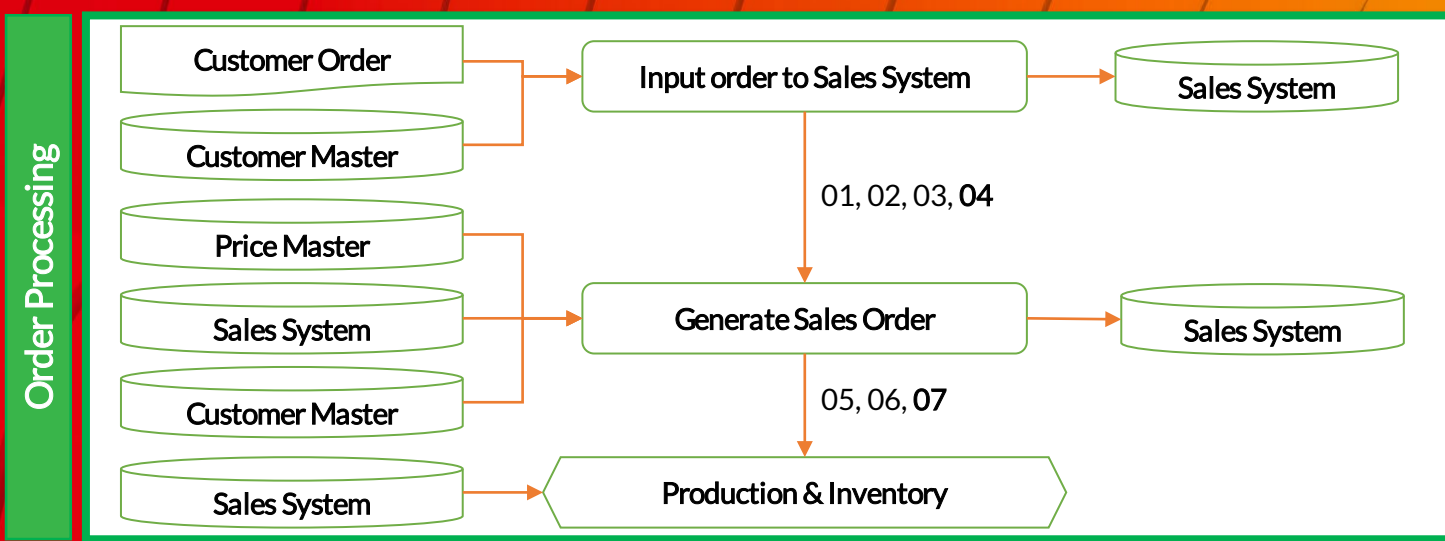


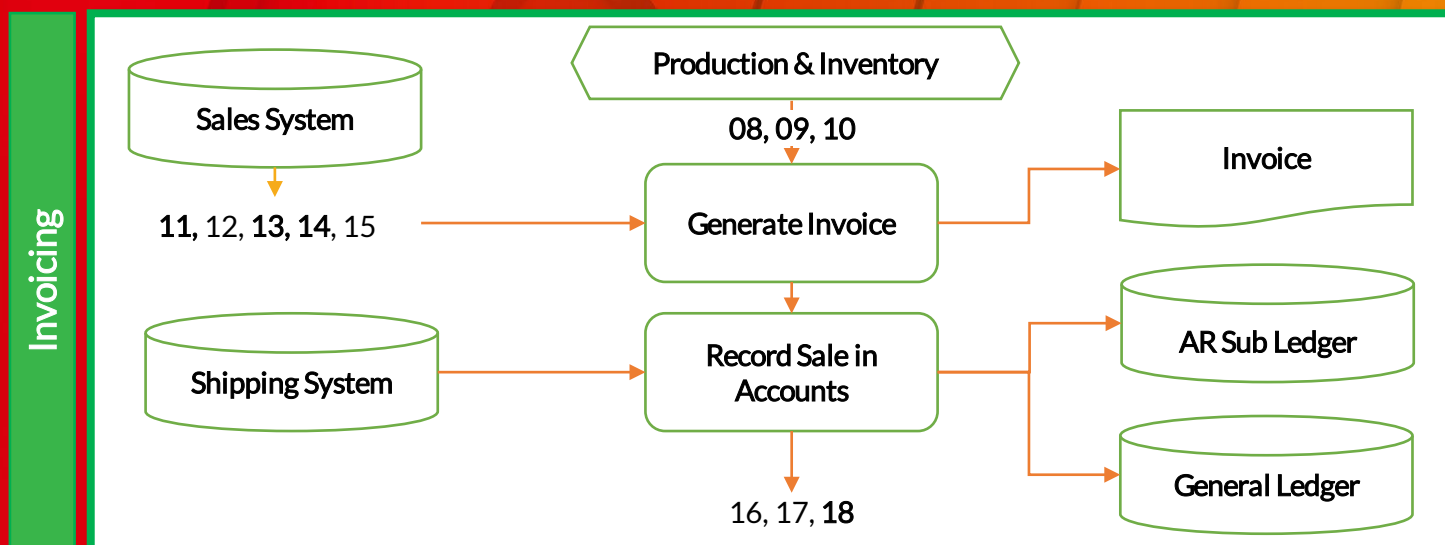
# Revenue & Receivables Controls Cycle



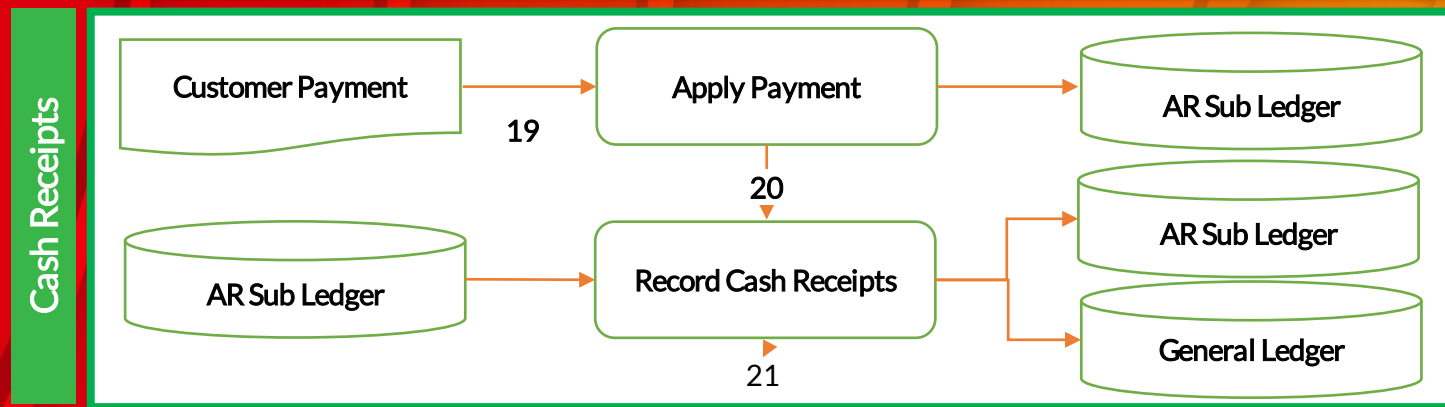
The ultimate cheat sheet for understanding and evaluating revenue & receivables controls in small and medium-sized organizations



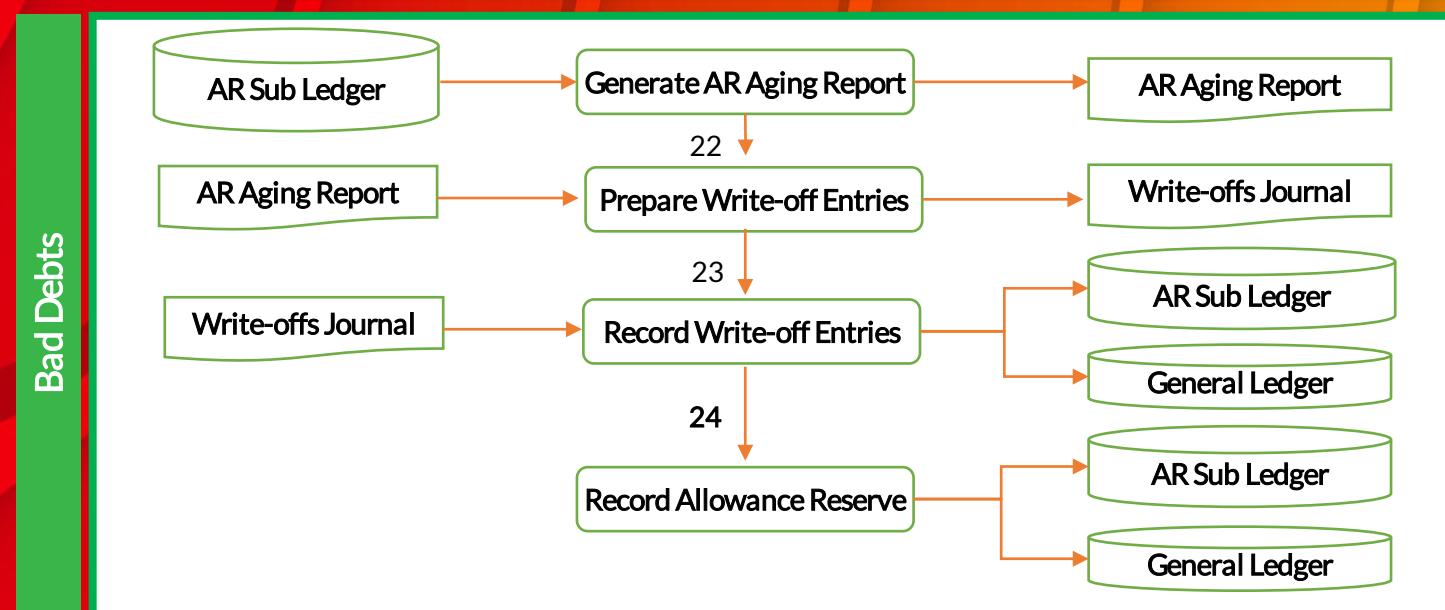
Order Processing Control Title	Assertion(s)
01. Sales orders are reviewed and approved prior to processing	E, O
02. Unshipped and uninvoiced sales orders are investigated and resolved	C
03. Non-standard sales terms must be approved in the system	A
<b>04. Discounts or non-standard prices must be approved</b>	<b>A</b>
05. Sales prices per the sales order are compared to the master pricing	A
06. Unusual or above-threshold order quantities must be approved in the system	E, O
07. Orders are compared to established credit limits	E, O



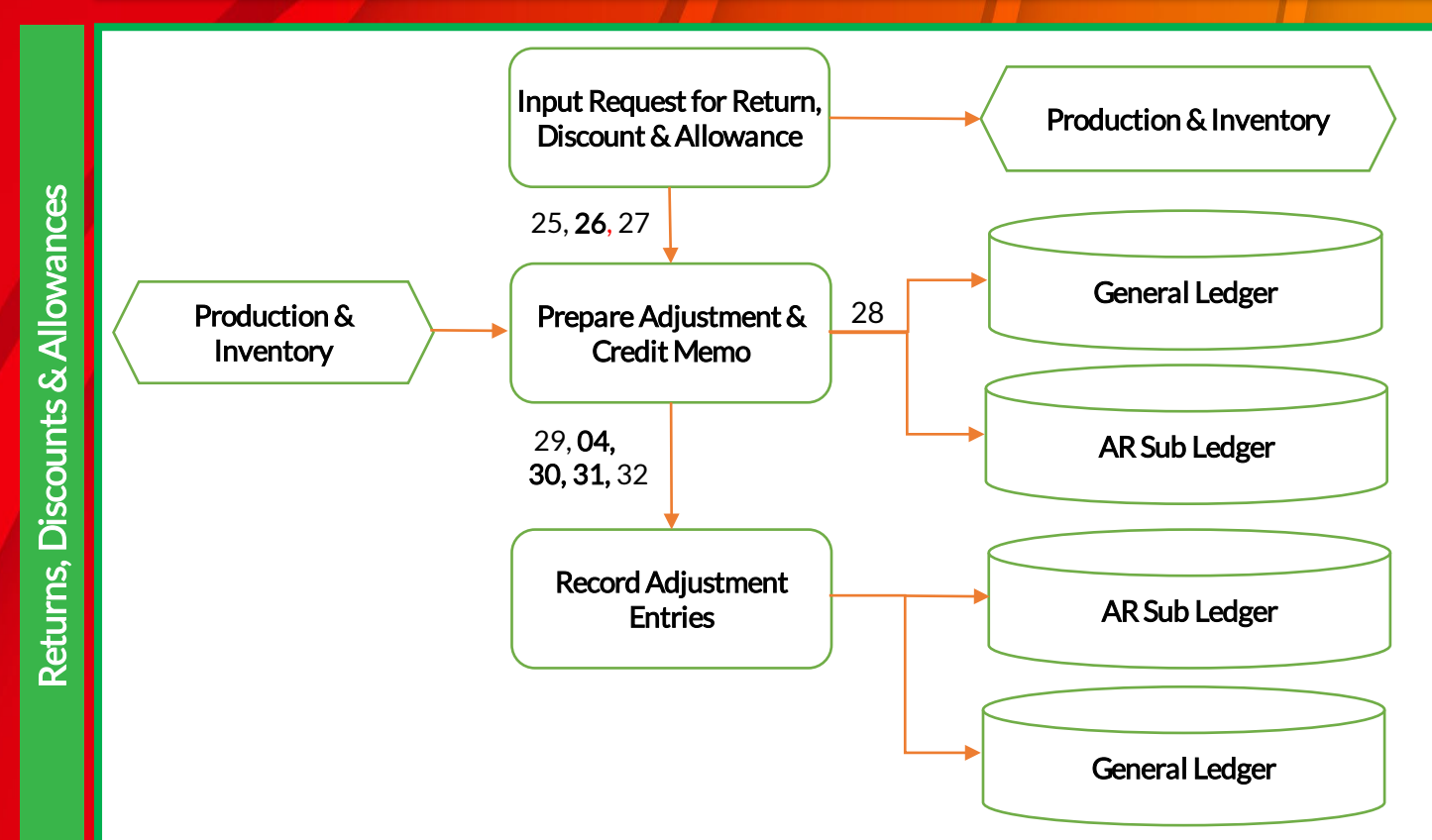
Invoicing Control Title	Assertion(s)
08. Detailed sales reports are regularly reviewed	C, A, E, O
09. Invoices are automatically generated on shipment	C, E, O
10. Invoices are reviewed and approved prior to recording	E, O
11. Invoices are sequentially numbered	C, E, O
12. Duplicate invoices are prevented by the system	E, O
13. Invoice pricing is populated by the system based on approved pricing	A
14. Mathematical accuracy of invoice is performed by the system	A
15. Detailed invoice pricing discounts reports are reviewed	A
16. The number of shipments is compared to the number of invoices raised	C
17. Detailed reports of unbilled shipments, and invoices not shipped, are reviewed	C, E, O
18. Invoicing around period-end is compared to shipment logs for cut-off	CO



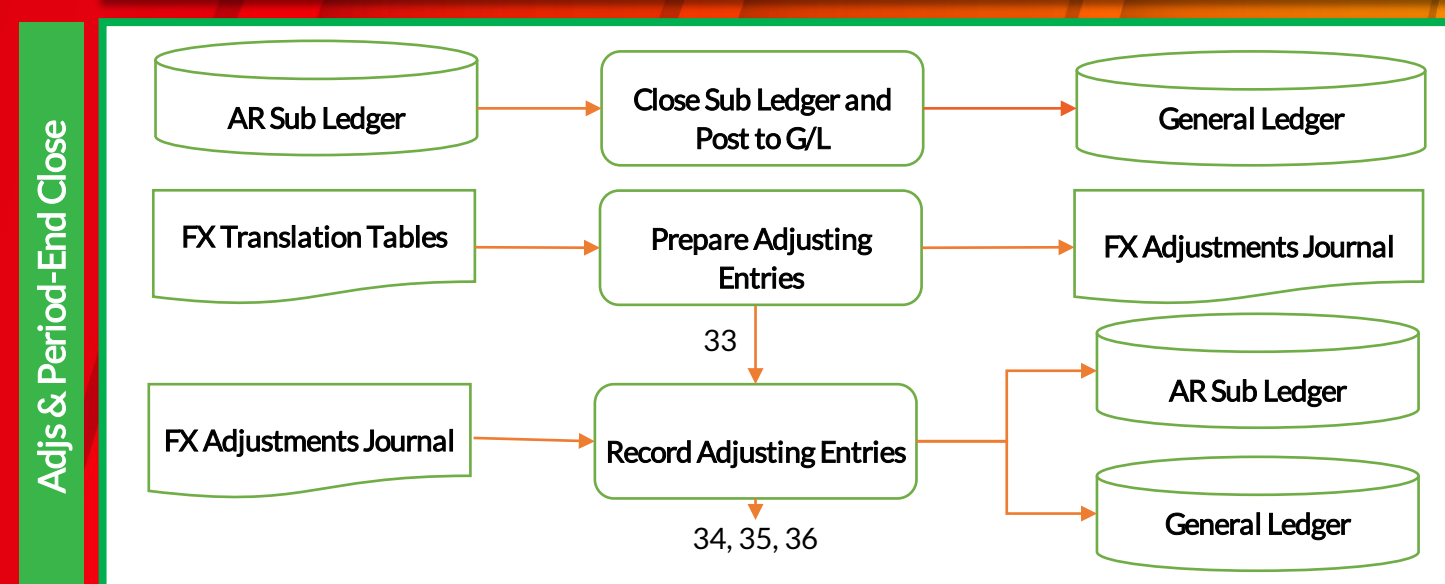
Cash Receipts Control Title	Assertion(s)
19. Cash receipts are imported to the system through banking integration	C, A, E, O
20. Cash receipts are matched to customer accounts and invoices	A
21. Total cash receipts are reconciled to the total cash applied to accounts	E, O



Bad Debts Control Title	Assertion(s)
22. The aged receivables report is reviewed to identify potential bad debts	VA
23. Receivables proposed for provision or write-off are approved	VA
24. The overall bad debt provision is reviewed and approved	VA



Returns, Discounts & Allowances Control Title	Assertion(s)
25. Customer complaints are monitored for issues requiring adjustment	A, VA
26. Credit memos are authorized	E, O
27. Rebate accruals are calculated based on agreed terms	A, RO, VA
28. Credit memo details, including pricing, are compared to the original invoice	A, E, O
29. Credit memos are recorded in the system based on date of return receipt	CO
<b>04. Discounts or non-standard prices must be approved</b>	<b>A, RO</b>
30. Detailed discounts reports are regularly reviewed	A
31. Detailed returns reports are regularly reviewed	C
32. Provisions for sales returns or rebates are reviewed	RO, VA



Adjustments & Period End Close Control Title	Assertion(s)
33. Adjustments are approved	A, E, O
34. Revenue recognition rules are appropriately configured in the system	C, A, E, O, RO
35. Recurring period-end adjustments are compared to prior periods	C
36. Sub Ledgers are reconciled to the general ledger	C, A

Overall Process Controls	Assertion(s)
37. Routine business performance reviews are performed	ALL
38. Segregation of duties are enforced	A, E, O
39. Access rights are routinely reviewed	E, O
40. Standing data changes are restricted and monitored	A
41. Rules are pre-defined around revenue & receivable system postings	A
<b>42. System appropriately applies the foreign exchange rate</b>	<b>A, VA</b>
43. A service organization is utilized	A

**Legend:** CO = Cutoff, C = Completeness, O = Occurrence, A = Accuracy, CL = Classification, E = Existence, RO = Rights & Obligations, VA = Valuation & Allocation  
**Bold Text** = Key controls for small and medium size businesses

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