



**Internal Controls Over Financial Reporting
Self-assessment Tool**



Credit Card Receipts

Legend:

- = Successfully meets standard.
- = Does not meet standard, but making satisfactory progress towards attainment.
- = Does not meet standard; underlying issues have not been addressed
- N/A = Not applicable

Assessment For Period Ending: _____

Reviewer's Signature _____

Date: _____

Control Objectives

As public servants, it is our responsibility to use taxpayers' dollars in the most effective and efficient way possible while adhering to applicable laws and regulations. This document does not address all possible circumstances that need to be considered when establishing internal controls or assessing risk. Each government is responsible for reviewing its business practices and processes to determine where risks exist and where and how controls can be established to mitigate them.

Financial reporting control objectives are as follows:

1. Recorded transactions are valid (existence).
2. All valid transactions are recorded; none are omitted (completeness).
3. Transactions are recorded in the proper fiscal period (cut-off).
4. Transactions are in compliance with applicable laws and policies (rights & obligations).
5. Transaction amounts are accurately valued or calculated (valuation).
6. Transactions are properly classified to the correct fund and account (classification).

Description of Control	Green	Yellow	Red	N/A	Comments / Responsible Individual
Segregation of Duties					
1. Is the responsibility for processing a credit card payment segregated from the processing of a void?					
2. Is the responsibility for processing a credit or refund segregated from the payment processing function?					
3. Is the responsibility for reconciling credit card payments segregated from processing payments, voids, credits and refunds?					
When credit cards are accepted in face-to-face transactions					
4. Before the transaction is electronically submitted for approval, is the amount reviewed to ensure the dollar amount charged is correct?					

Description of Control				N/A	Comments / Responsible Individual
5. Is the name on the credit card and the last four digits of the account number compared to the data on the printed receipt?					
6. Is the customer's signature on the sales receipt compared to the signature on the back of the card?					
7. Is the name on the credit card verified against other personal identification in the possession of the user such as a photo ID?					
8. Do only the last four digits and the expiration date appear on the cardholder's copy of the printed receipt?					
9. If the credit card magnetic strip cannot be read, are there procedures for manually entering the credit card information?					
10. If the card is declined, are there documented procedures for another acceptable form of payment?					
When credit cards are accepted over the telephone or by mail order					
11. Is the address verified by the person accepting the order? (the government should have access to an Address Verification Service (AVS) which will verify the user's complete address when the credit card account number and zip code are entered.)					
12. Is the 3 digit security number used to verify the card owner? Note: if this security number is not checked, it may cause your merchant rate to increase.					
13. Are there procedures to ensure the document transaction includes the agency's identifying number (invoice number or license number) and the agency's customer service number?					
When credit cards are accepted over the Internet					
14. Is the amount charged populated based on the customer's selection?					
15. Does the web site adhere to fraud prevention measures? (For example, Address Verification Services, Card Validations Codes or other fraud prevention tool available from the issuing bank.)					
Credit card deposits and settlements					
16. Do credit card transaction deposits meet the requirements for your government?					

Description of Control				N/A	Comments / Responsible Individual
17. Are the daily receipts totals from all credit card processing devices printed and used to settle transactions for each business day?					
18. Are the daily receipt transactions for each business day reconciled in a timely manner? (Recommendation: reconciliation should be completed on a daily basis for each day transactions are created. At a minimum, reconciliation should be completed on a weekly basis.)					
19. Are variances investigated in a timely manner and reasons for the variance documented?					
Credit card reconciliation					
20. Are employees trained to know when the settlement cut-off time occurs in order to correctly reconcile the daily transactions?					
21. Are total credit card receipts reconciled on a daily basis to the total dollar value sold? (For example, total dollar amount reconciled to number of licenses issued via credit cards.)					
22. Are the amounts reconciled on a day-by-day basis to a statement from the bank servicing the credit card?					
23. Are the credit card amounts reconciled on a day-by-day basis to a merchant statement which also lists merchant fees?					
24. Are the credit card amounts reconciled to Treasury documentation? 25. Are reconciliations identified in the previous questions completed in a timely manner in order to meet agency needs and good business practice?					
26. Are there documented procedures for employees to follow when credit card receipts do not reconcile to the statements identified in the previous questions?					
27. When appropriate, are credit card receipts used to reconcile a reduction in inventory?					
Credit card refunds					
28. Is the refund policy clearly displayed or communicated to the customer at the time of the initial transaction?					
29. Are credit card refunds issued in a timely manner, i.e., as near as possible to the date of the original transaction?					

Description of Control	Green	Yellow	Red	N/A	Comments / Responsible Individual
30. Is there appropriate documentation on file with the credit card refund? (Example: documented reason for the refund, was the original entry verified, was the refund made according to the organizations timeline for refunds.)					
31. Are credits issued to the same credit card used in the original transaction?					
32. Are there documented procedures for employees to follow if the original credit card has been cancelled or expired?					
Credit card chargebacks					
33. Does management take an active role in the financial reporting of the entity?					