



## OFFICE OF THE UTAH STATE AUDITOR

### Auditor Alert 2025-01

**Date:** March 25, 2025

**Subject:** Use of Peer-to-Peer Payment Applications

#### Introduction

The Office of the State Auditor has received several inquiries concerning the use of Peer-to-Peer Payment Applications such as Venmo, Cash App, PayPal, and Apple Pay. The use of these Applications may facilitate collections, however, entities must maintain the same level of control as would be required for any other bank account. The following are requirements associated with the use of Peer-to-Peer Payment Applications and should assist entities with maintaining state statutes and proper internal controls.

#### Requirements

- Peer-to-Peer payment applications or accounts should be in the name of the governmental entity. The use of a personal application would result in unlawful commingling of government and personal funds (*Utah Code* [10-6-146](#)).
- The funds must be under the control of the Treasurer. Treasurers have oversight responsibilities for public funds and are bonded for that purpose (*Utah Code* [51-7-15](#)).
- Applications and associated entity bank accounts must be reconciled monthly (*Utah Code* [17-24-11](#)).
- All financial activity must be included in the entity's financial records.
- Entity officers must maintain appropriate separation of duties and internal controls over the activity in the Application, transfers of funds, and the reconciliations of those accounts.
- Entity officers must follow approved authorization and budget procedures for Applications as they would for any other governmental account.
- Entity officers should implement data and security controls to protect information including verifying that the chosen application complies with applicable laws.

#### Conclusion

Entities choosing to adopt peer-to-peer payment applications should consult their attorney and ensure compliance with the requirements addressed in this auditor alert.