

The 2019 Fraud Prevention Checklist:

Protecting Your Business in Six Steps

By Rockland Trust - Treasury Management

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Fraud is everywhere; to the point where the word is almost overused. However if anything – fraud is more of a threat than ever.

According to the 2017 AFP Payments Fraud and Control Survey, 75 percent of companies were targets of payments fraud last year and the median losses were \$150,000.

What can you do?

Here's the Rockland Trust 2019 Fraud Prevention Check List to help you better protect your business. We break this into six parts:

- *Check Controls*
- *Payment Processing*
- *Reconciliation Reminders*
- *Deposit Diligence*
- *Online Overview*
- *Business Basics*

Check Controls

- ___ **Keep it Safe** – Locking up your checks is the easiest way to secure them.
- ___ **Have a System** – Who creates them, who signs them, who reorders them. Review this often and ensure the right internal controls are in place.
- ___ **Get a Style** – If you have multiple accounts, choose a different look for each to limit confusion for your team.
- ___ **Give Updates** – Be sure to notify your financial institution if you have a change in authorized signers.
- ___ **Implement Tools** – Most financial institutions have tools that help guard against fraudulent check activity. Positive Pay will compare your issued checks against checks presented for payment, and flag any differences for review.
[Click here to view a demo.](#)

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Payment Processing

- ___ **Securing Bill Payments** – Duplicate your internal controls as you would for paper checks. Ask your financial institution if dual approval, user access and limits are available.
- ___ **ACH Payments** – Practice dual control and verify ACH account information with a pre-note. Always secure recipient authorization for all payment types and be sure to follow [NACHA guidelines](#).
- ___ **ACH Debits** – Use tools such as Positive Pay to filter and/or block unauthorized ACH transactions.
- ___ **Wires** – Utilize dual control and validate account information before wire payments are sent.
- ___ **Recipient Data Changes** – Set up a procedure (secret code, verbal confirmation, etc.) with your recipients to validate new account information for all payment types prior to sending the payment.
- ___ **Payroll** – It is recommended to segregate payroll activity from operating activity.

Reconciliation Reminders

- ___ **Do it Daily** – There are several channels that will allow you to review your accounts – text, online, mobile. Try to look at your accounts daily.
- ___ **Alerts** – [Alerts](#) are a good way to manage balance, activity, payments and security of your accounts. Create a system that makes it easy for you to monitor your account activity.
- ___ **Match it up** – Make sure your payments are posted correctly.
- ___ **Reconciliation Tools** – Generate daily/weekly/monthly reconciliation reports for full account, deposit, and check activity.
- ___ **Sound the Alarm** – If something doesn't look right, report it immediately.

Deposit Diligence

- ___ **Remote Deposit** – By depositing checks directly from your location, you can keep your deposited items secure, save time and avoid employee travel expense and liability.
- ___ **Consider Lockbox** – Centralize, automate and expedite a secure collection of your receivables by partnering with your bank's lockbox provider. Lockbox can also provide electronic data and images that can be used to integrate with your accounting software.
- ___ **Make it Mobile** – Deposit checks directly via your [mobile device](#).
- ___ **Account Segregation** – It is recommended to segregate accounts you deposit to, from your operating accounts.

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Online Overview

- ___ **Sharing is Not Caring** – Use strong user credentials that are unique and only available to you.
- ___ **Dual Control** – Set up company-level dual control for all payment types (ACH, wire, bill pay, Positive Pay, etc.).
- ___ **Designate Proper User Authorities** – Assign user access appropriately based on the responsibility of that user. Designate administrator rights wisely, as this user will typically have full rights to add users, send payments and assign other user rights.
- ___ **Banking Access Computer** – Designate a secure computer without email, for your financial transactions.

Business Basics

- ___ **Email Safeguards** – Be aware of emails that note a change of financial data, attachments, links, unusual content and requests. Validate before you act!
- ___ **Email Phishing Tests** – Execute simulated phishing tests for an effective tool to train your last line of defense. Your team!
- ___ **Incident Response Plan** – Create an incident response plan, train your employees and practice it.
- ___ **Clean Desk Policy** – Lock up all sensitive data.
- ___ **Internet Usage Policy** – Create a strong Internet usage policy to include social media etiquette and enforce it for all employees from the front desk to the CEO.
- ___ **Computers and Network** – Keep all computers safe by installing antivirus, applying security updates and patches as soon as they are available.
- ___ **Backup** – Have a reliable daily backup solution for all your sensitive data.
- ___ **Training** – Train all employees on a regular ongoing basis.

The presence of fraud is increasing year over year. Since 95% of incidents are due to human error, the human element and behavior modification are key factors for keeping your company safe. Ongoing training of every employee and implementing these simple steps can help to better protect your reputation, business and assets.

If you have questions or would like more information, please reach out to us:

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