



GAO Technical Bulletin

Arizona Department of Administration ♦ General Accounting Office

Subject:	<i>Preparation and Correction of Transaction Documents</i>	Issued:	12/03/01
Manual Section(s):	N/A	Effective:	12/03/01
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TO: Technical Bulletin Administrators
All Agencies

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State Comptroller

AUTHORITY

A.R.S. 41-722 Powers and duties relating to finance
A.R.S. 41-732 Powers and duties relating to general accounting activities

DEFINITIONS

Transaction document: Any paper form, completed in connection with the conduct of State business, used to initially record an accounting transaction. Examples of transaction documents include, but are by no means limited to: employee time sheets, warrant requests, vendor claims, travel claims, employment forms, transfers, etc.

Indelible: Not easily erased, rubbed out or removed.

BACKGROUND

In order 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 transaction document be made in such a way that both the original and altered versions of information remain discernable and legible for verification and review.

POLICY

- 1) Transaction documents are to be indelibly recorded.
 - a) Typewriters, printers and pens using indelible ink are satisfactory means of recording transaction documents.
 - b) Pencils and pens using erasable ink are not satisfactory means of recording documents.
- 2) Corrections to transaction documents are to be made in such a way that both the original and altered version of the information remain discernible and legible.

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- a) A suitable way to make a correction to a 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 changes. In the case of an employee time sheet, the employee to whom the time sheet pertains must initial any changes.)

- b) 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.

AREAS IMPACTED

All State agencies.

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CONTACTS

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