



MJ INSURANCE
SORORITY DIVISION

Embezzlement and Forgery: Risk Management Tips

Embezzlement and forgery claims are on the rise. We tend to see frequency issues at the chapter level and severity issues at the house corporation level, but embezzlement and forgery claims are always concerning – and expensive, whenever they occur.

We recommend some simple steps for chapters and house corporations to incorporate in order to minimize claims in this area:

- We recommend that someone other than the individuals authorized to withdraw funds should reconcile the monthly statements.
- We recommend that two signatures be required on all checks or at least those over a certain dollar threshold.
- We recommend that each chapter and house corporation undergo an independent annual audit.
- We recommend that chapter and house corporation mail go to a PO Box, not a home address.
- We recommend that a volunteer is required to inspect all pre-numbered checks and other forms on a regular basis to ensure that checks from the back of the checkbook have not been removed.

If you are concerned that an embezzlement or forgery claim may have occurred, please contact [Heather Cox](#), Claims Account Manager.