

Best Practices & Fraud Prevention Checklist



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Developing a layered approach of education, technology, rules and procedures is the best way for you to protect your business from fraudulent activity. While not all inclusive, this checklist is a great way to get started.

User Security

- Restrict access to systems and review these settings periodically.
- Implement user limits for electronic payment originations.
- Require Dual Control for all steps of cash handling, payment initiation and payment file handling.
- Set up profiles for payment initiation using dual control.
- Use repetitive wire transfer profiles whenever possible.
- Require documentation or verification for all internal requests for payments.
- Document all procedures.
- Audit user activities regularly.
- Educate your employees about email, text and other scams.
- Implement good hiring practices, including conducting background checks.
- Do not click on links or attachments to unsolicited email.

Separation of Duties

- Employees who write checks or initiate electronic payments should not reconcile accounts.
- Employees who initiate electronic payments should not approve them.
- Employees who maintain profiles for electronic payment initiation should not initiate or approve payments.
- Employees opening the mail should not prepare or make deposits.

Computer Security

- Require use of a segregated computer for banking activities; do not allow internet surfing or email use.
- Protect your network using a firewall.
- Keep anti-virus and malware software up-to-date.
- Apply latest security updates.
- Restrict access to the computer's administrative privileges.
- Disable CD/DVD/USB access if not needed.
- Implement procedures to protect laptops when away from the office and before reconnecting them to the network.
- Establish unique login and passwords for all systems and require them to be changed periodically.
- Impose strong password rules by using special characters and no words or names.
- When using online banking systems, always log in through your corporate infrastructure; not outside the network, at home or on a public computer.
- Close pop-up-windows by clicking on the X, never click inside the window.
- Support all security measures, such as Security Tokens or out-of-band authentication.
- Never send sensitive information via unsecured email.
- Implement procedures for when an employee suspects infection.
- Delete online users when employee terminates employment.



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Account Reconciliation

- Reconcile all accounts including checking, savings and credit cards immediately.
- Review account activity daily.
- Review statements and internal reports, all account numbers should be masked.
- Review cancelled checks for:
 - Checks to unknown suppliers/others
 - Checks written to cash
 - Forged signatures
 - Missing or out of order checks
 - Checks written to third parties, but endorsed by others
 - Checks that do not match accounting records (payee, amount)



Check Security

- Go paperless wherever possible.
- Use a reputable vendor for check stock.
- Use business checks and check stock with security features.
- Store blank check stock securely under dual control.
- Store mechanical signature plates securely, require dual control and store separately from check stock.
- Perform periodic audits to account for all checks.
- Lock up cancelled checks.
- Control access to images of paid checks, checks received for payment, and photocopies of them.

Bank Account Management

- Review agreements to ensure that internal procedures are aligned with signed documents.
- Delete terminated employees from bank records and update signature cards.
- Report fraud to Old National Bank immediately.

Building Security

- Identify employees, guests and vendors.
- Purchase a good shredder or document shredding service.
- Never leave sensitive information on desktops or printers.
- Be cautious of over-the-shoulder viewing.
- Lock your computer screen when stepping away for any length of time.



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