Best Practices & Fraud Prevention Checklist

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Developing a layered approach of education, technology, rules and procedures is the best way for you to protect your business from fraudulent activity. While not all inclusive, this checklist is a great way to get started.

User Security

- [ ] Restrict access to systems and review these settings periodically.
- [ ] Implement user limits for electronic payment originations.
- [ ] Require Dual Control for all steps of cash handling, payment initiation and payment file handling.
- [ ] Set up profiles for payment initiation using dual control.
- [ ] Use repetitive wire transfer profiles whenever possible.
- [ ] Require documentation or verification for all internal requests for payments.
- [ ] Document all procedures.
- [ ] Audit user activities regularly.
- [ ] Educate your employees about email, text and other scams.
- [ ] Implement good hiring practices, including conducting background checks.
- [ ] Do not click on links or attachments to unsolicited email.

Separation of Duties

- [ ] Employees who write checks or initiate electronic payments should not reconcile accounts.
- [ ] Employees who initiate electronic payments should not approve them.
- [ ] Employees who maintain profiles for electronic payment initiation should not initiate or approve payments.
- [ ] Employees opening the mail should not prepare or make deposits.

Computer Security

- [ ] Require use of a segregated computer for banking activities; do not allow internet surfing or email use.
- [ ] Protect your network using a firewall.
- [ ] Keep anti-virus and malware software up-to-date.
- [ ] Apply latest security updates.
- [ ] Restrict access to the computer's administrative privileges.
- [ ] Disable CD/DVD/USB access if not needed.
- [ ] Implement procedures to protect laptops when away from the office and before reconnecting them to the network.
- [ ] Establish unique login and passwords for all systems and require them to be changed periodically.
- [ ] Impose strong password rules by using special characters and no words or names.
- [ ] When using online banking systems, always log in through your corporate infrastructure; not outside the network, at home or on a public computer.
- [ ] Close pop-up-windows by clicking on the X, never click inside the window.
- [ ] Support all security measures, such as Security Tokens or out-of-band authentication.
- [ ] Never send sensitive information via unsecured email.
- [ ] Implement procedures for when an employee suspects infection.
- [ ] Delete online users when employee terminates employment.

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Account Reconciliation

- [ ] Reconcile all accounts including checking, savings and credit cards immediately.
- [ ] Review account activity daily.
- [ ] Review statements and internal reports, all account numbers should be masked.
- [ ] Review cancelled checks for:
  - Checks to unknown suppliers/others
  - Checks written to cash
  - Forged signatures
  - Missing or out of order checks
  - Checks written to third parties, but endorsed by others
  - Checks that do not match accounting records (payee, amount)

Check Security

- [ ] Go paperless wherever possible.
- [ ] Use a reputable vendor for check stock.
- [ ] Use business checks and check stock with security features.
- [ ] Store blank check stock securely under dual control.
- [ ] Store mechanical signature plates securely, require dual control and store separately from check stock.
- [ ] Perform periodic audits to account for all checks.
- [ ] Lock up cancelled checks.
- [ ] Control access to images of paid checks, checks received for payment, and photocopies of them.

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Bank Account Management

- [ ] Review agreements to ensure that internal procedures are aligned with signed documents.
- [ ] Delete terminated employees from bank records and update signature cards.
- [ ] Report fraud to Old National Bank immediately.

Building Security

- [ ] Identify employees, guests and vendors.
- [ ] Purchase a good shredder or document shredding service.
- [ ] Never leave sensitive information on desktops or printers.
- [ ] Be cautious of over-the-shoulder viewing.
- [ ] Lock your computer screen when stepping away for any length of time.