Nonprofit organizations can be more susceptible to fraud due to having fewer resources available to help prevent and recover from a fraud loss. This sector is particularly vulnerable because of less oversight and lack of certain internal controls.

**Nonprofit schemes**

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Percent of cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corruption</td>
<td>41%</td>
</tr>
<tr>
<td>Billing</td>
<td>30%</td>
</tr>
<tr>
<td>Expense reimbursements</td>
<td>23%</td>
</tr>
<tr>
<td>Cash on hand</td>
<td>17%</td>
</tr>
<tr>
<td>Noncash</td>
<td>16%</td>
</tr>
<tr>
<td>Skimming</td>
<td>15%</td>
</tr>
<tr>
<td>Check and payment tampering</td>
<td>14%</td>
</tr>
<tr>
<td>Cash larceny</td>
<td>12%</td>
</tr>
<tr>
<td>Payroll</td>
<td>12%</td>
</tr>
<tr>
<td>Financial statement fraud</td>
<td>11%</td>
</tr>
<tr>
<td>Register disbursements</td>
<td>3%</td>
</tr>
</tbody>
</table>

**Perpetrators at Nonprofits**

- **Owner/executive**
  - 39% of cases
  - Median Loss: $250,000
- **Manager/supervisor**
  - 35% of cases
  - Median Loss: $95,000
- **Employee**
  - 23% of cases
  - Median Loss: $21,000

**Fraud in Nonprofits**

- 191 Nonprofit cases
- Median Loss: $75,000
- Average Loss: $639,000

**REPORT TO THE NATIONS  2020 GLOBAL STUDY ON OCCUPATIONAL FRAUD AND ABUSE © 2020 Association of Certified Fraud Examiners, Inc.**
Nonprofit organizations have fewer anti-fraud controls in place, leaving them more vulnerable to fraud.

**TOP 3 CONTROL WEAKNESSES**
- Lack of internal controls (35%)
- Lack of management review (19%)
- Override of existing internal controls (14%)

**Detection at Nonprofits**

- Tip or complaint: 40%
- Internal audit: 17%
- Management review: 13%
- By accident: 7%
- Examination of documents: 6%

**Controls**

- Surprise audits: 21%
- Formal fraud risk assessments: 24%
- Management review: 44%
- Internal audit department: 68%

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