

Internal control priorities – revenue cycle

Segregation of duties – the risk in the revenue cycle is that someone could either steal revenues before they are recorded in Munis or steal items from the deposit and manipulate Munis to hide the theft

- The person who opens the mail cannot record the revenues in Munis.
- The person who records the revenues in Munis cannot handle the deposit.
- Ideally, two people will open the mail and both sign off on the deposit.

The importance of double-checks – it's human nature to make mistakes. You don't want the auditors or a thief to be the one to find yours!

- Each deposit must be double-checked to ensure that it's right. This prevents someone from stealing deposits and claiming that they were mis-added.
- Each deposit must agree to the revenues posted in Munis for that day or that deposit. This prevents someone from stealing funds and covering up the theft by recording revenues by under-reporting revenues.
- Verify that receipts are posted to the correct code. This ensures that items are posted correctly and is the last chance to catch theft.

Valuable revenue reviews – everything's recorded. How do you know if it's right?

- Compare prior year to current year. Any differences should be explainable. Munis Historical Actuals Comparison report.
- Pay attention to oddities: stale-dated checks presented by a school or department, deposits not coming as often, complaints from customers, staff with a casual attitude toward duties or internal controls, etc.
- Review trends. Are there inconsistencies? Should local grant revenues be stagnant if you are aware of new grants received? If interest rates are down, shouldn't interest income also be down?
- If you have weak links in your staff, double-check that person, even if you have to do it after closing time.
- Munis Invoice Ageing Report should agree with total outstanding invoices of all funds combined. The report doesn't separate invoices by fund.

Technology that will help you get there

- The Munis accounts receivable module. Allows you to invoice receivables at fiscal year end, preventing reconciliation problems that can come from posting receivables by journal entry.
- Fold-and-seal invoices and statements (if you use Munis accounts receivable module). Saves huge amounts of time.
- Electronic deposit interface machines (from the bank) allow you to scan checks to the bank, rather than drive to the bank and wait in line. No more copying checks!
- Remote cash manager (from the bank) allows you to scan cash into a locked box on site, which will be picked up by armored car whenever the bank wants. You earn interest on cash still in the lockbox in your office!