



Cash Receipt Controls

December 15, 2016



Outline



- General Cash Controls
- Cash Receipt Controls



Why Cash Receipt Controls Matter

Help reduce loss due to:

- Skimming unrecorded receipts
- Theft of recorded receipts
- Fraudulent refunds
- Unauthorized voided transactions



2016 Report to the Nations on Occupational Fraud and Abuse.
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What is Cash?

- Currency
- Checks
- Warrants
- Money Orders



		5284
PAY TO THE ORDER OF		DATE
		\$
		DOLLARS
FOR		
⑆ 222222 ⑆ 123 111 555 ⑆ 5284		



General Cash Controls

- Separation of responsibilities
- Safeguard cash
- Bond employees
- Authorized bank accounts
- Monthly bank account reconciliations



Separation of Responsibilities

- Cash Handling
- Recordkeeping
- Authorization

Cash Handling



Authorization



Record Keeping



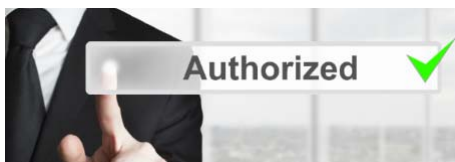
Safeguard Cash

- Limit access to cash
 - Only authorized employees
 - Safe
 - Locking drawer
- Bond employees handing cash



Authorized Bank Accounts

- Only those allowed by statute
- Only use for intended purposes
- Close inactive accounts promptly



Bank Account Reconciliations

- **Goal:** Confirm the balances in the district's records and on the bank statement are correct
- ✓ Trace amounts to support
- ✓ Compare balances
- ✓ Identify differences
- ✓ Investigate
- ✓ Adjust as needed



Receipt Controls

- Restrictively endorse checks, warrants, etc. immediately
- Secure cash immediately
- Change fund(s)
- Evidence of receipt
- Documenting collections
- Daily deposits, when significant, or at least weekly
- Evidence of deposits
- Prompt recording of cash received



Using Change Funds



- Funded by check from bank account (not from cash receipts)
- Cannot be used to make purchases (not a petty cash fund)
- Money returned/accounted for after each use
- Secured in a safe/locking cabinet



Types of Receipts



- Bookstore sales
- Student activities
- Food service sales
- Gate receipts
- Gifts and donations (Other than tax credit)
- Tuition and fees for classes and community activities
- Proceeds from sale or lease of district property



Ways to Document Receipts

- Bookstore sales
 - Student activities
 - Food service sales
 - Gate receipts
 - Gifts and donations (Other than tax credit)
 - Tuition and fees for classes and community activities
 - Proceeds from sale or lease of district property
- Cash Register
 - Prenumbered Receipt Book
 - Tickets
 - Inventory Count



Using Cash Registers

- All transactions are run through the register
- Reconcile cash collected to actual sales



Using Receipt Books or Tickets

- Must be issued for every sale
- Must be prenumbered and issued in sequential order

RECEIPT		No. 123456
DATE _____	FROM _____	\$ _____
		DOLLARS
<input type="checkbox"/> FOR RENT <input type="checkbox"/> FOR _____		
ACCT. _____	<input type="checkbox"/> CASH	FROM _____ TO _____
PAID _____	<input type="checkbox"/> CHECK	
DUE _____	<input type="checkbox"/> MONEY ORDER	
	<input type="checkbox"/> CREDIT CARD	
		BY _____
		A-2501 T-48020



Inventory Counts

- Count items before and after the sale
- Count should be done by someone not involved in the sale

Example

200	bowls on hand before sale
<u>45</u>	bowls on hand after sale
155	calculated bowls sold
<u>\$ 2</u>	price per bowl
\$310	total collections expected



Documenting Collections

- Total sales
- Cash collected
- Reconciliation
- Resolution of overages and shortages



Ticket/Activity Report

REPORT NO. _____

SCHOOL DISTRICT NO. _____

ATHLETIC TICKET SALES REPORT

School _____

Account Name _____ Account Code _____ Date _____

Event _____

Ticket Seller _____

Change Fund Receipt Number _____ Amount \$ _____

Ticket Type	Ticket Numbers Issued From	To	Next No. To Be Issued	First Ticket Number Issued	Number Sold	Price	Total Sales
						\$	\$

Denomination	Cash Returned	Total Deposit	\$ _____
Checks	\$ _____	Less: Total Sales	_____
\$100.00	_____	Cash Overage (Shortage)	\$ _____
50.00	_____	Reason for Overage (Shortage)	_____
20.00	_____	_____	_____
10.00	_____	Reconciliation Completed By:	_____
5.00	_____	Ticket Seller Signature	_____
2.00	_____	Date	_____
1.00	_____	Change, Tickets, and Cash Collections Received By:	_____
.50	_____	Athletic Director or Bookstore Manager Signature	_____
.25	_____	Date	_____
.10	_____		
.05	_____		
.01	_____		
Total	\$ _____		
Less Change Fund	_____		
Total Deposit	\$ _____		

- Event Information
- Ticket Report
- Cash Count
- Reconciliation
- Signature



Daily Sales Report

REPORT NO. _____
SCHOOL DISTRICT NO. _____
DAILY SALES REPORT

SCHOOL _____
ACCOUNT NAME _____ ACCOUNT CODE _____
EVENT _____ DATE _____
CASHIER _____
CHANGE FUND RECEIPT NUMBER _____ AMOUNT \$ _____

CASH COLLECTIONS	
Denomination	Cash Returned
Checks	\$
\$100.00	
50.00	
20.00	
10.00	
5.00	
2.00	
1.00	
50	
25	
10	
05	
01	
TOTALS	\$
LESS CHANGE FUND ISSUED	()
COLLECTIONS	\$

TAPE AUDIT

- Ending Cash Register Reading \$ _____
- Beginning Cash Register Reading \$ _____
- Tape Adjustment \$ _____
- Total to Be Accounted For \$ _____
- Less Collections \$ _____
- Cash Overage (Shortage) \$ _____
- Total Deposits \$ _____
- Reason for Overage (Shortage) _____

RECEIPT BOOK SUMMARY

Beginning Number: _____ Ending Number: _____
Last Number Used: _____
Quantity Sold: _____ Price: \$ _____
Total Sales (Quantity X Price) \$ _____
Less Collections \$ _____
Cash Overage (Shortage) \$ _____
Total Deposits \$ _____
Reason for Overage (Shortage) _____

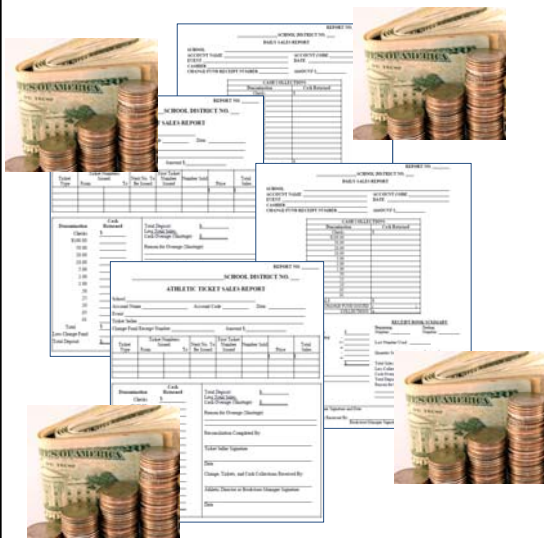
Reconciliation Completed By: _____
Cashier Signature and Date _____

Change Fund and Cash Collections Received By: _____
Bookstore Manager Signature and Date _____

- Event Information
- Cash Count
- Receipt Book Summary
- Reconciliation
- Signature



What's Next



Document how much money is given and received every time reports/money change hands!



Daily Cash Collections Summary



SCHOOL DISTRICT NO. _____
 SCHOOL _____
AUXILIARY OPERATIONS DAILY CASH COLLECTIONS SUMMARY
 Month _____, 19____
 Day _____

Part I - Cash Collection: Held for Deposit to the Auxiliary Operations Fund Account

Report Number	Account Code	Description (insert to)	Net Cash Collections

Total Net Cash Collections (Part I) \$ _____

Part II - Cash Count	
Checks	\$
\$100.00	
50.00	
20.00	
10.00	
5.00	
2.00	
1.00	
.50	
.25	
.10	
.05	
.01	
.01	
TOTAL	\$

Part III - Reconciliation	
Total Net Cash Collections (Part I)	\$ _____
Total Cash Count (Part II)	\$ _____
Cash Overage (Shortage)	\$ _____

Reason for Overage (Shortage)

Summary Prepared By: _____ Date _____
 Reviewed By: _____ Date _____

- Part I – Cash collected from all reports
- Part II – Cash count
- Part III - Reconciliation



Making Deposits



- Daily when significant, or at least weekly
- Evidence of deposits



Recording Revenues

In Accounting Records

- Fund
- Object

Fund	Program	Function	Object	Unit
XXXX	000	0000	XXXX	000

In subsidiary records

- Student club records
- Donations by donor restriction

Revenue reports should be given to Departments/Clubs for confirmation



Questions?



Resources



Our website: www.azauditor.gov

- USFR
- FAQs
- Videos on Cash Controls – Coming in 2017
- Slides and recording of this webinar

Contact us:
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