

Fraud Prevention Checklist

For Businesses

We want to help you protect your business against fraud. The following checklist includes procedures and bank services you can use to deter payment fraud. While not all inclusive, it's a great start to help keep your business safe.

Bank Account Management

- Review account activity daily using online or mobile banking.
- Review agreements to ensure that internal procedures are aligned with signed documents.
- Delete terminated employees from bank records and update signature cards.
- Convert paper payments to electronic when possible.
- Notify the bank when an address changes or an account needs to close.

Account Reconciliation

- Reconcile bank statements immediately.
- Practice separation of duties.
- Review cancelled checks for:
 - Checks to unknown suppliers.
 - Checks written to cash.
 - Forged signatures.
 - Missing or out-of-order checks.
 - Checks written to third parties but endorsed by others.

Online Security

- Network is protected using a properly configured firewall and anti-virus software.
- System is current with latest security updates from operating-system vendor.
- Establish unique log-ins and passwords.
- Require complex passwords, changed periodically.
- Don't include sensitive information in emails.
- Remove access immediately when an employee terminates employment.

Business Checks

- Use a reputable vendor for check stock.
- Use check stock with security features.
- Treat blank checks like cash.
- Perform periodic audits to account for all checks.

ACH Processing

- Timely reconciliation is critical.
- Require dual control to create or edit ACH templates.
- Use dollar limits at multiple levels: per file, daily, weekly, or monthly.
- Utilize alerts to confirm ACH activity.

Remote Deposit

- Practice separation of duties.
- Use complex passwords to control access.
- Maintain check retention schedule for original checks.
- Securely store checks until they are destroyed.
- Shred and dispose of checks in secure container.

Wire Transfers

- Use repetitive wire transfers when possible.
- Require dual control to create or edit repetitive wires.
- Require dual control to create and approve all non-repetitive wires.
- For each wire request, a form should be completed and signed by an authorized individual.

Bank Services Designed to Prevent Fraud

- Online Banking - Monitor your accounts online to quickly catch fraudulent activity.
- Remote Deposit – Make deposits without leaving the office.
- Lockbox – Direct your account receivable payments directly to the bank to remove the money handling function from your office.
- Positive Pay - Deter check fraud by identifying fraudulent items presented for payment.
- Paperless Statements - Receive images of your statements, checks, and deposited items via Online Banking or CD-ROM. Eliminate the risk of mail theft and the need to store paper copies.
- Direct Deposit/Payroll Cards - Provide payroll electronically to reduce the cost and hassle of lost or stolen checks.

For more information about any of these services, please contact us toll-free, (866) 681-1650.