

# Accountability: Nine Ways to Protect the Physician and the Manager

☒ Recent news stories about manager embezzlement give us all a black eye. What can managers do to limit their liability, and how can physicians protect the practice without managing the day-to-day operations themselves?

Here are nine suggestions:

1. Perform a thorough **background check** before hiring a manager, and have your manager bonded.
2. Have your **bank statements sent to the physician's home address** and/or make sure the physician has the master access to the bank accounts online. Physicians, have a personal relationship with your practice banker and make time for a short meeting with them quarterly.
3. Have the **physician sign your practice checks**. Each check should be attached to an invoice that lists the goods or service purchased. Do not order a rubber stamp of the doctor's signature.
4. Insist on a **duplicate, numbered receipt book for staff to give receipts to patients** for all over the counter payments.
5. **Have your insurance and patient checks sent to a lockbox.**
6. Make sure the **manager takes time off** "" at least several weeks a year. Managers who are "too busy" or "can't ever get away" are a red flag. The physician should review all mail during the manager's vacation.
7. **Check the monthly credit card statement carefully** before making the payment. Keep the card restricted to a relatively low limit to manage your liability. Do not pay practice bills routinely on the card to build

frequent flyer miles as this makes it much easier for an employee to hide non-approved expenditures.

8. **Have a budget and make sure variances can be explained.**
9. **Hire a CPA** to review the books quarterly. Even if you do not need the services of a CPA for your statement reconciliation, taxes or partners distribution, hire one to review the expenses and receipts, and ensure that the retirement plan is being funded appropriately.

A qualified, ethical manager has nothing to hide and will thank you for following these nine rules. The rules protect the manager as well as the practice.

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