



VFIS[®] news

Bringing important information to emergency service organizations

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Managing Emergency Service Financial Systems

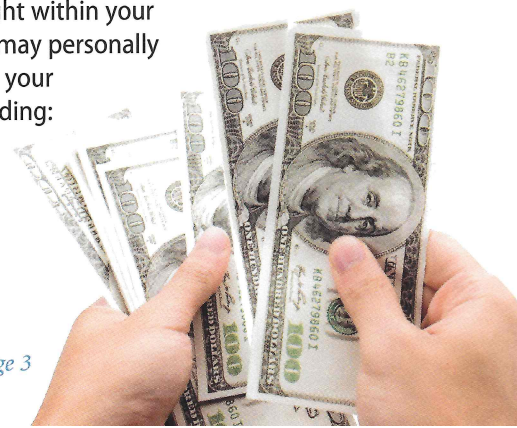
By Dr. Bill Jenaway, Ph.D. Vice President VFIS Education, Training & Consulting

Almost weekly we hear or read about an emergency service organization that has experienced a theft of funds, misappropriation of funds or some similar “fidelity” related loss. These situations can create not only a financial challenge for the organization, but can present a negative image in the community.

The financial management issues are typically well-managed with the implementation of specific systems providing checks and balances for managing funds. It is up to you to assure the organization has the appropriate methods in place to manage fidelity.

YOU need to be concerned and proactively deal with financial management issues. A financial problem within your organization cannot only financially devastate your organization, it can portray you in a negative light within your community. As a leader in the community, you may personally receive negative publicity as well. Both you and your organization can suffer the consequences, including:

- Embarrassment
- Bad public relations
- Loss of members or no new members
- Probation or jail time
- Monetary fines
- Lawsuits



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We welcome comments, suggestions and questions from our readers.

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It could be you on the witness stand, in court or in the court of public opinion. It is important to take the necessary steps to eliminate the opportunity, means and motive for members to even want to commit a financial wrong against the organization.

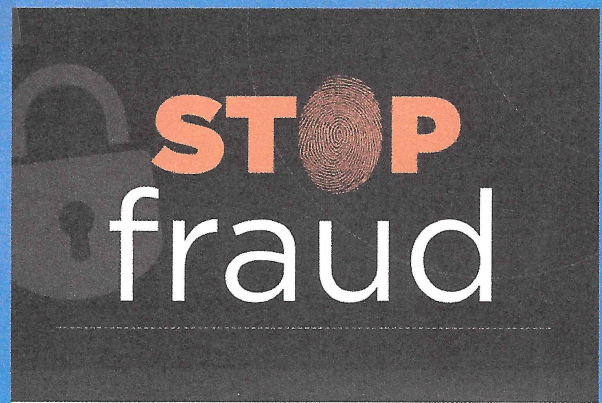
You may ask, so what's the problem? Well, it can often start out subtly. The person charged with managing the funds brings five or six blank checks for a signature. At the next review it is reported that one of the checks was voided because of an error. In reality, it was cashed. The same situation happens three months later, and so on. As the fear of getting caught diminishes, the amounts increase. By the time the person is caught, the amount can be in the five-figure-range. Why do we use this example – it is a fairly common example of the real world situation. 🔄

To learn more, VFIS has developed the reference tool "Emergency Service Organization Financial Management Practices," which is intended to discuss the issues, concerns and effective practices related to managing the financial systems of fire and EMS agencies.

Obtain a copy by contacting VFIS Client Services at 800.233.1957 or ordering it on shop.vfis.com.

Businesses and organizations, no matter small or large, are not immune to fraud. The five most common fraud schemes include: billing fraud, corruption, check tampering, skimming and expense reimbursement fraud.

Learn the statistics and what you can do to minimize risk from our infographic at vfis.com/infographics



FRAUD IMPACTS EVERYONE

