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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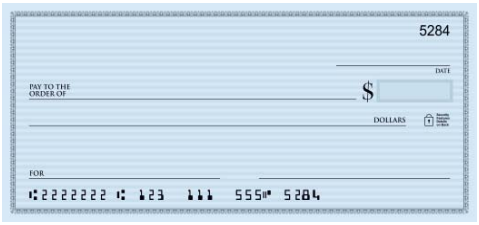
What is Cash?

- Currency
- Checks
- Warrants
- Money Orders



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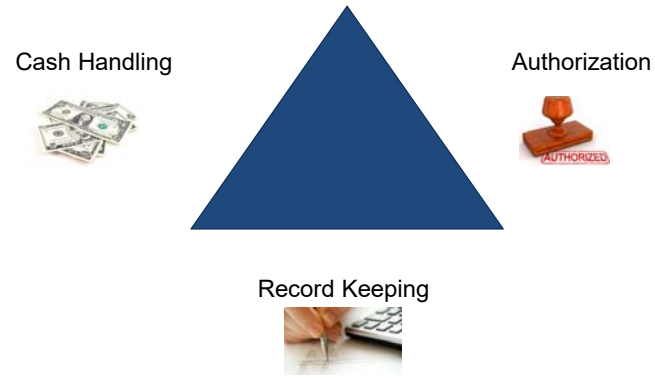
General Cash Controls

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

Separation of Responsibilities

- Cash Handling
- Recordkeeping
- Authorization



Safeguard Cash

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

Authorized Bank Accounts

- Only those allowed by statue
- 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

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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

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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

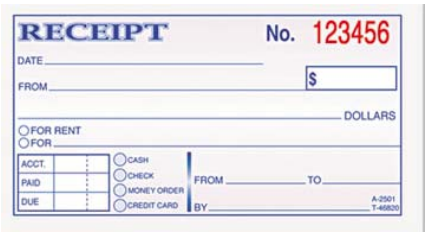
- Cash Register
- Prenumbered Receipt Book
- Tickets
- Inventory Count

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



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
45	bowls on hand after sale
155	calculated bowls sold
$ 2	price per bowl
$310	total collections expected

Documenting Collections

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

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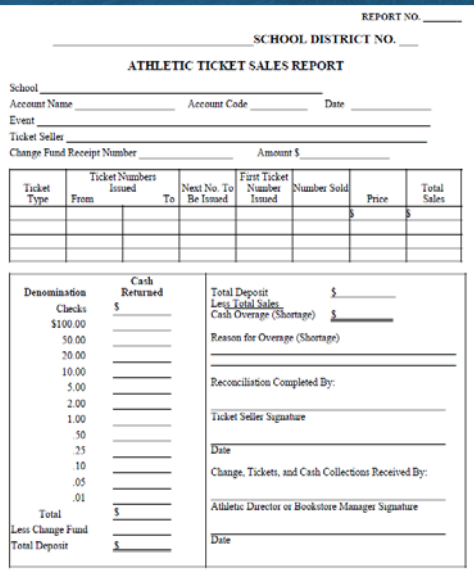
Ticket/Activity Report



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
Checks	$
$100.00	
50.00	
20.00	
10.00	
5.00	
2.00	
1.00	
.50	
.25	
.10	
.05	
.01	
Total	$
Less Change Fund	
Total Deposit	$

Total Deposit $_____

Less Total Sales

Cash Overage (Shortage) $_____

Reason for Overage (Shortage)

Reconciliation Completed By:

Ticket Seller Signature

Date

Change, Tickets, and Cash Collections Received By:

Athletic Director or Bookstore Manager Signature

Date

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

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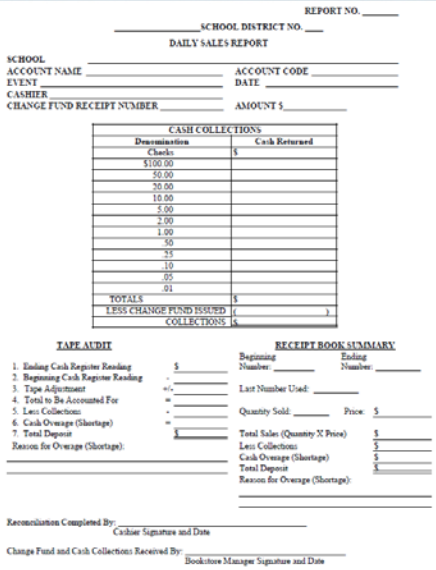
Daily Sales Report



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

1. Ending Cash Register Reading $_____
2. Beginning Cash Register Reading -_____
3. Tape Adjustment +/-_____
4. Total to Be Accounted For =_____
5. Less Collections -_____
6. Cash Overage (Shortage) =_____
7. Total Deposit $_____

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 Deposit $_____

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

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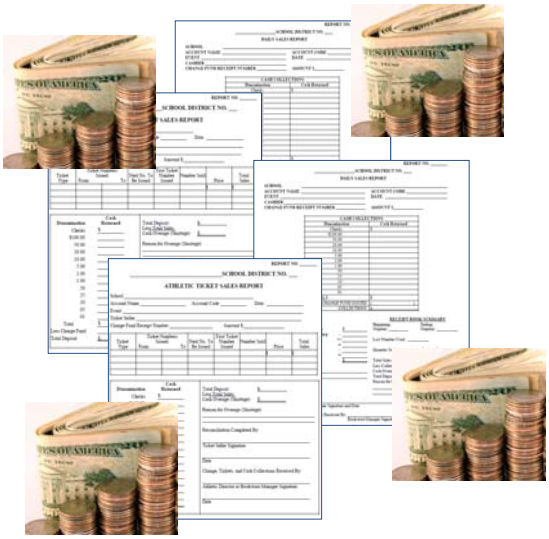
What's Next



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

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Daily Cash Collections Summary

_____SCHOOL DISTRICT NO. ___

SCHOOL _____

AUXILIARY OPERATIONS DAILY CASH COLLECTIONS SUMMARY

_____, 19____
Month Day

Part I — Cash Collections Held for Deposit to the Auxiliary Operations Fund Account

Report Number	Account Code	Description (issued 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	
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

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Making Deposits

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

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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

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Questions?

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Resources

Our website: www.azauditor.gov

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

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