
University of Washington (UW)

Agency: 360

Audit Report: 6581

Finding Number: 001

Finding: University of Washington Press cannot demonstrate its internal controls are adequate.

Resolution: Cash receipts, including money collected at off-campus locations, are now reconciled on a daily basis, and the reconciliations are properly documented. Receipts are reconciled to receipt books and to bank deposits. Review of adjustments, monthly reconciliations, and agings are now performed, and accounts receivable policies have been updated. Training of business office personnel and exhibitors has been completed.

Credit card sales receipts are now deposited daily and improved controls over checks received by exhibitors were implemented in October 2007, including use of locked bags to be used at exhibits and secure storage during non-exhibit hours. Cash and checks received at exhibits do not exceed \$500 and are deposited at least weekly, pursuant to *State Administrative and Accounting Manual* section 85.50.20.

Approval of extended terms was granted to the University of Washington Press (U Press) by the University in August 2007. It is industry practice that major booksellers have up to six months to pay for books shipped to them. The University has adopted this industry practice and has authorized extending these terms to major booksellers when deemed appropriate by U Press. In these cases, the due date of the invoice is thirty days after the six month (or shorter) period from shipping and invoicing. The invoices are considered past due thirty days later.

A secured warehouse contract was implemented in October 2007. This arrangement establishes the security of the inventory by securing the books in a controlled environment and provides financial protection as the vendor is responsible for inventory losses.

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