



The Top 7 Resources to Combat Church Embezzlement

Best practices and guidance to protect your church's money.
by Matt Branaugh

Yet another big headline has emerged regarding church embezzlement—this time, the leaders of a 150-member Greek Orthodox Church in Connecticut discovered someone potentially embezzled more than \$1 million. Federal authorities investigated the claims, and say the suspect, who oversaw the church's investments (including managing the building fund and endowment) allegedly used the money for his businesses, according to the *New Haven Register*. The church's attorney and federal documents released with the arrest allege the 50-year-old man stole more than \$2 million from three parishioners, and potentially millions more from the church, the paper reported.

As incidents such as these continue to spring up, we've compiled the Top 7 resources church leaders should use to prevent embezzlement opportunities and combat individuals who might attempt to steal:

7. The National Association of Church Business Administration. Phil Martin, NACBA's deputy chief executive officer, is a Contributing Editor to *Your Church*. NACBA offers [ongoing certification](#) that covers a variety of subjects, including church financial management. The organization also recently released "[Weeds in the Garden](#)," a book about preventing fraud in churches.

6. The Evangelical Council for Financial Accountability. Dan Busby, the ECFA's president, is an Editorial Advisor for *Church Law & Tax Report*, *Church Finance Today*, and *Your Church*. The ECFA publishes [best practices](#) on its website, as well as a quarterly publication, *Focus on Accountability*. The organization also plans to host numerous [regional workshops](#) throughout the country in 2010 focused on establishing higher standards in church finance and governance, among other things.

5. [Secure Your Church Finances](#), an electronic training resource from ChurchSafety.com. This [free online assessment](#) will help you determine whether your church's money is at risk.

4. [Safe Ways to Handle Your Church's Money](#), an electronic training resource from [ChurchSafety.com](#). The [free article](#) from this resource outlines several initial steps to take.

3. [Church Finance Today](#), a monthly newsletter written by senior editor Richard Hammar, one of today's leading thinkers on church law and finance matters, covers key financial and tax developments that church leaders should know.

2. Chapter 7 in Richard Hammar's four-volume series, *Pastor, Church & Law* (4th ed. 2008) (also available by calling 1-800-222-1840). Chapter 7 addresses the following topics:

- Definition of embezzlement
- Why churches are vulnerable
- How embezzlement occurs
- Reducing the risk of embezzlement
- Responding to allegations of embezzlement
- The consequences of embezzlement
- Confidentiality and privileged communications
- Informing the congregation
- Avoiding false accusations
- The Employee Polygraph Protection Act

1. *Essential Guide to Church Finances* (Christianity Today International, 2009). This new book, co-written by university accounting professor Richard Vargo and Vonna Laue, a CPA and partner at nonprofit accounting firm Capin Crouse, maps out how to plan and budget, how to set performance measurements, how to create church financial reports, how to conduct church audits, and how to minimize the risk for embezzlement.

Questions? Contact your United Methodist Foundation of Louisiana at (225) 346-1535 or at www.umf.org.