

Safeguarding Your Accounts

Access U.S. – June 2017

In light of recent fraudulent activity reported in the news, it's a good time to review your internal policies and procedures regarding your bank accounts. Many small businesses have a few trusted employees that are relied upon to help with various business activities, and there is often a lack of segregation of duties. This can leave a business vulnerable for fraudulent activities. Two areas that are especially susceptible to this are your bank account and credit cards. Below are a few steps that can be taken to safeguard these accounts:

Bank Accounts

- Review monthly bank statements. Since all bank activity is now online, it can be reviewed in real time. This is the single most important thing to do to determine unauthorized activity. Most cashed checks are online for you to review, so make a habit of checking them each month.
- Either perform or review all monthly bank reconciliations on a timely basis.
- When signing a check, request the documentation that backs up anything you are unsure about.

Credit Cards

- Limit the number of employees that have company credit cards. Make sure there is a need for that employee to have a company credit card.
- Only issue fleet cards, which will limit the type of items that can be charged, whether it is for gas, repairs and maintenance, or for business meals.
- Put a cap on the credit limit. Only request the amount that is needed.
- Have a written company policy for use of the credit cards.
- Require original receipts be submitted by employees for each purchase.
- Reconcile the statements monthly against the receipts in a timely manner.
- Review your company's credit report to determine that there are no unauthorized credit cards in the company's name.

It is important that you take time to perform the steps outlined above. If time is an issue and you need assistance with reviewing your bank and credit card accounts for potential fraudulent activity, please contact:

Mary Shetler, CPA Tronconi Segarra & Associates. Mary can be reached at: 1-716-633-1373 or mshetler@tsacpa.com