

Fraud Protection

Evaluate the risk of fraud for your operations and industry. Work with your CPA to set proper separation of duties and financial checks/balances and use online banking fraud protection.

Why does fraud protection matter?

Financial fraud can hit any business regardless of size or industry. It is your responsibility as a business owner to secure your assets from vulnerabilities. A typical business will lose an average of 5 percent of its annual gross revenues to fraud.¹ In half of fraud cases, the stolen funds are recovered in full, but for the remainder of cases, recovery varies widely.² Business owners should be concerned with both internal and external threats, but there are measures that you can take to limit the risks to you and your business.

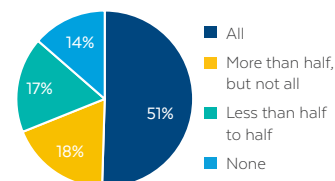
Amount of fraud (\$)²

% fraud incidents:



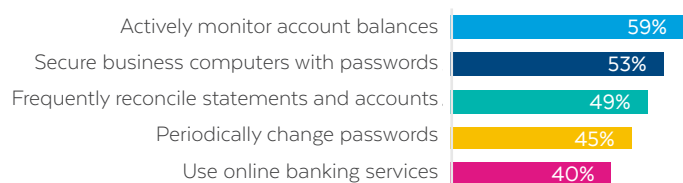
Amount of losses recovered²

% dollars recovered:



Actions taken to prevent fraud²

% of businesses have taken these actions:



15%

of small businesses experienced fraud in the last 1-2 years²

Top 3 small business occupational fraud types²

1. Check tampering
2. Credit card fraud
3. Web-based scheme

Key actions to take:

Most small business owners can't afford the cost and distraction of fraud and need to take steps to mitigate fraud risks.

- **Follow operational guidelines to prevent fraud:** There are simple actions you can take to lower the risk of fraud. Start with a clear definition of roles and responsibilities for you and your employees. Set proper separation of duties and implement financial checks and balances. No single employee should have too much authority. Conduct your due diligence — structured and thorough interviews, reference/past employer calls and background checks — when it comes to building a trustworthy team. Work with a CPA to structure work responsibilities along with policies and procedures. Have your CPA perform regular fraud audits to demonstrate your commitment to reducing fraud risk and to uncover weaknesses that could provide openings for fraud before they become a major issue. Following these basic guidelines will mitigate your exposure.
- **Do more electronically:** Another way for business owners to add security is to use technology to their advantage. Online bill pay services allow you to pay your bills and receive encrypted payments securely without the risks that check processing (the #1 source of fraud¹) introduces. Online banking services provide you with updates, alerts and up-to-the-minute visibility into your financial accounts along with immediate access from anywhere. Actively monitor your account balances and transaction statuses. Separate your personal credit cards and bank accounts from your business accounts and use direct connections between your financial management software and your bank to eliminate the fraud risk introduced with manual data entry. This process will also make it easier to track your business expenses and to file your taxes.

- **Implement security standards:** Secure business computers by implementing password protection with rules to ensure complex passwords such as requiring one uppercase letter, one number and a minimum length. Make sure to require periodic password changes. Have a dedicated computer for your banking and limit access to it. If your business provides Wi-Fi to customers, set up separate networks for your internal use and a secured guest mode for customers. Educate your employees on fraud. Set up training sessions for new and seasoned staff with lessons on basic threats and preventative measures.
- **Reconcile statement and accounts:** Stay on top of your various accounts by diligently reviewing your bank statements, credit card charges and your accounting books. Document, reconcile and track the activities in your accounts, using alerts to provide updates when transactions are posted. Be sure to address any discrepancies you find immediately.

How SunTrust can help

Managing your small business means relying on secure online banking, using electronic payment methods and actively monitoring your accounts for signs of fraud. [Take our fraud quiz to see how you are doing.](#)

Gain instant access to your accounts and payments with [SunTrust Business Online](#),³ a comprehensive small business cash management system. With convenient, secure access to financial information, you'll always be prepared to make informed decisions. And, you can download the [SunTrust Business Mobile](#) app to extend your banking capabilities to your smart phone or tablet and make mobile deposits.

Use [Fraud Inspector](#)TM, a feature of SunTrust Business Online, to manage your fraud risk. You can use the tool to review the previous day's transactions that have cleared your SunTrust deposit accounts, and you can initiate the return of suspected fraudulent items.

Sending payments electronically is easier with [Online Bill Pay](#).³ Whether paying suppliers and vendors or handling daily business operations expenses, this helpful feature within Business Online and the Mobile app is a secure and efficient way to manage your company's payments.

Link your SunTrust account with your financial software using [SunTrust Direct Connect](#).⁴ SunTrust Direct Connect syncs with QuickBooks® accounting software to integrate your SunTrust bank account information, pay bills and download transactions. With SunTrust Direct Connect, you can avoid double entry of transactions and spend less time managing your accounts and more time on your business.

Click below for additional resources:

[Does Your Company's Culture Inadvertently Promote Fraud?](#)

Understand fraudulent behavior and create a culture to deter fraud.

[How to Stop Employee Theft Before It Starts](#)

Learn how to create a fraud prevention strategy for your business.

Talk to SunTrust about fighting fraud.

- Drop by your SunTrust branch
- Call us at 800.752.2515
- Visit suntrust.com/bizbestpractices

¹ 2018 Report to the Nations on Occupational Fraud and Abuse, Association of Certified Fraud Examiners, April, 2018.

² SunTrust conducted research with 532 small business owners ranging from \$100,000 to \$2,000,000 in annual revenue during the first quarter of 2018.

³ Additional charges may apply. See the Business Online Fee Schedule for details at www.suntrust.com/businessonline.

⁴ Additional charges may apply. See the Business Accounts Fee Schedule for details.

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