

Embezzlement: A scary topic

Simple rules to minimize the opportunity

Cases of fraud and theft in dental practices are very common – it is rare to find a practice that at some time has not been embezzled by a “trusted member” of the staff. Recent cases that we have reviewed involved \$150,000 stolen using erasable ink on checks, \$35,000 taken from patient’s cash payments, and \$30,000 from simply writing checks and forging signatures. All of these would have been prevented had the practice instituted the following financial rules of success.

Basic Practice Financial Management

Rules for Financial Success

1. Pay your own bills, limit check signing to you or your spouse OR hire a reputable bookkeeper.
2. Always have an invoice for each check written.
3. Bank statement to be mailed to doctor's home or to doctor's personal email, if banking electronically.
4. Reconcile your bank accounts weekly.
5. Reconcile your credit card statements monthly.
6. Create route slips and walkout statements for your patients.
7. Close out each day at the end of every day - not tomorrow.
8. Daily, compare your schedule with your day sheet - was ALL treatment posted? Pay close attention to all adjustments.
9. Compare bank deposit with day sheet.
10. Bank deposits to be made daily by doctor or courier service.
11. Never take cash from the deposit – allow all monies to go full cycle.

12. Staple day sheet, schedule and deposit slip together and file.
13. Use a duplicate receipt book for all cash payments - one for patient and one for your records.
14. Create a monthly Profit and Loss statement using Quicken/QuickBooks or the equivalent. This must be timely - 5 working days after the close of the month is a reasonable time period.
15. Keep a lock box for petty cash along with a ledger.
16. If using gift cards, keep a ledger. Doctor and employee reconcile inventory.
17. All employees are assigned passwords for computer access. This allows an accurate audit trail that the doctor can access at any time.

Following the above principles will not only prevent the opportunity for embezzlement, they also allow you to know that all production is posted so that you can be paid appropriately. Nationally, 11% of all services rendered in healthcare are missed during posting. Even the best can miss posting a procedure or two. It's never the intent, it's only human error that occurs during the busyness of a productive dental day.

You may contact The Richardson Group toll-free at (888) 495-3623 or visit their Web site at www.richardsoncoaching.com.

