**Comparisons**

Comparisons are used to assess changes in amounts of revenues, expenditures, inventories, and other balances from one time period to another. Small changes, as well as differences resulting from operational changes, are to be expected. Any unusual or larger than expected changes in balances or relationships between balances should be investigated and explained. It is important to note that comparisons only measure change, they do not measure accuracy of balances. Therefore, if amounts were under or over reported in the past and are still under or over reported, comparison of just one type of balance is not likely to detect a problem. A table for suggested comparisons is on page 2.

**Observation and Sampling Transactions**

**Revenues**—Auxiliary Operations revenues can come from a variety of sources including athletic gate receipts, student picture sales, bookstore sales, and fieldtrip fees. The District should ensure that all monies received are accounted for and deposited intact. To help ensure monies are being handled appropriately, samples of the various types of revenues can be selected and reviewed using the tools beginning on page 3.

**Expenditures**—Auxiliary Operations purchases should follow appropriate procurement procedures, be supported by documentation including invoices and receiving reports, and be approved by the Governing Board. To help ensure controls are in place to prevent misuse, theft, or loss of district monies, samples of purchases can be selected and reviewed using the procedures on page 7.

**Separation of Responsibilities**—To reduce the risk that District monies will be lost, misused, or stolen, duties related to cash-handling, recordkeeping, and authorization should be separated among employees. If a person has responsibilities in more than one of these areas, there is a higher risk for both the improper use of monies, and honest mistakes in processing going unnoticed and uncorrected. Example tables with color coded responsibilities based on the procedures described in the USFR that can be used to review separation of responsibilities are included on page 8.

**Bank Accounts**—Districts can only have those bank accounts authorized by statute as listed in the Accounting Procedures-Cash section of the USFR. The Governing Board must authorize each bank account and ensure that it is used for its intended purpose as indicated by statute. Monthly reconciliations of district records to bank records should be done for each bank account. Suggested review procedures are included on page 9.

**Inventory**—A complete and accurate inventory list should be maintained to account for all items held for sale. Inventory in each area should be separately tracked to allow for comparison to related expenditures and revenues and to help ensure accurate financial reporting. Proper inventory review procedures can help prevent theft, overstocking, under stocking, spoilage, and obsolescence. Suggested review procedures are described on pages 10 and 11.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Prior Period**  **\_\_\_\_\_\_\_\_\_\_\_**  **(month, year)** | **Current Period**  **\_\_\_\_\_\_\_\_\_\_\_**  **(month, year)** | **$ Change** | **% Change** | **Are Changes Reasonable?**  **(Yes/No)** |
| **Bookstore Revenues** | | | | | |
| Sales |  |  |  |  |  |
| Fees |  |  |  |  |  |
| Donations (tax credit) |  |  |  |  |  |
| **Athletic Program Revenues** | | | | | |
| Gate (ticket sales) |  |  |  |  |  |
| Concession sales |  |  |  |  |  |
| Fees |  |  |  |  |  |
| **Bookstore Expenses** | | | | | |
| Nonpayroll |  |  |  |  |  |
| Payroll |  |  |  |  |  |
| **Athletic Program Expenses** | | | | | |
| Nonpayroll |  |  |  |  |  |
| -Concessions |  |  |  |  |  |
| -Other |  |  |  |  |  |
| Payroll |  |  |  |  |  |
| **Inventory on Hand (fiscal year end)** | | | | | |
| Bookstore (FY End) |  |  |  |  |  |
| Concessions (FY End) |  |  |  |  |  |
| Other area: \_\_\_\_\_\_\_\_\_\_\_ |  |  |  |  |  |

Explain any % changes > 10% considered to be reasonable:

|  |
| --- |
|  |

Investigate any changes considered unreasonable and document results:

|  |
| --- |
|  |
|  |

*To help ensure proper controls are in place for all cash collections, revenues should be reviewed from each type of activity and each type of collection process at a campus.*

**List the Auxiliary Operations activities based on the method used to document sales**

**Issuing tickets** (e.g., sport event admission, dance admission, etc.) See page 4 for related review procedures.



**Issuing receipts without using a cash register** (e.g., fees collected in the school office or library, yearbook sales, etc.) See page 4 for related review procedures.



**Using a cash register to issue receipts** (e.g., bookstore sales, concessions, etc.) See page 5 for related review procedures.



*Total daily cash collections and deposits should be reviewed using the table on page 6 regardless of the method used to document sales (i.e., tickets, receipts, or cash register)*

**Review of Ticket and/or Receipt Sales (without a cash register)**

Select 5 events from the district’s calendar of scheduled events and document the following information based on a review of the applicable daily sales reports. **If no sales report was prepared for a selected event; (1) document that no report was prepared, (2) investigate why no report was prepared, and (3) take action to ensure reports are prepared in the future.**

**Activity Description\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Sales Report #** | **Report Date** | **Name of Ticket Seller/ Receipt Issuer** | **Next Ticket/ Receipt #**  **to be Issued** | **Beginning Ticket/ Receipt # Issued** | **For Ticket Sales** | | **Total Sales** |
| **Total # of Tickets Sold** | **Ticket Price** |
| 1 |  |  |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |  |  |
| 4 |  |  |  |  |  |  |  |  |
| 5 |  |  |  |  |  |  |  |  |

**For each sample item above:**

|  |
| --- |
| 1. Is the Total Sales amount on the Sales Report supported by the Number of Tickets Sold and the Ticket Price or the total of the amounts on the receipts issued? If not describe issue noted: |
|  |
| 1. Does the Sales Report contain a supervisor’s signature as evidence of review? If not, who should have reviewed the report? |
|  |
| 1. Were any cash overages/shortages noted on the Sales Report resolved by the appropriate supervisor? Are the resolutions documented and do they appear reasonable? |
|  |
| 1. For ticket sales:    1. Is the Next Ticket # to be Issued on the previous Sales Report the same as the Beginning Ticket # on each Sales Report selected for review?    2. Is the Beginning Ticket # on the next Sales Report the same as the Next Ticket # to be Issued on each Sales Report selected for review? |
|  |
| 1. For sales with receipts issued, were receipts issued sequentially with no gaps in receipt numbers between consecutive sales reports and were duplicate copies of the receipts retained? |
|  |

**Review of Cash Register Sales**

Select 5 events/dates from the district’s calendar of scheduled events/business days and document the following information based on a review of the applicable daily sales reports. **If no sales report was prepared for a selected event/day; (1) document that no report was prepared, (2) investigate why no report was prepared, and (3) take action to ensure reports are prepared in the future.**

**Activity Description\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Daily Sales Report** | | | | **Register Total Tape** | |
| **Report #** | **Date** | **Cashier** | **Total Sales** | **Tape #** | **Total Sales** |
| 1 |  |  |  |  |  |  |
| 2 |  |  |  |  |  |  |
| 3 |  |  |  |  |  |  |
| 4 |  |  |  |  |  |  |
| 5 |  |  |  |  |  |  |

**For each sample item above:**

|  |
| --- |
| 1. Is a total end of day cash register audit tape attached to the Daily Sales Report? |
|  |
| 1. Is the audit tape # one more than the audit tape # on the previous day’s sales report and one less than the audit tape # on the next day’s sales report? |
|  |
| 1. Are amounts on the Daily Sales Report mathematically accurate? |
|  |
| 1. Does the Total Sales amount on the Daily Sales Report agree to the audit tape? |
|  |
| 1. Are any over rings or voided/cancelled sales adequately documented and explained? |
|  |
| 1. Can the Total Sales amount be traced to a Daily Cash Collections Summary Report? |
|  |

**Daily Cash Collection Summaries and Deposits**

Select 5 days and document the following information based on review of the applicable days’ Daily Cash Collection Summaries. **If no cash collection report was prepared for a selected day; (1) document that no report was prepared, (2) investigate why no report was prepared, (3) determine if monies received were properly deposited and recorded in the district’s records, and (4) take action to ensure reports are prepared in the future.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Daily Cash Collection Summary** | | | **Validated Deposit Receipt** | |
| **Report #** | **Date** | **Total Cash Collected** | **Deposit Date** | **Deposit Amount** |
| 1 |  |  |  |  |  |
| 2 |  |  |  |  |  |
| 3 |  |  |  |  |  |
| 4 |  |  |  |  |  |
| 5 |  |  |  |  |  |

**For each sample item above:**

|  |
| --- |
| 1. Is the Total Cash Collected amount on the Daily Cash Collection report equal to the sum of the cash collected on the Daily Sales Reports for that day? |
|  |
| 1. Based on review of validated deposit documentation, was all cash collected deposited in the appropriate bank account? And was it deposited within 7 days of receipt? |
|  |
| 1. Were all daily sales and cash collections accurately recorded in the district’s accounting records? |
|  |

Select 5 payments from the District’s auxiliary operations bank account check register and document the following information based on review of the check register.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Check #** | **Date** | **Amount** | **Payee Description** |
| 1 |  |  |  |  |
| 2 |  |  |  |  |
| 3 |  |  |  |  |
| 4 |  |  |  |  |
| 5 |  |  |  |  |

**For each sample item above:**

|  |
| --- |
| 1. Is the purchase supported by an approved purchase order and vendor invoice or receipt? |
|  |
| 1. Was the purchase order approved by the appropriate supervisor before the goods or services were ordered? |
|  |
| 1. Does the check number, payee and amount in the check register agree to the processed check (image on bank Web site) or bank account statement? |
|  |
| 1. If viewable, does the processed check (copy or image) contain 2 authorized signatures? |
|  |
| 1. If viewable, is the processed check (copy or image) made out to a district approved vendor? (Verify that the check is not made payable to cash and that any check made payable to an employee is adequately supported). |
|  |
| 1. Were appropriate procurement procedures followed, if required, based on the dollar amount spent on like items by the district (not just auxiliary operations expenditures and not just for that vendor)? |
|  |

Fill in the Assigned Employee column based on district documentation of assigned responsibilities, then observe operations and fill in the Actual Employee column based on observation. Employees should not perform responsibilities in more than one color within the same table.

|  |  |  |
| --- | --- | --- |
| **Revenue Responsibilities** | **Assigned Employee** | **Actual Employee** |
| Issues change fund and verifies change fund upon return |  |  |
| Issues receipt book or tickets, logs numbers, and verifies upon return |  |  |
| Collects cash and issues receipt/ticket |  |  |
| Counts cash and prepares Daily Sales Report- Cash Collected portion |  |  |
| Recounts cash, determines total sales, and completes Daily Sales Report |  |  |
| Safeguards cash until deposited |  |  |
| Prepares Daily Cash Collection Summary Report |  |  |
| Prepares and makes deposit daily if significant or at least weekly |  |  |
| Compares Sales Reports to Daily Cash Collection Summaries and total cash collected to the validated deposit documentation |  |  |
| Records revenue in the accounting records |  |  |

Is an employee performing responsibilities in more than one color above? If so, describe any compensating controls or needed changes in responsibilities:

|  |
| --- |
|  |

|  |  |  |
| --- | --- | --- |
| **Expenditure Responsibilities** | **Assigned Employee** | **Actual Employee** |
| Prepares Purchase Requisition |  |  |
| Approves Purchase Requisition |  |  |
| Prepares Purchase Order (PO) |  |  |
| Approves PO |  |  |
| Places order |  |  |
| Receives and verifies items |  |  |
| Prepares check/payment (has access to unused checks) |  |  |
| Reviews all purchase documentation and signs check for payment (1st signature). May also record the expenditure after 2nd check signer approves and signs. |  |  |
| Reviews all purchase documentation and signs (2nd signature) and issues check. Records expenditure. |  |  |

Is an employee performing responsibilities in more than one color above? If so, describe any compensating controls or needed changes in responsibilities:

|  |
| --- |
|  |

Select 3 months’ bank reconciliations and review reconciliations and supporting documents to determine:

|  |  |  |
| --- | --- | --- |
| **Month 1** | **Month 2** | **Month 3** |
|  |  |  |

|  |
| --- |
| 1. Was the reconciliation prepared by one employee and reviewed by another employee? Was the reviewer independent of check processing duties? |
|  |
| 1. Was the reconciliation prepared and reviewed within a reasonable amount of time after the statement was received? |
|  |
| 1. Does the reconciliation show evidence that all deposits and disbursements were compared to supporting documentation? |
|  |
| 1. Were bank transfers, if any, investigated to determine they were appropriate (generally auxiliary operations accounts should not have transfers to or from other accounts)? |
|  |
| 1. Were there any cash withdrawals? (ATM or otherwise) |
|  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Inventory Area:** |  | **Date of last inventory:** | |  |
|  | | | **Circle response below** | |
| Does the District maintain Perpetual or Periodic Inventory records? | | | Perpetual Periodic | |
| If Perpetual, was an inventory completed within the last 3 years? | | | Yes No | |
| If Periodic, was an inventory completed within the last year? | | | Yes No | |
| Does the District’s Inventory List include: | | |  | |
| Item/ Unit Description | | | Yes No | |
| Purchase Document Number | | | Yes No | |
| Quantity on Hand | | | Yes No | |
| Unit Cost | | | Yes No | |
| Extended Cost | | | Yes No | |
| Page Totals and Grand Total | | | Yes No | |

Resolve any “No” answers and explain resolution below:

|  |
| --- |
|  |

*The following tests of inventory accuracy can be done at any time for Perpetual Inventory Systems and immediately following an inventory in Periodic Inventory Systems to validate inventory results.*

**Inventory Area: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Select 5 items from the District’s stock of items for sale and agree them to the District’s Inventory List.

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Item/Unit Description** | **Quantity on Hand** | **Does the Description and Quantity on Hand Agree to the Inventory List?**  **(Yes/No)** |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| 4 |  |  |  |
| 5 |  |  |  |

Investigate any “No” answers and document results:

|  |
| --- |
|  |

Select 5 items from the District’s Inventory List and agree the following information for each item to the District’s stock of items for sale and/or to related purchase documentation.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Item/Unit Description** | **Quantity on Hand** | **Unit Cost** | **Purchase Order (PO) #** | **Agreed information to stock on hand and/or PO**  **(Yes/No)** |
| 1 |  |  |  |  |  |
| 2 |  |  |  |  |  |
| 3 |  |  |  |  |  |
| 4 |  |  |  |  |  |
| 5 |  |  |  |  |  |

Investigate any “No” answers and document results:

|  |
| --- |
|  |