzlement
- 10 Tips for Fraud Prevention
- What to do if you Suspect Theft



***Note**

During this workshop, we may refer to the terms theft, fraud, and embezzlement interchangeably for illustrative purposes.





What is
Theft ?



Theft is,
"The action or crime
of **stealing**."

source: askoxford.com




Former PTA Treasurer Pleads Guilty to Theft, Gets 10-Year Probation Sentence for stealing over \$10,000.
Source: The Atlanta Journal-Constitution, 2014

**PTA Theft
the News**

Ex-PTA treasurer sentenced to prison for embezzlement.
Source: The Columbian, 2014

Video: KKSL-TV, Salt Lake City

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**What is
Fraud?**

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**Fraud is,
“Wrongful or criminal
deception intended to
result in financial or
personal gain.”**

source: askoxford.com

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What is
Embezzlement ?

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Embezzlement is to,
“...**Steal or misappropriate**
(money placed in one’s
trust or under one’s
control).”

source: askoxford.com

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Withholding or under reporting collected dues is another method of stealing funds at the local, state, and national level.

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The **Impact** of **Stealing, Fraud, and Embezzlement...** *Hurts Children!*

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Damaged Reputation and Relationships

Loss of Members and Outreach

Loss of Advocacy and Grant Dollars

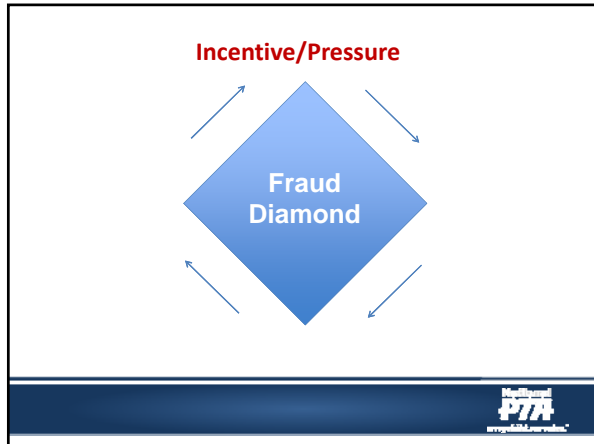
The **Negative Impact...** *Hurts Children!*

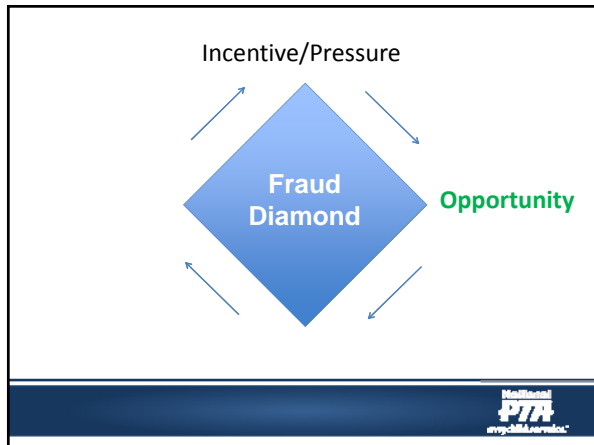
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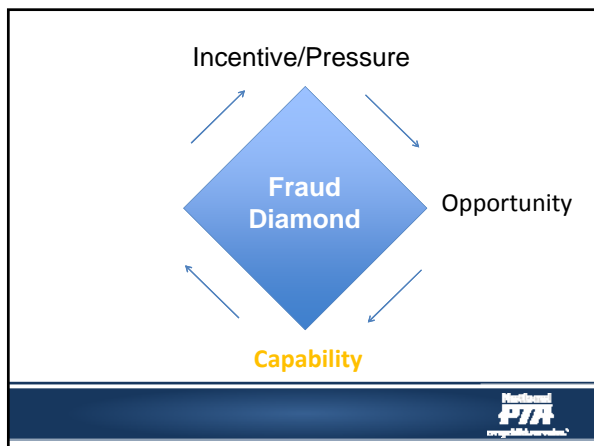


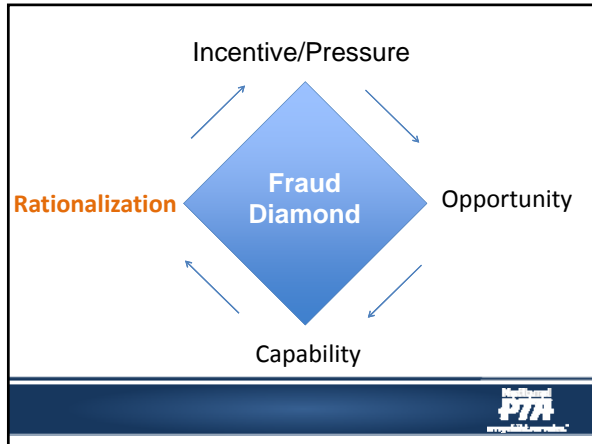
Fraud Diamond

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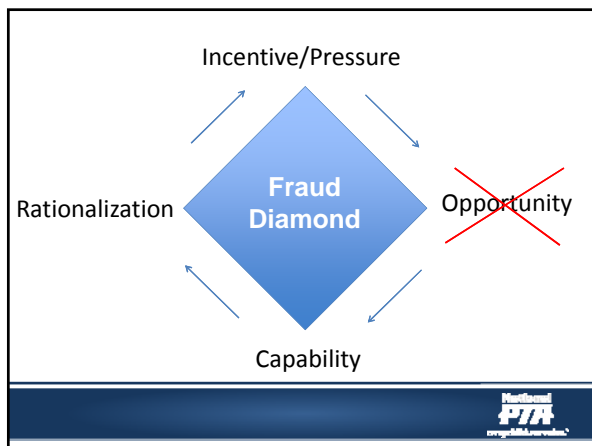














Tips to Prevent Theft



Tips to Prevent Theft



- Conduct annual audits
- Assign 2 board members, without signatory authority, to review books and records
- Have 2 unrelated signatories
- Monthly review of activities
- Verify cash logs, receipts, bank deposit slips
- Make bank deposits immediately
- 2 people count cash
- Review accounts payable vendors
- Secure the checks
- Don't pre-sign checks
- Look for missing check #s
- Look for checks made out to cash
- Track all bills and use original invoices
- Ask for proof of tax payments





Reasons Why **Theft** Is Not Reported



Reasons Why Theft Is Not Reported



- Negative Publicity
- Concern for Safety
- Legal Actions
- Legal Fees
- Avoid Embarrassing the offender and/or their children/family
- Not sure who to Contact
- Don't want to Testify





The Downside of Not Reporting Theft



The Downside of Not Reporting Theft



- Sets precedent for additional thefts
- Creates an environment that encourages theft
- Loss of credibility and respect for your PTA
- Voids bonding insurance policy
- Encourages perpetrator to steal from other organizations





What to **Do** if You
Suspect **Theft**



What to **Do**
if You
Suspect
Theft



- DO NOT make accusations!
- Determine suspect's access to other PTA resources
- Gather facts, documents, and interviews
- Identify all PTA accounts involved and consider freezing or closing them
- Contact the authorities
- Contact the PTA insurance company





A Brief FAQ
Theft and **Insurance**



PTA's Insurance...Fidelity Bonds

Q. What does a fidelity bond cover?

A. Protects the cash of the PTA unit against theft, fraud, and embezzlement.

Q. Who should be covered under this policy?

A. Anyone in your PTA who has access to or handles money (e.g., Treasurer, President, Fundraising Chair)

Q. How else should a PTA handle its fidelity bond policy?

A. Inform the insurer of any changes (people) during the year and cover the position, not the person. See if a "blanket" policy would be a better value.





Questions?





For more information
www.PTA.org