



State of Arizona Accounting Manual

Topic 40 Revenues and Receipts
Section 25 Check Scanner Procedures

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INTRODUCTION

The use of automatic check scanning devices (an electronic device that reads a check, withdraws money from the drawer's account and deposits that money into the payee's account, similar in operation to a debit card) is becoming more prevalent. These policies deal with the internal controls that should be put into place to safeguard payers' information contained in checks delivered to the State and processed using an automatic check scanning device.

POLICY & PROCEDURES

1. The use of automatic check scanning devices is encouraged.
2. Checks processed by an automatic check scanning device should be retained for at least one month after processing.
 - 2.1. Checks so retained should be kept in a safe or some other piece of equipment that can be locked.
 - 2.2. A log or journal of the checks processed and stored should be maintained.
 - 2.3. Access to the safe or other piece of equipment used to store scanned checks should be limited.
 - 2.4. The equipment in which checks are stored should be locked after business hours or whenever the custodian is absent.
3. Before destroying scanned checks, the bank account to which they have been deposited must be reconciled and any discrepancies resolved.
4. Transmission or wire reports from the banking institution to which the scanned checks were deposited and any other receipts journal or similar documents should be retained for a period consistent with that prescribed by LAPR.
5. Checks must be destroyed, not merely disposed of. Shredding is the preferred method of disposal. Given the sensitive nature of some of the information on the scanned checks (bank account number, etc.), the shredding should involve two persons and a record of the checks' destruction should be made in the log or journal of processed checks.