



# State of Arizona Accounting Manual

Topic 05 Internal Controls  
Section 21 **Preparation and Correction of Paper  
Accounting Records**

Issued 07/01/15  
Page 1 of 2

## INTRODUCTION

While electronic documents have greatly replaced paper documents, the latter still exist.

Modern electronic accounting systems frequently incorporate a complete log of changes made to accounting records. These electronic records, however, are still frequently supported by paper documents so that the appropriate handling of paper documents continues to be relevant.

To provide a dependable audit trail, to increase the effectiveness of internal controls, and to reduce the likelihood of error and fraud, good accounting practice dictates that any alteration to a paper document that initiates or supports an accounting transaction be made in such a way that both the original and altered versions of the document's contents remain discernable and legible for verification and review.

## POLICY & PROCEDURES

1. Paper transaction documents are to be indelibly recorded.
  - 1.1. Typewriters, printers and pens using indelible ink are satisfactory means of preparing paper transaction documents.
  - 1.2. Pens using erasable ink and pencils are not satisfactory means of preparing paper transactions documents.
  - 1.3. Corrections to paper transaction documents are to be made in such a way that both the original and altered versions of the information remain discernible and legible. If a correction cannot be made in such a way that both the original and the altered versions of the information remain discernable and legible, the original document should be voided and attached to a replacement document with the appropriate information.
  - 1.4. A suitable way to make a correction to a paper transaction document is to draw a single line through the incorrect information and to enter the correct information above the error or on a new line on the document. Such corrections should be initialed by the person responsible for the correction and any party bound by the correction. (In the case of contracts, all parties to the contract must initial any

# State of Arizona Accounting Manual

Topic 05 Internal Controls  
Section 21 **Preparation and Correction of Paper  
Accounting Records**

---

Issued 07/01/15  
Page 2 of 2

changes. In the case of an employee time sheet, the employee to whom the time sheet pertains must initial any changes.)

- 1.5. Any method that totally obscures the information to be corrected is prohibited. Prohibited methods of correction include, but are not necessarily limited to: erasure; abrasion; cover-up tapes and films; lift-off tapes and films; and, correction fluids and pens.