

Employee Theft

“A woman accused of embezzling more than \$1.3 million from an Anderson construction company”

“A former office manager arrested on charges that she embezzled more than \$40,000”

These are true stories out of the headlines. We too have been hired multiple times to audit SMB data and compile a dollar amount of embezzled funds only after an employee has been caught, thus compelling us to write this article.

Employee theft costs U.S. business over \$50 billion dollars annually. National estimates show that 75% of all employees steal from their employers at least once throughout their careers. The same statistics show that at least half of these 75% steal multiple times from their employer.

Employee theft is defined as any stealing, use or misuse of their employer's assets without permission to do so. This includes theft of money, time, supplies, company merchandise, company property, or overcharging customers and pocketing the extra. Employees rarely steal because of need. Thefts usually occur because there is an opportunity to do so. An employee is most likely to steal if the chances of getting caught are low.

Facts About Employee Theft

Employee theft is prevalent in every type of business and a majority of employee theft goes undetected by supervisors. Opportunity remains the leading cause of employee theft. Employee theft is responsible for 33% of all business bankruptcies. Other employees often ignore the theft and don't do anything about it.

Business owners must be aware of these facts in order to detect employee theft. It is a common fact that most employers do not suspect their employees of theft. Another fact that is important for owners and supervisors to keep in mind is that the majority of the people who are stealing are those who have a close relationship with their boss.

Prevention

It is important to establish a **"zero-tolerance"** program regarding employee theft. Make sure that it is understood, during orientation that the company will take legal action against any employee caught stealing.

Select employees carefully. Employers should use background checks that will inform them of the employee's prior criminal record. Reference checks and education verification should be mandatory.

Separate accounting tasks. Do not assign A/P and A/R to the same employee unless monitored by another. Do not have the same employee responsible for printing checks, signing or distributing the checks. Prevent the rest (*continued in next column*)

of the employees from having access to accounting functions through the use of passwords or security settings.

Consider having internal audit staff or managers **make routine audits**. These might include surprise cash counts, verification of a transaction, reconciliation of detailed records, and spot checking documentation. The procedures don't have to be elaborate. If employees know their work could be checked at any time they will be more likely to be honest and accurate. Also the business owner should get the unopened bank statements each month and independently review the payees, amounts, signatures, and endorsements on each check.

Dealing swiftly with fraud and abuse communicates to employees that management takes this issue seriously. An internal discipline policy should be developed and communicated to employees. Make them aware of the range of disciplinary options, which might range from a verbal warning, a written warning or dismissal.

Has Your Sage Master Builder Service Lapsed? Reinstate at a Discount

If your Sage Master Builder Service plan has expired now is the time to reinstate. The reinstatement fee associated with both Basic Care and Total Care service plans has been discounted on the lapsed time as follows:

100% discount 0-180 days lapse in support

75% discount 6 months to 1 year lapse in support

50% discount Beyond 1 year lapse in support

Once reinstatement fee and a one year advance payment has been paid subscribers will receive software updates, federal and state tax table updates, and online support access through the knowledge base. Sale ends September 30, 2008. Contact your Sage Business Partner or our office for additional details.

Tech Support

Calls From Our Customers



Is there a field that puts in a date that is 7 days from today?

There is no field but you can create a calculation that will capture the system date and add seven days. This can be added to any report or form. The calculation is as follows:

ADDINT\$(d,7,Date\$)

When we print our A/P aging report, it does not print all of the vendors and we get no totals.

Through an online meeting with the customer we discovered an invalid date in the due date field of an a/p invoice. Once due date was corrected, report printed properly.