

# ARS □ CSREES □ ERS □ NASS

## *Policies and Procedures*

**Title:** Imprest Fund Operations

**Number:** 330.0

**Date:** 8/26/91

**Originating Office:** Financial Management Division  
Review and Analyses Branch

**This Replaces:** 303.1, 303.2, 303.3, 303.4, 303.4, ABC, 303.5

**Distribution:** Headquarters, Areas, and Locations

This Directive states ARS policies and responsibilities for managing and operating Agency imprest funds. The Financial Management Manual (FMM), Part 3000, provides procedures on all aspects of managing, operating and accounting for imprest funds.

# Table of Contents

1.	ABBREVIATIONS . . . . .	<u>3</u>
2.	AUTHORITIES . . . . .	<u>3</u>
3.	FORMS . . . . .	<u>3</u>
4.	POLICY . . . . .	<u>3</u>
5.	RESPONSIBILITIES AND DELEGATION OF AUTHORITY . . . . .	<u>4</u>
	Director, Financial Management Division or designee . . . . .	<u>4</u>
	Director, Contracting and Assistance Division or designee . . . . .	<u>4</u>
	Section Head, Nfc, Accounting Reporting Branch, Reporting Section #4 . . . . .	<u>4</u>
	Area Administrative Officer or designee . . . . .	<u>4</u>
	Location Coordinator . . . . .	<u>5</u>
	Location Administrative Officer/Technician . . . . .	<u>5</u>
	Fundholder . . . . .	<u>6</u>
	Location Procurement Official . . . . .	<u>6</u>
	Imprest Fund Cashier . . . . .	<u>6</u>
	Employees . . . . .	<u>7</u>
	Imprest Fund Verifier . . . . .	<u>7</u>
	Imprest Fund Auditor . . . . .	<u>7</u>
6.	GUIDELINES . . . . .	<u>8</u>
7.	LIMITATION ON CASH PAYMENTS . . . . .	<u>8</u>
8.	ACCOUNTABILITY AND LIABILITY . . . . .	<u>8</u>
9.	REFERRAL CONTACT . . . . .	<u>8</u>

## **1. ABBREVIATIONS**

- AAO - Area Administrative Officer
- AD - Area Director
- CAD - Contracting and Assistance Division
- DAAM - Deputy Administrator, Administrative Management
- FAR - Federal Acquisition Regulations
- FMD - Financial Management Division
- GAO - General Accounting Office
- LAO/T - Location Administrative Officer/Technician
- LC - Location Coordinator
- NFC - National Finance Center
- PD - Personnel Division

## **2. AUTHORITIES**

- U.S. Treasury Financial Manual: Manual of Procedures and Instructions for Cashiers; Chapter 4, Section 3000, 4000
- Title 7, GAO, Section 6.8
- Principles of Federal Appropriations Law, GAO, Chapter 10
- Federal Acquisition Regulations (FAR)
- Title II, NFC Procedures, Chapter 6, Section 1

## **3. FORMS**

- AD-700 - Procurement Request
- SF-1164 - Claim for Reimbursement for Expenditures on Official Business

## **4. POLICY**

It is ARS policy that Agency imprest funds are operated according to regulations and requirements of the Department of Treasury, the Department of Agriculture, and the General Services Administration.

NOTE: ARS will hold employees accountable for the proper performance of their duties when assigned to positions with responsibilities and delegations of authority described in this DIRECTIVE.

## **5. RESPONSIBILITIES AND DELEGATION OF AUTHORITY**

### **Director, Financial Management Division or designee will:**

- Ensure that current financial management regulations, directives, and procedures are available to Locations for operating the imprest funds.
- Review and approve requests to establish commercial bank accounts for cashing imprest fund checks.
- Review and approve Headquarters requests for emergency salary payments and travel advance payments.
- Provide guidance and determine who is liable in cases of misuse, shortage, or other irregularity in operating imprest funds.
- Direct and manage imprest fund cash verifications and audit procedures.

### **Director, Contracting and Assistance Division or designee will:**

- Ensure that current procurement regulations, directives, and procedures are available to locations for determining proper payments through the imprest fund.
- Provide technical guidance and direction, and respond to inquiries on proper use of the imprest fund for making purchases and payments of small dollar (under \$1,000) amounts.
- Review and approve Headquarters requests for emergency purchases of urgently needed supplies or services.

### **Section Head, Nfc, Accounting Reporting Branch, Reporting Section #4 will:**

- Process requests for establishing imprest funds.
- Obtain designations and revocations for Imprest Fund Cashiers, Alternate Cashiers, Subcashiers, and Verifiers from Treasury and NFC, as required.
- Process requests for changes in the assignment of custody and changes in the amount of the imprest fund advance.

### **Area Administrative Officer or designee will:**

- Review and concur with requests for the establishment of imprest funds at locations, and the designations and revocations of cashiers and verifiers.

- Review and approve field location, Center, and Area level requests for emergency payments (i.e., payments for urgently needed supplies or uninterrupted services, not to exceed \$1,000, that can only be obtained through cash payments; **all** advance salary payments; and all travel advance payments) through the imprest fund.
- Report to the AD, DAAM, Director, PD, and Director FMD, as necessary, cases of misuse, shortage, or other irregularity in operating the imprest fund.

**Location Coordinator** will:

- Determine the need and submit request to establish and operate an imprest fund at the Location.
- Request the designation/revocation of cashiers and verifiers.
- Maintain proper security of facilities in which the imprest funds are kept.
- Ensure that an adequate safe is assigned to the cashier.
- Determine the hours of operation of the Location's imprest fund.
- Request changes in the imprest fund custody assignment and transfers of personal accountability for the fund.

**Location Administrative Officer/Technician** will

- Assist the LC in the selection of the imprest fund cashiers and verifiers.
- Determine the appropriate imprest fund cash operating level.
- Ensure that cashiers are provided separate cash boxes with unique locks.
- Ensure that security envelope(s) are properly prepared and in the custody of the proper official of ARS.
- Ensure that the safe combination is changed as required.
- Report to the LC and AAO, as necessary, cases of misuse, shortage, or other irregularity in operating the imprest fund.
- Determine the need for monetary or personnel changes in operating the imprest fund.

**Fundholder will:**

- Provide the Cashier with properly signed AD-700's and approved SF-1164's for employee claims and imprest fund purchases.
- Provide the Cashier with a list of typed names and autograph signatures of those employees delegated authority to approve imprest fund payments.
- Provide the Cashier with documentation of those employees allowed to use the imprest fund if operating under a "bulk-funded" authorization.
- Request emergency travel, salary, and urgently needed supplies and services payments through the imprest fund. Obtain the required approval to present to the Cashier for requesting payments from the fund.

**Location Procurement Official will:**

- Review purchase requests to ensure that the imprest fund is the most suitable and proper means of procurement.
- Ensure that cash discounts and tax exemptions are being taken to the fullest extent.

**Imprest Fund Cashier will:**

- Safeguard cash and all accountable documents.
- Ensure that transactions are properly authorized and approved before imprest funds are disbursed.
- Ensure that adequate documents to substantiate proof of purchase are provided before imprest funds are disbursed (e.g. original cash register receipts, invoices).
- Ensure proper documenting of advances of funds to Alternate Cashier, Subcashier, and imprest fund users.
- Notify imprest fund users and their supervisors when advances are not returned to Cashiers within five workdays.
- Ensure prompt and accurate recording of all payment transactions.
- Prepare and submit imprest fund reimbursement vouchers on a timely basis.

- Report to the LAO/T immediately any misuse, shortage, or other irregularity in operating the imprest fund.
- Ensure full cooperation is provided during imprest fund verifications and audits.

**Employees will:**

- Obtain proper authorization and approval from the Fundholder for imprest fund payments.
- Return advances received from the Cashier within 24 hours under normal conditions, or within a **maximum** of 5 workdays under extenuating circumstances.
- Obtain authentic sales receipts from vendors to provide proof of purchase documentation to the Cashier.
- Complete required forms and justification statements to apply for emergency travel or salary payments.
- Report to their supervisor cases of misuse, shortage or other irregularity in operating the imprest fund.

**Imprest Fund Verifier will:**

- Conduct imprest fund verifications at least quarterly and on a random basis.
- Reconcile the cash advances of the Principal Cashier, Alternate Cashier, and Subcashier at the same time when each verification of the imprest fund is performed.
- Determine whether proper written authorizations are in place for using the imprest fund.
- Notify the LC, LAO/T, and AAO of exceptions, cash shortages and irregularities that require remedial follow up actions.

**Imprest Fund Auditor will:**

- Verify and account for the total dollar amount of the Location imprest fund.
- Determine whether the imprest fund is operated in compliance with established policy and procedures.
- Notify the Location and applicable Area Office of exceptions and irregularities that require remedial follow up actions.

## **6. GUIDELINES**

The procedures for managing, operating and accounting for imprest funds and related transactions published in the NFC Procedures Manual and procedures in the ARS Financial Management Manual will be followed by all Agency employees.

## **7. LIMITATION ON CASH PAYMENTS**

The maximum per-transaction spending limit for normal day-to-day cash expenditures (disbursements) is \$500. Any need to execute an imprest fund payment transaction that will exceed \$500 must be considered an emergency one-time exception, and the approval of the AAO, or designee (Director, FMD or Director, CAD, or designees, for requests by Headquarters units) is required before the cashier can disburse funds to the claimant.

## **8. ACCOUNTABILITY AND LIABILITY**

The Imprest Fund Cashier is designated as the accountable officer for the imprest fund and is personally liable (legally responsible) for the full amount of funds assigned to his/her custody. The Cashier must be able to account for the entire amount of the imprest fund at any time, and could be required to personally replace the funds if they are not properly accounted for, lost, stolen or misappropriated through an act of his/her negligence.

Alternate Cashiers, Subcashiers, and imprest fund users who have received advances from a Cashier are personally liable for the full amount advanced until proper accounting is made back to the Cashier.

## **9. REFERRAL CONTACT**

For a situation or a condition that occurs which is not covered in this Directive or in the Financial Management Manual's procedures, contact the Director, FMD, for guidance.

T. J. CLARK  
Deputy Administrator  
Administrative Management