

GUARDING AGAINST CHURCH MEMBER THEFT

by Rev. Thomas Soltis, SELC Stewardship Director

Theft of Church Funds

Greed, a root cause of theft, exists in everyone - including church members. The theft of church funds by members occurs infrequently, but it does occur. During my seminary years, I once saw an usher, who thought he was alone in the sacristy, pocket loose cash from the offering plates. He was financing an alcohol addiction. A friend of mine, who owned a detective agency, once related how he used a "peep hole" camera to catch an usher in a Roman Catholic Church regularly pilfering church offerings totaling thousands! Years ago, the treasurer of an organization which pooled donations for Lutheran charities, financed extravagant trips and a large boat on Lake Erie by shifting funds to himself. Prior to the Great Depression, the treasurer of a Lutheran fraternal insurance society surreptitiously slipped funds into personal investments hoping to sell for a profit within a short time and then secretly replace the money. The crash came! He was exposed. In the past there have been cases where even clergymen engaged in the theft of church funds.



No One Should Handle Contributions Alone

> MONEY COUNTERS - Three or more persons should count worship offerings. Loose cash should be tallied twice by different counters. Offering envelopes should be opened in the presence of all and counted twice by different persons. Amounts written on envelopes should be checked to see if they correspond with the contributions within. Cash and check totals should be recorded on an Offering Report Form to be given the church treasurer and financial secretary.

> CHURCH TREASURER - All cash and checks should be given the church treasurer for immediate bank deposit. His tallied totals should match those on the Offering Report Form prepared by the team of money counters.

> FINANCIAL SECRETARY - Amounts written on envelopes should be added and

compared with totals on the Offering Report Form. Individual contributions should be recorded and then reported to members on individual financial statements mailed in July and January. Members should report discrepancies to the financial secretary.

No One Should Pay Bills Alone

> BOOKKEEPER - Checks should be prepared by a bookkeeper. All bills should be approved with signatures of the persons responsible for initiating the bills. Records should be kept.

> SIGNATURES - A minimum of two signatures should be required for checks - that of the treasurer and president.

No One should Handle Funds Alone

> TRANSACTIONS - Investments, purchases beyond the budget, etc., should be approved by the Church Vestry. The Voting Assembly should approve large expenditures.

> FINANCIAL REPORTS - The treasurer and financial secretary should present printed monthly reports to the Church Vestry.

> AUDIT - An auditing committee should annually review all receipts and expenditures for approval by the Church Vestry.

> PASTORS should be excluded from handling contributions and church funds.

Legal Matters

> CONFLICT OF INTEREST - Self-interest situations among decision makers should be avoided.

> FIDELITY BOND - Crime insurance should be acquired with a minimum coverage of \$500,000.

ADDITIONAL RESOURCES

www.lcms.org - Resources - Congregations - Administrative Resources - "Congregational Treasurers Manual" - Vol. 1; chapt. 14: "Responsibilities of Financial Officers" - Vol. 2; chapt. 20: "Internal Control" - Vol. 2; chapt. 26: "Risk Management". A copy of the treasurers manual may be acquired free, postage paid, by contacting SELC President Carl Krueger at selcdist@wi.rr.com or (1-414-481-0520).