

## **Material Diversion of Assets**

The Fanconi Anemia Research Fund discovered in the spring of 2015 that an employee diverted assets from the organization for their gain. This individual embezzled approximately \$25,000 over a nine-year period. Insurance repaid the funds, and the ex-employee has been court-mandated to pay restitution.

The Fanconi Anemia Research Fund takes this event seriously and has implemented the following corrective action to ensure it does not occur again:

- Two people open the mail and deposit the checks right away into an electronic check machine. Furthermore, the bookkeeper no longer opens the mail, which significantly reduces the person's interaction with cash. The second person sits beside the bookkeeper and opens the mail; if cash is received; the second person creates the deposit slip. A third person is emailed notifying them of the cash donation. The bookkeeper never actually handles the cash but is there to verify the receipt, make the accounting entries, and then initial the bank confirmation slip once deposited.
- Numerous reports are generated throughout the process and checked for accuracy. For every daily donation packet, there is a bank deposit summary report, QuickBooks report, and Salesforce donor database report generated and verified for accuracy and consistency.
- Petty cash is kept in a locked place and will not exceed \$100.
- Blank checks are now locked up so the bookkeeper must request each check.

If you have questions regarding this material diversion of assets, please contact Executive Director – Mark Quinlan: [mark@fanconi.org](mailto:mark@fanconi.org) or 541-687-4658.