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## **School Bank Account Debit Fraud**

Recently, a few schools have reported fraudulent Automated Clearing House (ACH) debits against their bank accounts. Fraudulent electronic charges increasingly occur through purchases made over the Internet or telephone after obtaining someone else's bank account data shown at the bottom of a paper check, i.e. the bank's routing number, the bank account number and check serial number.

To reduce the risk of fraudulent or inappropriate ACH charges in your school accounts:

- Monitor transaction activity by reviewing your bank statement and reconciling your account every month.
- Immediately report to your bank and the DOE's Banking Unit any unusual ACH or suspicious transactions noted on your statement. You may be liable for errors or fraudulent transactions you report more than 60 days from the transaction date; check with your bank as individual agreements may vary.
- Secure all checks and check stock.

Open new school bank accounts through the DOE's Banking Unit to ensure registration with the City Department of Finance for automatic debit blocking protection, reduced fees and other services.

[CLICK HERE](#) for a previous "Principal Weekly" article regarding changes to the SOP chapter on "General School Funds", which details:

- How to Open a Bank Account
- How to Report the Annual Reconciled Balance of all Bank Accounts
- How to Change Signatories to Bank Accounts
- How to Close Bank Accounts.

Schools wanting their accounts covered by the automatic debit blocking protection should contact Michael Coulombre of the NYC Department of Finance at (212) 669-2587 (***e-mail: [CoulombreM@finance.nyc.gov](mailto:CoulombreM@finance.nyc.gov)***).