

3. ACCOUNTING

3.1 Accounting Principles and Internal Control 3.1.4 Original Supporting Documentation

- 3.1.4.10 Local governments are responsible for obtaining and ensuring the integrity and retention of the original vouchers, receipts, and other documents - regardless of physical form - necessary to isolate and prove the validity of every transaction relating to the receipt, use and disposition of public funds or property (RCW [43.09.200](#)). This requirement extends to all accounting entries, including interfund transactions or allocations of overhead costs.

Electronic Documentation

- 3.1.4.20 Electronic supporting documentation for transactions is appropriate where safeguards exist to ensure that the documentation cannot be changed or altered and that the documentation for as long as it is necessary to retain as a public record. In cases where source documents are initiated electronically and the local government's accounting system does not have sufficient controls to ensure the integrity of the data, such electronic records should be printed, reviewed and signed by an appropriate person. The printed records would then be considered the official source document supporting the transaction.
- 3.1.4.30 Internal controls ensuring the integrity of data supporting public transactions should include policies and procedures ensuring the completeness, accuracy and availability of the data. This would include, but is not limited to, establishing an audit trail and/or system for identification of changes made and users making subsequent modification to the source documents to ensure a proper chain of custody.

Scanned Documentation

- 3.1.4.40 Scanned original documents are acceptable to support the receipt; use and disposition of public funds given the above mentioned controls are in place to ensure their integrity, completeness and accuracy. The original imaged source records cannot be destroyed unless the local government has complied with the Secretary of State's *Requirements for the Destruction of Non-Archival Paper Records after Imaging "Scanning and Tossing"* document. This document can be found on the Secretary of State's Records website on the Records Management webpage. Alternatively, the original imaged source records may also be destroyed if the local government's application requesting early destruction of records after electronic imaging has been approved by the Secretary of State. See Chapter [434-663](#) WAC.

Authorization of Transactions

- 3.1.4.50 Local governments are responsible for ensuring transactions are properly authorized and have the appropriate type of signature approval.

Physical Signature

- 3.1.4.60 If there is a legal requirement for a signature on an electronic document (i.e. contract, etc.), it can have a digital signature. If a local government chooses to use a digital signature, they are responsible for complying with Chapter [19.34](#) RCW.

Facsimile Signature

- 3.1.4.70 Instruments of payments (i.e. check/warrant) can have a legal facsimile signature. A facsimile signature is a reproduction of a signature by engraving, imprinting, stamping or other means. If a local government chooses to use a facsimile signature, they are responsible for complying with Chapter [39.62](#) RCW.

Non-Legal Facsimile Signature

- 3.1.4.80 Documents that do not require a legal signature can be authorized by a non-legal facsimile signature. A non-legal facsimile signature is a reproduction of a signature by engraving, imprinting, stamping, or other means.

Log-in Identification

- 3.1.4.90 A number of accounting applications have been developed to use an individual's log-in identification to authenticate an approval. This can be acceptable if there is no legal requirement for a written signature, if transaction records identify the user, and if there are sufficient user account controls in place to assign accountability for transactions to an individual.