



Preventing Theft in Your PTA

National Representative
2016



Preventing **Theft** in Your PTA

National
PTA

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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



What is Fraud?

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

source: askoxford.com



What is Embezzlement ?

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

source: askoxford.com



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



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

**Damaged
Reputation
and
Relationships**

**Loss of
Members
and
Outreach**

**Loss of
Advocacy
and Grant
Dollars**

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



Incentive/Pressure



Incentive/Pressure



Opportunity

Incentive/Pressure



Opportunity

Capability

Incentive/Pressure

Opportunity

**Fraud
Diamond**

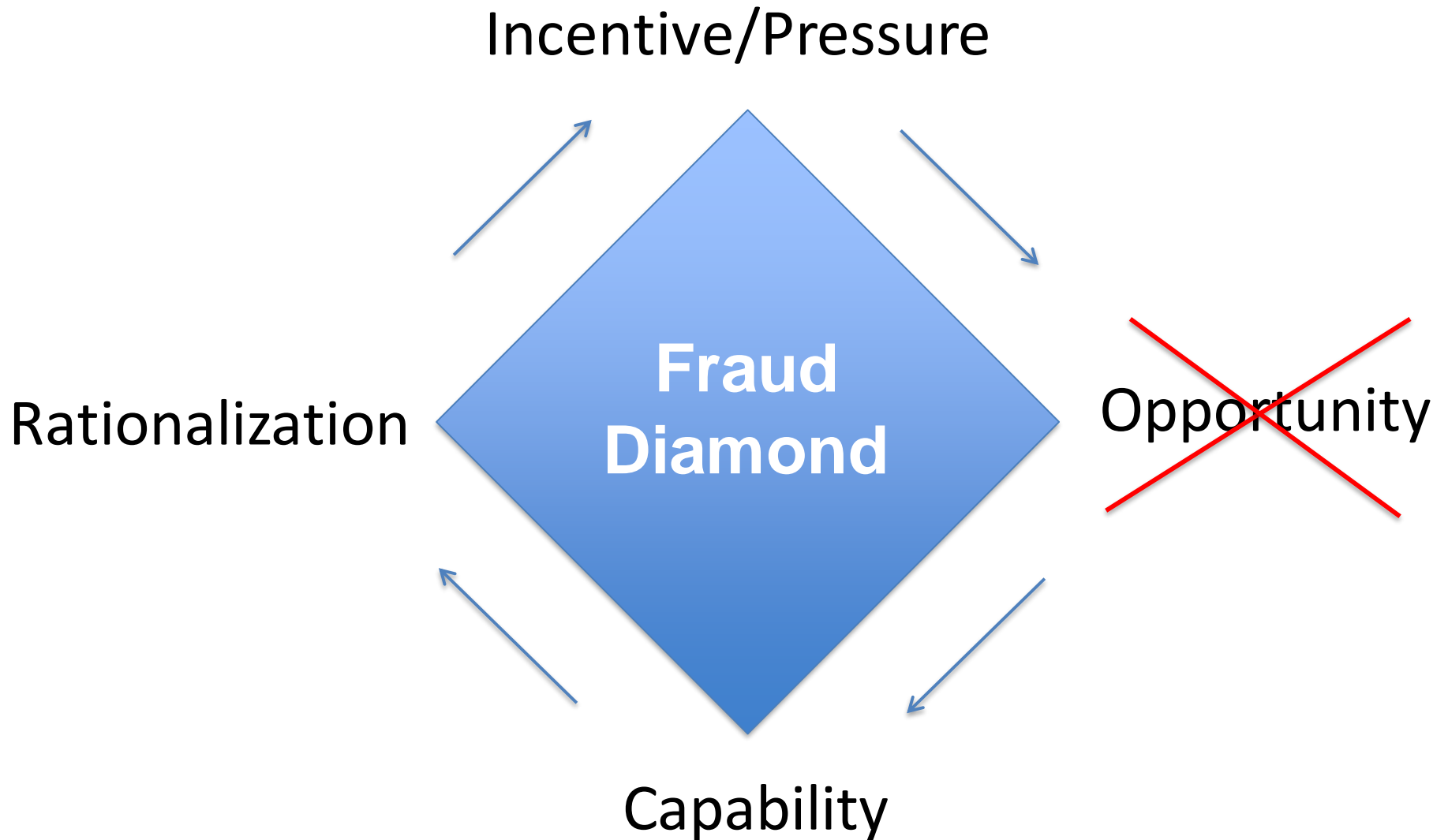
Capability



Rationalization



Theft Warning Signs





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