



Theft & Fraud Policy

What to Do If You Suspect Fraud, Theft, or Embezzlement

1. Do not wait. Move quickly.
2. Secure account and collect all financial material on the Financial Reconciliation Checklist – could include online access, close account, report debit or credit cards lost or stolen, get copies of bank statements for the period in question and remove signers if necessary. If removing signers, need to appoint new signers.
3. Notify the Council President, Field Service Representative, and Texas PTA Treasurer at treasurer@txpta.org.
4. In the case of theft/fraud, the President (or next board member in succession) would appoint a Financial Reconciliation Committee per the bylaws. Require at least one PTA member who does not serve on the PTA board to be on the committee.
5. Collect evidence to prove or disprove. Get a clean set of bank statements directly from the bank (if you feel they have been tampered with or if some are missing).
6. Using the information from the recently completed Financial Reconciliation determine who may be involved.
7. If necessary, prepare for removal of officer by the remaining board members. Prepare to replace officer. See Bylaws for instructions.
8. Determine the remaining board members' responsibility in protecting the funds of the PTA.
9. Based on the information from the recently completed Financial Reconciliation contact your insurance company to determine if a claim should be filed.
10. Ensure the board has signed the Confidentiality, Ethics, and Conflict of Interest Agreement. If not, the document needs to be signed immediately. Remind everyone to not discuss or make accusations.

Then What

1. Compile complete information to present to the police.
 - a. Complete Financial Reconciliation Report
 - b. Copies of bank statements
 - c. Current Budget including amendments
 - d. Meeting Minutes, Agendas, and Financial Reports
 - e. Confidentiality, Ethics, and Conflict of Interest – Signed
 - f. Board Roster with contact information
 - g. Training conformation (or lack of)
 - h. Copies of any other relevant information
 - i. A copy of the insurance claim



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2. Present information to campus administration.
3. The Financial Reconciliation Committee presents the report to the board for informational purposes.
4. When evidence of fraud/theft has occurred, the President is **required** to file a police report. If the President is suspected in the fraud, the 1st Vice President will file the police report and then in succession if needed.
5. Cooperate with the investigation.
6. The President should file an insurance claim with the PTA's insurance company. If the President is suspected in the fraud, the 1st Vice President will file the insurance claim and then in succession if needed.
7. The Chair of the Financial Reconciliation Committee presents the report at the next scheduled membership meeting or a special meeting may be called. All names and identifying language must be excluded from the report. Invite the Council President or Field Service Representative to the meeting.
8. Immediately after the report is read, the presiding officer will announce to the members that a police report was filed based on the findings from the report. All names and identifying language must be excluded from the report.
9. After the police investigation is over and if the authorities provide options to the PTA, these options will be presented to the membership. The membership will vote to determine which option is followed.
10. When the President (or next in succession) is communicating with the community, focus on the steps you are taking to recover the money and prevent theft. Do not comment on past actions, including the alleged theft and any current or pending charges, unless the person has been convicted.
11. The PTA must follow the Confidentiality, Ethics and Conflict of Interest Agreement.
12. Keep your PTA functioning as normally as possible, following closely the proper financial procedures.
13. Ensure documents and reports are stored in a safe place until the completion of the case. An investigation by the legal authorities may last one year or more beyond the term of the current board.



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Fraud (Definition of fraud)

1a : deceit, trickery intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right

b: an act of deceiving or misrepresenting: trick

2a: a person who is not what he or she pretends to be: impostor

In PTA –

1. Forgery of signatures
2. Member using their PTA position to acquire items or funds
3. Misuse of bank account information
4. Misuse of EIN
5. Altering bank statements
6. Misuse of funds or unapproved PTA purchases (budget not approved) – personal expenses
7. Moving money from one PTA to another PTA or another organization.

Theft (Definition of theft)

1a: the act of stealing specifically: the felonious taking and removing of personal property with intent to deprive the rightful owner of it

b: an unlawful taking (as by embezzlement or burglary) of property

In PTA –

1. Cash not deposited
2. Altering checks made out to or received by PTA
3. Of inventory items
4. Of PTA property other than money (records, bank documents, procedure books, etc.)

Embezzlement Definition of embezzlement

1: to appropriate (something, such as property entrusted to one's care) fraudulently to one's own use

2: The fraudulent conversion of another's property by a person who is in a position of trust, such as an agent or employee



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Embezzlement is a type of financial fraud.

In PTA –

1. Transfer of funds into personal account by member or family member
2. Payment of personal bill or purchases
3. Debit card or checks used to make personal purchases
4. Direct cash withdrawals from bank (no check or card)