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A GUIDE FOR K-12 FINANCE LEADERS

The Audit-Ready District

What auditors look for in your district's payment process, and how to close the gaps before they find them.

INSIDE

- 5 Questions every finance leader should be able to answer
- The seven pillars of audit readiness
- Questions to ask every payment vendor
- The full 26-question self-assessment



INSIDE THIS GUIDE

Where audit risk hides, and how to close it

Most audit findings in K-12 finance don't start with a person. They start with a process: money collected somewhere the finance office can't independently verify. This guide walks through where that risk lives, what auditors flag, and what changes when collection is centralized.

Start here 5 questions every K-12 finance leader should be able to answer

Why now The question districts are asking has changed

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Want to know your score first?

The 26-question Audit Readiness Self-Assessment covers segregation of duties, documentation, cash handling, collection points, reconciliation, and payment technology, and scores your district against four risk tiers.

Take it online and see your score instantly: form.typeform.com/to/gHqNcq5g

Or complete the printable version at the end of this guide.

START HERE

5 questions every K-12 finance leader should be able to answer

Answer these five before reading further; they point to most of the risk.

- 1 SEGREGATION OF DUTIES.** Could any single person at any site in your district collect money and record what was collected, with no independent verification between the two?

☐ Yes ☐ Possibly ☐ No

- 2 DETECTION SPEED.** If a staff member deposited less than they collected today, how long would it take you to detect it?

☐ Same day ☐ Within a month ☐ At year-end audit ☐ Possibly never

- 3 AUDIT TRAIL.** For a random transaction from six months ago at any school, can you produce a complete record, with amount, payer, date, fee type, and destination account, in under five minutes?

☐ Yes ☐ With effort ☐ No

- 4 CASH EXPOSURE.** What percentage of your district's total collections still arrive as cash or check?

☐ Under 10% ☐ 10–30% ☐ Over 30% ☐ Don't know

- 5 COLLECTION POINTS.** Can you produce a current, accurate list of every active point across your district where money is collected from families?

☐ Yes ☐ Approximately ☐ No

What your answers mean

Question 1. If you answered anything other than *No*, your district has the same structural condition behind the recent K-12 embezzlement cases described in the appendix.

Question 2. If your answer was anything beyond *same day*, you have a detection window. In recent documented cases, that window ran for two years.

Questions 3 through 5. If you couldn't answer these cleanly, the gaps are structural rather than procedural. More oversight of the same process won't close them.

THE BIG PICTURE

Why this matters now

The question has changed. Finance leaders are being asked to evaluate payment strategy not just for efficiency, but for audit defensibility and compliance support. For years, the question was whether to move away from cash and check at all. Now the question districts are asking each other, at conferences, in business official meetings, and in board work sessions, is sharper: *what digital payment strategy should we adopt, and how do we actually begin moving away from cash and check across every site we operate?*

A different standard. Efficiency and parent convenience were enough to justify the first wave of online payments. They aren't enough now. Finance leaders need to know whether the infrastructure they choose will hold up under a Single Audit, close the findings they keep repeating, and produce a defensible record of every dollar collected across the district.

What the best-positioned districts have recognized. Decentralized cash and check collection is not a neutral choice. It is an active source of audit risk, fraud exposure, and compliance liability that compounds quietly over time.

The fix is structural, and it's available. Centralizing payment collection on a purpose-built, PCI-compliant digital payment platform, one that generates automatic audit trails, enforces segregation of duties by design, routes funds to the right accounts automatically, and gives finance leadership real-time visibility across the district, addresses the root cause rather than the symptoms.

This isn't about modernizing for modernization's sake. It's about being able to tell an auditor: we know where every dollar is, we know how it got there, and we can prove it.

Where RevTrak fits. RevTrak was built for this specific problem: not as an online payment page bolted onto one program, but as the financial infrastructure underneath every collection point a district operates. Online payments, digital forms with electronic signature, event ticketing, gate entry, and tap-to-pay at concessions all run through one backend reporting and settlement system, with GL codes assigned at the point of collection, funds routed automatically to the correct bank accounts, and a complete timestamped audit trail on every transaction.

The seven pillars that follow break down the specific risks districts are carrying today, and what changes structurally when collection is centralized.

PILLAR 1

How many places does your district collect money?

THE PROBLEM

Start with the count. Most finance directors, asked this question cold, give a number that's too low. Not for lack of attention; the collection points were never inventoried. They accumulated, one reasonable decision at a time, across decades.

Walk a single secondary campus during an ordinary week and count where money changes hands:

- **The front office:** registration fees, lost textbooks, parking permits, replacement IDs, locker fees
- **The cafeteria:** meal account reloads handed over in cash
- **Classrooms:** field trips, lab fees, supply collections, book orders
- **The athletic office:** participation fees, physicals, spirit packs, uniform deposits
- **The gate on Friday night:** ticket sales, often from a cash box on a folding table
- **The concession stand:** high-volume cash, staffed by volunteers and student groups
- **Band and choir rooms:** trips, instrument rentals, uniforms, fundraisers
- **The theater box office:** show tickets sold at the door
- **Club sponsors and advisors:** dues, competition fees, fundraisers
- **Booster tables:** spirit wear, raffle tickets, donations
- **The library:** lost book fines and replacement charges
- **Everywhere else:** yearbooks, photos, graduation items, dances, PTO drives

A ten-school district can easily be running 150 to 300 distinct points where money enters its financial system.

Why that number matters. Every one of those points is a place where the record of the money is created by whoever happened to be standing there: a coach, a volunteer, a drama director, a classroom teacher. None of them were hired to be cash handlers. Most received no training in it. And in nearly every case, the same person who takes the money is the person who writes down how much it was.

That is the structural condition, and it is not a problem with those people. Where collection is decentralized, there is no single chain of custody, no consistent process, and no unified record. Each collection point becomes its own informal system with its own documentation habits, deposit timing, and reconciliation practices, or none at all. Informal systems don't survive audits.

The more useful question. When cash goes missing or a reconciliation won't close, the instinct is to look for the person who made the mistake. The better question is how a district ended up running two hundred separate cash operations at once. No finance director designed that. It evolved out of convenience, one accommodation at a time. But convenience and compliance are not the same thing, and auditors don't grade on intent.

HOW REVTRAK SOLVES IT

A solution for every type of collection event. RevTrak provides centralized payment infrastructure across the district, whether collection originates in a classroom, an athletic office, a performing arts department, a concession stand, a front office, or online. Online checkout, in-person payments, event ticketing, gate entry, and point-of-sale concessions are each purpose-built for how that collection actually happens.

One system underneath all of it. Every collection method flows through the same backend reporting and settlement system: the same GL code mapping, the same deposit account routing, the same timestamp integrity, the same chain of custody. The collection experience is tailored to the setting, but the financial record behind it is uniform, district-wide.

THE BENEFIT

The finance office stops managing exceptions and starts managing a system. Collection flexibility at the building level no longer comes at the cost of financial control at the district level.

PILLAR 2

What auditors actually flag

THE PROBLEM

These aren't theoretical. The findings that recur most often in K-12 payment audits are documented, published, and happening in districts of every size right now.

Two recent examples. A December 2025 state performance audit found that a district lacked key internal controls over cash handling and used a complicated process for depositing cash receipts, increasing the risk of errors, loss, theft, and fraud. A separate 2025 audit found insufficient internal controls across most business operations, including accounts payable, credit cards, and cash handling.

The findings below recur across state performance audits, federal Single Audits, and district internal reviews. Most trace back to the same root condition: money collected somewhere the finance office cannot independently verify.

- **Segregation of duties gaps.** The most frequently cited finding in K-12 financial audits, covered in depth in Pillar 3. Auditors test whether any single person can collect, record, deposit, and reconcile without independent review. At the building level, the answer is often yes.
- **Revenue completeness.** The finding districts most underestimate. Auditors test whether everything collected actually reached the bank. With cash, that requires an independent record created at the moment of collection. When the only record is a deposit slip prepared by the person who made the deposit, completeness can't be verified.
- **Undocumented cash trails.** Cash collected at a Friday night event, held over a weekend, deposited Monday, and recorded Tuesday sits in a documentation gap auditors treat as a red flag regardless of amount.
- **Reconciliation mismatches and untimely reconciliations.** When money is collected at one point, recorded at another, and deposited at a third, discrepancies emerge. A monthly reconciliation completed late is a finding even when the numbers eventually tie.
- **Untimely deposits.** State auditors have directed districts to deposit cash receipts intact and at least weekly, and most district policies are stricter. When depositing requires leaving campus mid-day, deposits slip.
- **Missing pre-numbered or sequential receipts.** Best practice requires auditable receipts for every cash collection. Informal collections rarely produce them.
- **Student activity fund controls.** A K-12-specific category auditors scrutinize heavily: high transaction volume, building-level administration by staff without finance training, and public-trust money raised by students and families.
- **Inadequate documented management review.** Where review happens informally but isn't documented, it doesn't count.
- **Federal program documentation.** Uniform Guidance requires traceable documentation of how federal funds were received, coded, and spent. Records that can't be tied cleanly to a program create Single Audit exposure.

Almost none of these findings are about dishonesty, and almost none are resolved by writing a better policy. They're about where, when, and by whom the record gets created.

HOW REVTRAK SOLVES IT

A record created at the moment of collection. Every digital transaction generates an automatic, timestamped record capturing the amount, the payer, the fee type, and the destination account, not reconstructed later from memory or spreadsheets. Deposits are automated and routed electronically, removing the conditions behind untimely-deposit findings.

THE BENEFIT

Documentation becomes a report, not a search. When an auditor asks, the answer covers every transaction, every school, and every time period in seconds.

PILLAR 3

Segregation of duties, the #1 recurring audit finding

THE PROBLEM

Why it earns its own section. It's both the most frequently cited finding in K-12 financial audits and the one districts have the hardest time resolving. Among reviewed school district fraud cases, the most common deficiency was a lack of segregation of duties.

The principle is simple. A payment moves through four steps, and no one person should control more than one or two of them:

Collect

Take the money

Record

 Write down
how much

Deposit

 Move it to
the bank

Reconcile

 Confirm the record
and deposit agree

When those four sit with different people, each step checks the one before it. That's the entire control.

Now put it in a real building. An activity director runs the gate at a home basketball game. She sells tickets and takes the cash (collect). After the game she counts it and writes the total on a gate sheet (record). Monday morning she fills out the deposit slip and takes it to the bank (deposit). At month-end she checks the bank statement against her own gate sheet (reconcile).

She has performed all four steps. Nothing she did was improper; she's probably the most reliable person in the building, and there's no one else available to do it. But the control doesn't exist, because the only record of what was collected is the one she created. If the gate sheet says \$1,840 and the deposit is \$1,840, the reconciliation ties perfectly, and it would tie just as perfectly if \$300 had never been written down.

Not an accusation. That's what an auditor means by a segregation of duties finding: nothing in the process could detect a problem if one occurred.

Why it persists. Smaller districts lack the staff to separate the steps; larger districts have transaction volumes high enough that gaps go unnoticed. One district's published response to a repeat finding was candid: given its size and financial constraints, adding office staff wasn't a cost-effective fix. That's the trap. The traditional remedy is more people, and in a post-ESSER budget environment, most districts are cutting, not hiring.

HOW REVTRAK SOLVES IT

Enforced by architecture, not policy. A properly configured payment platform separates the four steps structurally. Staff who collect payments don't have access to reconciliation. Finance staff who reconcile don't control collection setup. Administrators who approve fee structures don't process individual transactions. Role-based permissions build the control into the system itself.

THE BENEFIT

The most-cited audit finding in K-12 finance, addressed without adding a position. The control is enforced by the system, not dependent on individual compliance with a written policy.

What the gap actually costs

Undetected, these run for years. The same overlap, one person collecting and recording, is what the recent K-12 embezzlement cases we reviewed depended on. Those cases land in a consistent range: roughly \$85,000 to \$135,000, typically over about two years, and typically in student activity funds.

The loss is rarely the full cost. Districts seldom recover the full amount, and insurance bonds often cover only part. Add forensic accounting, legal counsel, months of senior staff time, and the material weakness finding that tends to repeat until the structural condition is fixed.

Then there's what never appears on a ledger. In both cases in the appendix, the money taken was student activity money. Districts described those breaches in terms of public trust, not dollars, because that's where the real damage sat.

PILLAR 4

The hidden cost of cash and checks

THE PROBLEM

Cash and checks feel free. No platform fee, no vendor invoice, no line item anyone has to defend. So follow a single payment all the way through.

A parent sends a \$20 bill to school for a field trip

- 1 **Teacher receives it.** Writes the student's name on an envelope, puts it in a desk drawer.
- 2 **Teacher logs it.** Usually a handwritten sheet or a personal spreadsheet.
- 3 **Teacher counts and delivers.** Totals the roster and walks it to the front office.
- 4 **Office recounts it.** Nobody accepts a classroom total without verifying.
- 5 **Office logs it again.** A second record, in the school's own system.
- 6 **Cash is held.** In a safe or locked drawer until there's enough to deposit.
- 7 **Deposit slip prepared.** By hand, and tied back to the log.
- 8 **Someone drives to the bank.** On district time, often in a personal vehicle.
- 9 **Deposit posts.** Usually a day or two later.
- 10 **Bookkeeper reconciles.** Weeks later, against the school's log and the teacher's roster.
- 11 **If it doesn't tie, retrace.** Someone walks back through all ten steps above.

Eleven touchpoints and three separate manual records for one \$20 bill, and roughly 8 to 15 minutes of paid adult time.

Now apply that to a district. If a single school processes 400 cash and check payments in a month, a low estimate once you count field trips, fees, dues, spirit wear, tickets, and fundraisers, that's roughly 50 to 100 staff hours per school per month spent moving money that could have moved itself. Across ten schools and a school year, that adds up to the equivalent of several full-time positions.

Cash logistics carry a hard dollar cost. Many districts contract armored car and cash-in-transit services to move cash from school sites to the bank. For larger districts with many pickup sites, these contracts can run into six figures annually, an expense that exists only because cash is still being collected.

Deposits are a time tax with a security exposure attached. Where districts don't contract armored transport, a staff member carries funds to the bank: lost productivity, personal safety risk, and a chain-of-custody gap all at once.

Errors compound, and audits expose them. Manual handling creates arithmetic errors, missing receipts, and reconciliation gaps that don't surface until month-end or audit. For districts receiving federal nutrition funding, these gaps carry Single Audit consequences.

HOW REVTRAK SOLVES IT

A digital path for every type of collection. Eliminating the cost of cash takes more than an online payment page; any collection point without a digital option keeps generating cash. RevTrak provides online checkout through the Webstore, advance ticket sales and digital ticketing through Events, and tap-to-pay and contactless acceptance at gates, box offices, and concession stands.

Digital forms that carry the payment and the signature together. Much of what generates cash in schools is a paper problem with a payment attached. RevTrak's digital forms capture the authorization, the electronic signature, and the payment in a single transaction, from any device.

Every item routed correctly at the moment of collection. Each fee can be configured to route automatically to the right account code, GL line, and bank account. The categorization bookkeepers do manually after the fact happens at the point of sale instead.

THE BENEFIT

No counting, logging, deposit runs, or manual GL coding at that site. Once staff time, transport, shrinkage, error correction, and audit remediation are counted, the true cost of cash often exceeds the cost of eliminating it, and every collection point converted removes its share of the burden permanently.

PILLAR 5

Can you see every dollar moving through your district right now?

THE PROBLEM

It's 10 a.m. on a Tuesday in October. A board member calls with a simple question: **how much has the district collected so far this year in athletic participation fees?**

In many districts, that question takes weeks, not days. Not because the money isn't tracked, but because the answer lives in pieces: some in the online payment system, some in a spreadsheet the athletic secretary maintains, some in undeposited checks, some collected in cash at a booster table in September. The finance office can produce a number by Friday. Whether it's *the* number depends on how many of those pieces got reported.

What's visible now

- Online payments through the district portal
- Deposits that have cleared the bank
- Transactions already coded to a GL line
- Budget-to-actual on centrally managed accounts

What waits for month-end

- Building-level activity account balances
- Fees collected but not yet deposited
- Items awaiting manual GL assignment
- Funds in the wrong account pending redistribution

What may never surface

- Cash collected and spent at the site before deposit
- Collections by staff using their own methods
- Revenue that was never recorded at all
- Shortfalls written off as counting errors

Read the columns in order. The left is what districts point to when they say they've gone digital. The middle is the work that consumes the finance office every month. The right is the exposure, and it's invisible by definition, because a district can't report on money that never entered a system.

Two different projects. Digitizing collection and unifying the financial workflow behind it are not the same undertaking, which is why districts that invested heavily in online payments still find reconciliation painful. The financial picture gets assembled rather than generated, and anything assembled by hand carries error risk, delay, and audit exposure.

HOW REVTRAK SOLVES IT

- **Automated GL code mapping.** Every payment type maps to the correct general ledger code at the moment of collection, not during month-end cleanup.
- **Granular fee type configuration.** Fee types are configured across programs, departments, and schools, so categorization is right from the start.
- **Multi-bank account deposit routing.** Funds route automatically to athletics, nutrition, general fund, or school activity accounts at the time of payment.
- **Real-time district-wide visibility.** Finance leadership sees revenue across every program, school, and fee type as it happens, and anomalies surface right away.

THE BENEFIT

Reconciliation that used to take weeks shrinks dramatically. More importantly, the financial picture becomes complete and generated rather than partial and assembled, which is the difference between defensible and vulnerable when an auditor arrives.

PILLAR 6

Audit readiness in an era of tighter scrutiny

THE PROBLEM

The post-ESSER environment has changed the stakes. As relief funds expire, costs climb, and scrutiny intensifies, districts face new reporting pathways, new documentation expectations, and higher audit exposure when oversight is fragmented, while Uniform Guidance requirements remain unchanged. The safe planning posture is to assume heightened Single Audit scrutiny.

Here's what that looks like in practice. The auditors send over a sample: forty transactions, pulled at random across the fiscal year, with a request for supporting documentation on each one.

For transactions that came through the payment system, this takes minutes. For the rest, the business office starts making phone calls. A \$340 collection from a middle school in October: which fundraiser was that, and is there a roster? A deposit from the high school athletic account that's \$85 off from the gate sheet. A classroom collection where the teacher has since left the district.

None of this means anything was wrong. It means the district can't demonstrate that nothing was wrong, which under audit standards leads to the same finding. And the work of proving it lands on the business office during the weeks it can least afford it.

The real cost of reactive audit readiness: every year, for several weeks, the finance team stops doing finance and starts doing archaeology.

HOW REVTRAK SOLVES IT

Audit readiness becomes a continuous state, not a seasonal project. The documentation auditors request is generated automatically and continuously: complete transaction histories, deposit records, GL assignments, and user-level access logs, available on demand for any time period and any school.

THE BENEFIT

Finance leadership can answer an auditor with confidence: we know where every dollar is, we know how it got there, and we can prove it. That's not a technology outcome; it's a governance outcome.

PILLAR 7

Choosing payment technology that reduces risk

THE PROBLEM

Obligations exist whether or not they've been examined. Districts accepting card payments carry data security requirements regardless. Many have cobbled together collection methods over time, including consumer-grade payment apps, unvetted card readers, and informal digital collection by individual staff, and may be accepting card payments outside a secure, compliant environment without realizing it.

The exposure goes beyond reputation: card brand fines, forensic investigation costs, potential loss of card acceptance, and difficult questions about what controls leadership had in place.

Aging card readers are an overlooked exposure. Many districts still run terminals installed five to ten years ago, including swipe-only devices that predate chip and contactless. Payment terminal certifications under PCI PTS standards expire, and devices past that point stop receiving security updates. Magstripe-only acceptance carries higher fraud risk and can shift liability for counterfeit fraud onto the district. And a reader that can't take a tap pushes families back toward cash at exactly the places it creates the most risk.

Most districts have never evaluated payment vendors through a risk lens. Vendor selection historically centered on cost and convenience. Today, it needs to center on risk reduction.

HOW REVTRAK SOLVES IT

A PCI-compliant environment with a PCI-compliant gateway. Card data is handled within secure, standards-aligned infrastructure rather than through ad hoc methods at the building level, and consolidating collection onto one compliant platform removes the informal channels that create the greatest exposure.

Current devices, contactless by default. RevTrak's in-person acceptance runs on modern devices that support chip, tap-to-pay, and digital wallets, kept current against card brand and PCI device standards.

THE BENEFIT

Districts reduce their data security surface area and gain a vendor relationship built around compliance posture, not just convenience.

Questions to ask every payment vendor

- ☐ Does your platform operate in a PCI-compliant environment, and can you document it?
- ☐ Does your gateway handle cardholder data within that compliant environment?
- ☐ What audit trail does your system generate, and how quickly can we produce it?
- ☐ How does your platform enforce segregation of duties through user roles and permissions?
- ☐ Can funds be routed automatically to multiple district bank accounts?
- ☐ Are GL codes assigned at the point of collection or afterward?
- ☐ How old are your in-person payment devices, and are they still under a valid PCI PTS certification?
- ☐ Do all of your readers accept chip and contactless, or are any still swipe-only?

THE BOTTOM LINE

Risk accumulates. It's also reversible.

Districts don't set out to build risk into how they collect money. It accumulates, one well-intentioned convenience at a time, across decades, until the finance office is accountable for dozens of collection points it can't see.

That accumulation is reversible. Reversing it doesn't require more staff, more policy, or more oversight of the same process. It requires changing where the money flows.

The districts moving first treat payment collection as financial infrastructure, not an administrative detail, because that's what it is, and that's what an auditor is actually evaluating.

See where your district stands

Take the 26-question Audit Readiness Self-Assessment online and get your score instantly: form.typeform.com/to/gHqNcq5g

Prefer paper? The full printable version follows on the next pages.

SELF-ASSESSMENT

Is your district audit ready?

A payment controls self-assessment. Answer honestly, not aspirationally. The question isn't whether a policy exists; it's whether the policy holds at every site, every week, without finance office intervention.

Section 1: Segregation of Duties The single most-cited finding in K-12 financial audits

- 1 At every collection site in the district, is the person who receives money different from the person who records what was received?
☐ Yes, every site ☐ Most sites ☐ No or not sure

- 2 Is the person who records collections different from the person who reconciles the account?
☐ Yes ☐ Sometimes ☐ No or not sure

- 3 Could any single employee collect cash, record it, deposit it, and reconcile it without an independent check at any point?
☐ No ☐ Possibly ☐ Yes

- 4 If a staff member deposited less than they collected, how long would it take to detect?
☐ Same day or automatically ☐ Within a month ☐ At year-end audit ☐ Possibly never

- 5 Has your district received a segregation of duties finding in the last three audit cycles?
☐ No ☐ Once ☐ Repeat finding

Section 2: Documentation and Audit Trail

- 6** For a random transaction from six months ago at any school, can you produce a complete record, with amount, payer, date, fee type, and destination account, in under five minutes?
- ☐ Yes ☐ With effort ☐ No
-
- 7** Are pre-numbered or sequentially auditable receipts issued for every cash collection, district-wide?
- ☐ Yes, every collection ☐ Some sites ☐ No
-
- 8** When an auditor requests transaction documentation, does your team generate a report or assemble records manually?
- ☐ Generate a report ☐ Mix of both ☐ Assemble manually
-
- 9** Do you have a complete, continuous record of who accessed, modified, or approved financial transactions by user?
- ☐ Yes ☐ Partially ☐ No
-

Section 3: Cash Handling and Deposits

- 10** What percentage of your district's total collections still arrive as cash or check?
- ☐ Under 10% ☐ 10–30% ☐ Over 30% ☐ Don't know
-
- 11** Are all cash receipts deposited intact within your district's policy window, at every site, consistently?
- ☐ Yes ☐ Usually ☐ No or not sure
-
- 12** Does cash ever remain on a school site overnight or over a weekend?
- ☐ Never ☐ Occasionally ☐ Routinely
-
- 13** Do staff members ever transport district funds to a bank in a personal vehicle?
- ☐ No ☐ Occasionally ☐ Regularly
-
- 14** Do you know your district's annual spend on armored car and cash-in-transit services?
- ☐ Yes, tracked ☐ Roughly ☐ Not tracked
-

Section 4: Decentralized Collection Points

- 15** How many separate points across your district collect money from families, counting classrooms, athletic offices, performing arts, concessions, front offices, clubs, and booster tables?
- ☐ Under 10 ☐ 10–50 ☐ Over 50 ☐ Unknown
-
- 16** Can you produce a current, accurate list of every active collection point in the district?
- ☐ Yes ☐ Approximately ☐ No
-
- 17** Are teachers, coaches, or activity sponsors still collecting cash in envelopes because getting them platform access is too difficult?
- ☐ No ☐ Some ☐ Yes, commonly
-
- 18** Do all collections, regardless of origin, flow into the same backend reporting and settlement system?
- ☐ Yes ☐ Most ☐ No, multiple systems
-

Section 5: Reconciliation and Fund Routing

- 19** Are GL codes assigned automatically at the point of collection, or manually afterward?
- ☐ Automatically ☐ Mix ☐ Manually
-
- 20** When funds need to reach different bank accounts (athletics, nutrition, general fund, school activity accounts), does that routing happen automatically or through manual redistribution?
- ☐ Automatically ☐ Mix ☐ Manually
-
- 21** How long does a full monthly reconciliation take across all schools?
- ☐ Hours ☐ Days ☐ Weeks
-
- 22** Does finance leadership have real-time visibility into revenue across every program and school?
- ☐ Yes ☐ Partial ☐ No, month-end only
-

Section 6: Payment Technology and Data Security

- 23** Do you know every payment method currently accepted across your district, including tools individual staff may have adopted on their own?
- ☐ Yes, complete inventory ☐ Mostly ☐ No
-
- 24** Are any staff using consumer payment apps or unvetted card readers to collect school funds?
- ☐ No ☐ Possibly ☐ Yes
-
- 25** Can your payment vendor document that card data is handled in a PCI-compliant environment?
- ☐ Yes, documented ☐ Assumed ☐ Don't know
-
- 26** When you last evaluated a payment vendor, was risk reduction a scoring criterion, or only cost and convenience?
- ☐ Risk was scored ☐ Mentioned ☐ Cost and convenience only
-

Scoring

Count your answers in the **first response option** for each question.

Score	Tier	What it means
22–26	Structurally Sound	Controls are built into the system rather than dependent on individual compliance. Focus on closing remaining decentralized collection points.
15–21	Partially Protected	Meaningful modernization, but gaps remain, typically at the building level, where collection still happens informally. These gaps are where findings originate.
8–14	Exposed	Significant structural risk. You likely have, or will have, findings related to segregation of duties, cash handling, or documentation.
Under 8	High Risk	Material audit, fraud, and compliance exposure. This isn't a staffing problem and won't resolve through policy updates. It requires structural change.

The three questions that matter most

Could one person at any site collect money and record it with no independent verification? (Questions 1–3) This is the condition behind the recent embezzlement cases in the appendix.

If money went missing today, how long until you'd know? (Question 4) In recent documented cases, the answer was two years.

Can you prove where every dollar went, on demand, without assembling it by hand? (Questions 6–8) This is the question an auditor is actually asking.

What to do with your results

If you scored below 15, the gaps are structural rather than procedural, and a conversation about centralizing collection infrastructure is the faster path.

Talk to RevTrak about what a centralized payment environment would look like in your district: revtrak.com

APPENDIX

Two documented cases

These cases come from 2025 federal prosecutions and published police records. Districts are described but unnamed. They're included because they show, concretely, what the structural conditions described throughout this guide can produce.

A Midwestern district

For two years, a long-tenured employee in a district's central office handled cash and checks collected for student activities, including athletics, clubs, yearbook, cheer, dance, vending, and fundraising nights, and deposited them into the district's activity fund account.

Each deposit had two sets of slips. One stayed at the district, reflecting the correct amount of cash and checks received. The other went to the bank, listing only the checks.

By the time it was discovered, there had been 165 fraudulent transactions and a loss of more than \$135,000. The case was prosecuted federally because the district receives federal funds.

A Pennsylvania district

An accounts receivable clerk responsible for collecting and depositing extracurricular payments was charged in 2025 after an investigation found that every check had been accounted for, but no cash payments had been deposited since the prior school year. Student group sponsors had repeatedly flagged that their balances didn't look right. The discrepancy reportedly totaled roughly \$128,000 over two years.

Neither case was sophisticated. Neither required technical skill or system access. Both depended on the same structural vulnerability, one person responsible for collecting cash and recording what was collected with no independent verification between the two, and both ran for years before anyone could prove what was happening.

In both cases, the checks were fine. It was always the cash.