Church Embezzlement: Why Every Church Must Take This Seriously

We know that it requires a lot of resources—people, time, and money—to operate a ministry. Each of these resources is valuable and needs to be protected. Particularly, a church must safeguard its financial resources against embezzlement.

I was saddened to read about a neighborhood church where my kids used to attend youth events being yet another victim of church embezzlement. All you have to do is go to your search bar and type in *"church embezzlement,"* and you will find countless headlines:

Notable Church Embezzlement Cases (2021-2026)
(2025): A Florida church secretary was charged with stealing over $570,000 between 2019 and 2024, spending funds on cruises, Disney tickets, and hotel stays.
(2026): A former Alabama pastor was sentenced to 5 years in prison for embezzling over $400,000 for luxury vehicles (Audi A7, GMC Yukon) and credit card bills.
(2021): A Texas church bookkeeper received 5.5 years in prison for embezzling over $450,000
(2022): A Florida church employee was charged in a $550,000 fraud case involving a secret bank account maintained over five years.
(2026): A former employee was accused of stealing nearly $100,000 for custom quilts, home repairs, and personal expenses.
Multi-Million Dollar Fraud (2025): Church leaders in Tampa were charged in a multi-million dollar conspiracy involving money laundering, forced labor, and fraud.
And the list goes on and on.

The Reality: Church Fraud Is More Common Than You Think
Church leaders often assume, *"This would never happen here."* Unfortunately, the data says otherwise.

- As many as 1 in 3 churches experience fraud or embezzlement
- Studies of Catholic dioceses show that up to 85% have experienced embezzlement within a five-year period
- Organizations (including churches) lose about 5% of their annual revenue to fraud
- The average fraud scheme lasts 12–18 months before being detected
- The average loss can reach six figures—and often grows over time

Even more concerning:

- Most cases are never reported
- Fraud is most often discovered by a tip (over 40%), not systems
- Only 1% of fraudsters confess

👉 The reality is this:
Church fraud is widespread, underreported, and often goes undetected for far too long.

Why Churches Are Especially Vulnerable
So, what's going on? Are churches simply mismanaged? Not necessarily—but they are uniquely vulnerable. Churches operate on trust. We trust people, we love people, and we give people the benefit of the doubt. That's what we do. But that same culture creates risk. Research consistently shows that fraud occurs when three conditions are present:

- Opportunity (easy access to funds)
- Lack of controls (little oversight)
- Rationalization (personal need or justification)

In churches, these conditions are often present. We all want to believe that the sweet, faithful person handling the books would never steal. But the truth is: *When access is easy and oversight is low, even trusted people can make bad decisions.* And once it starts, it becomes a slippery slope. It often begins small—maybe a few dollars that go unnoticed. Then it grows. No one catches it. The behavior escalates.

These are not just isolated incidents—they are symptoms of weak systems.
Here are some eye-opening trends that every church leader should understand:

- Fraud schemes last an average of 14 months before detection
- Losses often exceed $100,000 per case
- The majority of perpetrators have no prior criminal record
- Tips and whistleblowers uncover more fraud than audits
- Lack of internal controls is the #1 contributing factor

And perhaps most sobering: *The only people who can steal from you are the people you trust.*

How To Safeguard Against Church Embezzlement

1. Policy and Procedures

The first step in any control effort is to write **policies and procedures**. Spend some time thinking through how your organization would like to control the handling of and access to church funds.
There should be clearly stated policies for things like **cash handling**, two-person accountability, rotation of counters, and a commitment to auditing – just to name a few.
The more eyes on the books, the more likely someone is to notice irregularities.

2. Training

Employees and volunteers who help count the offering or assist in the church office should be trained (at least annually) on the policies and procedures related to church funds.
This training should include the measures the ministry takes to safeguard its financial resources.
This simple step will make would-be perpetrators think twice because they will see that the organization is diligent in protecting its resources.

3. Audits

Church audits are expensive; there is no question, but it is critical that the church takes steps to conduct thorough audits regularly.
An independent outside auditor should do these audits. This step alerts someone that the books will be reviewed and that misappropriation of funds will be discovered.

4. Rotation

Volunteers and employees who help with counting the offering should be rotated regularly.
No one should stay in the role indefinitely, and using multiple unrelated people will make it more difficult to skim dollars from the offering.

5. Safes

Cash and checks should be kept securely in a locked safe until they are delivered to the bank.
Get a safe with a drop slot so it doesn't require someone to open it to make a deposit.
Have a policy that the safe is only opened by two people, and the combination is limited to a few people who do not have a key to the room where the safe is kept.
These simple security measures will help to control your risk.

6. Two-Person Rule

The **cash-handling policy** should have a strict two-person rule, stating that at least two people must be present whenever cash is handled, counted, or transported.
The two people should not be related or have personal financial issues.

7. Background/Credit Checks

In today's society, it is wise to **conduct background checks** on all church employees and volunteers.
In addition, people who have access to church funds should also undergo a credit check.
While this practice may seem a little invasive, this simple step can provide information that can ultimately protect the church.
As with all sensitive information, **strict confidentiality practices** should be used.

8. Watch for Warning Signs

There are many signs you can watch for, but a few to think about are:

- Only one person has access to offering cash, checks, and check logs.
- A person with access doesn't take vacations and guards against someone else doing their job.
- A person with access is living beyond their means.
- A person with access has personal financial issues.
- It is difficult to get a financial summary from the responsible person.
- There is inadequate supervision of the person(s) handling cash.

9. Supervision/Management

Management, supervision, and inspection are crucial aspects of financial controls.
Church leaders are responsible for managing operational practices within the church.
Whether that oversight is of employees or volunteers, it is critical to ensure good supervision of those who handle church funds. Our natural leadership tendency is to empower people to work independently.
However, when it comes to church finances, that leadership principle should be thrown out the window.
Enforce the practice of keeping church financial records in the church office. Make your presence known, ask questions, and insist on timely financial reporting.

10. Act on Suspicion

If you have a gut feeling, take the time to investigate and act on your instincts. Solicit help from a trained fraud examiner to help you sort through your suspicions. Churches could not exist without the generous support of their members. Those who embrace the Christian principle of giving trust that church leadership will be good stewards of their money. These countless cases of church fraud and embezzlement speak to the critical need for church boards and leadership to wake up, do their job, and safeguard God's money. Churches could not exist without the generous support of their members.
People give because they trust. And these growing cases of church fraud and embezzlement send a clear message:
Good intentions are not enough—strong systems are required. The responsibility falls on church leaders to protect what has been entrusted to them.
I challenge you today:
Call a meeting.
Start the conversation.
Review your financial controls.
Because the question is not:
"Could this happen at our church?"
It's:
"What are we doing to make sure it doesn't?"

Smart Church Management
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