

## SECTION 6.1 – IMPREST CHECKING ACCOUNTS

### **INTRODUCTION:**

An imprest fund is a board authorized district account established with a set dollar limit at a commercial bank to allow ASB's to make **minor** disbursements by check for the convenience and efficiency of expediting disbursement of certain approved purchases. This section defines the limitations, as well as processes required for imprest checking account transactions, requesting reimbursement of the account, and preparing monthly imprest account bank reconciliations. The ASB treasurer is responsible to ensure the account is operated in accordance with the laws and district policies that govern its use.

### **OPENING AN IMPREST CHECKING ACCOUNT:**

The board of directors must approve a resolution authorizing the maximum amount of the imprest fund before the district office can establish the checking account for the ASB at a school. Following board authorization of an imprest fund, the account is established at a local bank by issuing a warrant from the ASB fund. The district has authorized an ASB imprest account for the ASB at each middle and high school. Contact the accounting office for assistance.

### **WHEN TO USE THE IMPREST CHECKING ACCOUNT:**

The imprest checking account is to be used for convenience and expediency of payment for ASB goods and services. The following guidelines are in place to determine which payments should be made through the district accounts payable system and which payments are allowed through the imprest checking account.

- The imprest account **may not** be used for:
  - 1) Personal services, service contracts - payments to vendors for services (DJ's, police officers/security officers, catering services, consultants, speakers, etc.). Service contracts must be processed through the purchasing office and payment rendered through the accounting office.
  - 2) Wages or payments to employees for services (stipends, custodial work, etc.) All employee wages, including those paid for student employees or temporary employees, **must** be paid through the district payroll system.
  - 3) Travel expenditures (hotels, airline tickets etc.)
  - 4) Purchases of theft sensitive equipment.

Some other things to consider before using the imprest checking account are:

- **Bids:** The district may have bids or contracts that require some products be purchased from a particular vendor. Call the purchasing office to determine what items fall into this category.
- **Sales Tax or Use (Compensating Tax):** The accounts payable section of this manual includes information on when use tax is applicable. With some exceptions, if sales tax was not charged on the vendor's invoice/receipt the district must pay use (compensating) tax directly

to the Washington State Department of Revenue on these purchases. The accounting office handles the payment of this tax when they process your imprest fund checking account replenishment. The expense for the tax will be charged to the appropriate ASB account code.

### **HOW TO USE THE IMPREST CHECKING ACCOUNT:**

It is recommended that the use of the ASB imprest checking account be minimized. Warrants are issued on a weekly basis through the accounting office, making the need for de-centralized use of an imprest account less necessary. Considering the paperwork and controls involved with tracking, reconciling and accounting for imprest checks it would seem that the accounting office may better meet the needs of the school through the warrant process. However, it is recognized that at times, the use of the imprest checking account is necessary.

Each expenditure made from the ASB imprest fund checking account must be documented listed in the check register (all checks including voids must be listed in the register), and must have prior approval of the ASB governing body, ASB primary and activity advisor as well as the ASB treasurer. Payments from the imprest checking account may be for reimbursements to individuals (see [Section 7](#) or guidance) for incidental supplies purchased for an ASB activity or may be for payments to vendors. Payments to vendors must be supported by original itemized vendor invoices only. Do not pay from statements.

### **VOIDING CHECKS**

Steps for voiding a check are as follows:

- 1) Mark the check VOID.
- 2) Cut the signature line out of the check.
- 3) Retain all voided checks, place them in numerical order and account for them on the next “[Request for Reimbursement of Imprest Checking Account](#)” as well as the next [Imprest Checking Account Bank Reconciliation](#).

### **DEPOSITING INTO THE IMPREST CHECKING ACCOUNT:**

The only deposits allowed in your imprest fund checking account are your replenishment warrants and/or a return of change fund. Do not deposit ASB revenues or other funds collected for any reason into the Imprest Account.

### **OTHER GUIDELINES AND RESTRICTIONS:**

- Checks may only be issued for bona fide ASB expenditures.
- Checks may not be issued payable to cash, nor to the custodian of the account. (A custodian is generally one who is an authorized signer on the bank account.)
- If reimbursing an individual/employee for purchase of incidental supplies for an ASB activity, their individual receipts should not exceed \$25.00 and should not exceed a cumulative total of \$200. See the [Matrix in Section 4.2](#).
- Making larger reimbursements to individuals or large disbursements to

vendors may unduly exhaust the account. Schools are encouraged to minimize the use of the imprest account and rely instead on the weekly warrant runs issued through the accounting office. Send larger transactions/reimbursements to the accounting office so individuals or vendors will receive direct reimbursement through the accounts payable warrant issue process.

- For reimbursements to individuals - Original detailed receipts listing individual items purchased are required to support each expense. Individuals may be found personally responsible for expenditures not supported by detailed receipts. Please Note: Charge slips must have adequate detail listing individual items purchased in order to be considered for reimbursement. Otherwise, the charge slip, by itself is not adequate. The corresponding detailed receipt must be submitted.
- Receipts are to be submitted by employees and ASB representatives in a timely manner. Once a fiscal year has closed, receipts from the prior fiscal year will no longer be considered eligible for reimbursement.
- Sites are responsible for maintaining a positive balance in the account. If an overdraft occurs, the bank fee will be charged back to the issuing site.
- Deposits other than a warrant issued from the Everett Public Schools' accounting office to replenish the account, are not authorized to be handled through the imprest account.

#### **OVERVIEW OF IMPREST CHECKING ACCOUNT OPERATION:**

*If it is a reimbursement for an individual's receipts (see also [Section 7](#)):*

- Original detailed receipts listing individual items purchased are presented to the school or department for reimbursement.
- The individual seeking reimbursement for said receipts should sign a "[Reimbursement Voucher](#)" and attach the receipts to the voucher.
- Information required on the "[Reimbursement Voucher](#)" includes:
  1. Payee name
  2. Payee signature
  3. Address of payee
  4. Brief description of purchase and what it is for
  5. Cumulative dollar total of the receipts for that payee
  6. ASB account code
  7. ASB approval signatures.

Note: If the payee is the same as the primary advisor, the reimbursement must be reviewed and signed by the principal as the primary advisor's supervisor. Primary advisors should not be the highest level of approving signature on their own reimbursements.
- If the receipts attached to the [Reimbursement Voucher](#) are appropriate for reimbursement through the imprest account, sites may write a check for the amount of the receipts presented (see [Section 7](#)). Otherwise, the [Reimbursement Voucher](#) with receipts attached should be submitted to

the accounting office for direct processing through the warrant issue process. (See [Section 7](#))

*If it is a payment to a vendor for a vendor's invoice:*

- Must have a properly executed request for PO or imprest check to document student and advisor approvals and the account code.
- Must have an original detailed vendors invoice to support the amount of the imprest check payment.

*Last step:*

- Periodically, the school or department prepares a [Request for Reimbursement of Imprest Checking Account](#) form and sends it to the accounting office. See further directions in this section.

### **IMPREST ACCOUNT REPLENISHMENT/REIMBURSEMENT PROCEDURES:**

**An imprest checking account replenishment request must be completed at least once a month. ([WAC 392-138-120](#)). More frequent (i.e. weekly) requests for reimbursement are encouraged in order to help ensure funds are available for purchases. Steps for preparing and processing imprest checking account reimbursement requests are as follows:**

1. Gather and organize all the completed [Reimbursement Vouchers](#) and supporting receipts or invoices that have been generated since the last reimbursement.
2. Use the [Request for Reimbursement of Imprest Checking Account](#) form, to prepare a detailed listing of the transactions to be reimbursed.
3. The [Request for Reimbursement of Imprest Checking Account](#) form must be approved by the school principal or the ASB primary advisor.
4. Send the signed and completed [Request for Reimbursement of Imprest Checking Account](#) form to the accounting office with the supporting [Reimbursement Voucher](#)(s) and original detailed receipt(s) or invoices attached and signed ASB purchase order requests.
5. The accounting office will process the request and generate a warrant to replenish the account.
6. The warrant will be sent to the school along with a deposit slip.
7. Enter the deposit amount into the imprest account check register.
8. Deposit the warrant at the bank and retain the bank deposit receipt.

### **IMPREST ACCOUNT BANK RECONCILIATION PROCEDURES:**

- [Imprest Account Bank Statement Reconciliations](#) should be prepared by the ASB treasurer.
- The bank statement must be reconciled to the check register balance and to the board authorized “base” account balance each month using the [bank reconciliation form](#).

- [Bank reconciliations](#) must be completed in a timely manner (within a few weeks of receipt of the bank statement).
- Proper internal control procedures require that [bank reconciliations](#) be reviewed and signed by a supervisor.
- Send a copy of the completed [reconciliation form](#) and a copy of the bank statement to the accounting office each month.

#### **ANNUAL AUDIT REQUIREMENT:**

At the end of each school year, send the check book, canceled checks, bank statements, reconciliations, and final requests for reimbursement to the accounting office. The accounts are audited and held for safekeeping until the re-opening of school in the fall.

#### **RECORD RETENTION REQUIREMENTS:**

State law record retention schedules require that bank statements, reconciliations and other associated bank records be retained for a minimum period of 6 years.

#### **REFERENCES:**

[Section 4](#) - Purchasing Guidelines and Laws, Allowable Purchasing Methods and Electronic Purchase Order Process

[Section 7](#) - Reimbursement Vouchers

[Board Policy/Procedure 6215/6215P](#) – Disbursements

[Board Policy/Procedure 6020/6020P](#) – System of Funds and Accounts

[WAC 392-138-120](#) – Associated student body public moneys – Imprest bank checking account