A8.829  Imprest Checking Account Disbursement Procedures

1. Purpose
   
   To provide procedures for the proper disbursement of imprest checks.

2. Responsibilities
   
   a. The custodian or (in his/her absence) the alternate, is responsible for the security of the checks, ensuring that proper accounting and recording procedures are maintained, and ensuring that all disbursements are properly authorized.

   b. The Fiscal Officer is responsible for ensuring that the imprest checking account is being properly administered. This includes ensuring that the duties of the custodian/alternate are being properly executed.

3. Guidelines
   
   a. The maximum imprest check disbursement is set at a ceiling of $100.00. Higher ceilings are authorized under certain circumstances:

      | Exception Situations | Ceiling      |
      |----------------------|-------------|
      | 1) Library purchases - Books and periodicals, films, video tapes. | $500.00    |
      | 2) Bookstore purchases - Freight-out, bank service charges, resale items (freight-in, purchases from the US Government Printing Office and foreign vendors, and purchases involving cash discounts). | $1,200.00  |
      | 3) Student related refunds - Tuition and fees, student housing deposits and rents, bookstore sales (Restricted to temporary increases periodically issued during registration periods). | $2,000.00  |
      | 4) Emergency short-term loans - Only for tuition and fees (Restricted to two weeks preceding the actual registration period to
4 weeks immediately following the actual registration period). $500.00

5) Faculty Housing (Manoa Auxiliary Services only) - Tenant refunds of security deposits, rentals, parking fees. $700.00

b. All payments for goods and services which are $100.00 or less are to be made through petty cash funds or imprest checks, with some exceptions. (Restrictions are described in A8.826 - Imprest Checking Accounts-Overview, section 5.c). Petty cash funds are to be used for disbursements of $25.00 or less, unless circumstances dictate that imprest checks be used.

All University campus/department units are expected to maintain and operate their own imprest checking accounts or to make arrangements for consolidation with other units.

c. Imprest checking account disbursements must be administered in accordance with all applicable laws, State policies and procedures, University policies and procedures. Specific restrictions on the use of the imprest checking account are described in A8.826 - Imprest Checking Account-Overview, section 5.c.

d. The imprest checks (unissued checks and issued checks awaiting pick-up or delivery) and replenishment or advance checks not yet cashed must be kept in a location not readily susceptible to theft. (A safe is preferred but a locked file cabinet is minimally acceptable.) Only the custodian or (in his/her absence) the alternate should have access to the fund since they are the only ones authorized to issue imprest checks.

Upon receipt of a new order of checks, all check numbers should be logged for internal control purposes. This is extremely critical in situations where checks are stolen. Should checks be stolen, notify the police to investigate the situation and also immediately notify the University branch of the First Hawaiian Bank to initiate stop payment orders on the checks or to close the account, depending upon the situation (Refer to A8.832 - Special Imprest Checking Account Procedures).
e. Campus/Department Documentation Requirements

Campus/department units are responsible for maintaining proper documentation to support imprest checking account disbursements including:

1) Imprint Checking Account Claims/Summary of Replenishment forms (FMIS-9).
2) File copies of imprest checks.
3) Authorization forms for imprest check disbursements.
4) Itemized invoices/receipts or other supporting documents (refund slips, loan authorizations, proof of payment, etc.).
5) Certification of satisfactory receipt of goods and services.
6) Imprest Check Register.

Any other relevant supporting documentation (logs, memoranda, worksheets, etc.) should be maintained. These documents are to be maintained in office files and made available for review upon request. Copies are to be maintained when originals are required to be submitted to other offices (e.g. FMIS-9, itemized invoices/receipts, etc.). Refer to A8.826 - Imprest Checking Accounts - Overview, section 5.a.6 for a complete listing of documents to be retained.

f. Campus/department units must ensure the accuracy and propriety of imprest checking account disbursements because they are direct payments initiated at the campus/departmental level. Campus/department units must carefully guard against duplicate payments, erroneous payments, restricted disbursements, etc. Documentation, such as worksheets, calculations, authorizing memoranda, receipts for more complicated payments (e.g. tuition refunds, housing refunds, etc.) must be maintained in office files to support the accuracy of these payments.

4. Procedures

a. Prior written approval for all imprest checking account disbursements is normally required. Under extenuating circumstances, at the discretion of the Fiscal Officer, imprest checking account disbursements may be verbally approved or approved after-the-fact. In all situations, however, written documentation is required to substantiate proper approval for the imprest check payments. A suggested authorization form is included (Attachment 1).
Authorization forms are to be maintained in office files and made available upon request.

b. Check Preparation:

1) Checks are to be issued in the pre-numbered sequence. Checks are to be entered on the check register as they are prepared.

2) The check register must be immediately updated to ensure that sufficient balance exists to cover issued checks.

3) Checks are to be reviewed and signed by the custodian or (in his/her absence) the alternate (Refer to section 5.a of this procedure for details).

4) For all imprest checks in excess of $100.00, the statement under the amount line that states "Not valid over $100.00" must be updated to reflect the higher ceiling on all copies of the imprest check. For example, if a student tuition refund check exceeds the $100.00 limit, the "$100.00" amount on the statement should be lined out, and the "$1,200.00" ceiling stamped below it with the custodian's initials (Refer to A8.832 - Special Imprest Checking Account Procedures). Contact the Disbursing Office for the stamp because a uniform print is required.

5) Listed below are the type of disbursements that may be processed through imprest checking accounts and the codes (Source/Object Code) that are to be used:

**TYPE OF DISBURSEMENT**

a) Expenditures (Use Object Code)

b) Refund of deposits (Use Source Code)

c) Refund of Receipts/Revenues
   
i) Current year receipts/revenues (Use Source Code)
   
ii) Prior year receipts/revenues (Use Object Code 9000)

d) Short-term Student Loans
c. The signature of the individual receiving the check is required on the bottom of the check voucher. The recipient need not be the payee. If the check is to be mailed, type "Mail" on the signature line.

d. Each disbursement must be supported by original (or certified as original) invoices, delivery slips, sales slips, summary certification statements for refunds and loans, subscription notices, and similar documents. All non-itemized receipts such as cash register tapes must be annotated to indicate items purchased. In special instances where receipts cannot be obtained (e.g. coin-operated photocopy machines and parking meters) the expenses can be listed on an adding machine tape with a description of the items and certified (signed by the claimant) that the expenditures were incurred in the conduct of official business for which no receipts were issued.

All under-sized (less than 8-1/2" x 11") documents are to be affixed to a letter size sheet of paper. All requests for reimbursement must be supported by proof of payment.

Copies of the FMIS-9 and all supporting documents are to be maintained in office files and made available for review upon request.

e. A special effort must be made to follow up on all outstanding invoices, receipts, or other supporting documents required for the replenishment process. Timely processing of the replenishment claim is critical in maintaining an adequate checking account balance and in properly recording payments in the period when incurred.

f. Documentation that the individual responsible for verification of satisfactory receipt of goods and services has certified acceptance must be maintained in office files and made available for review upon request.

g. Ensure that all checks are accounted for. The reconciliation process and regular reviews of the check register and the supply of checks should reveal the existence of missing or non-registered checks. Immediate follow-up action is required including the issuance of stop payment orders if appropriate (Refer to A8.832 - Special Imprest Checking Account Procedures).
5. **Detailed Instructions**

a. **Imprest Checks (Attachment 2)**

Note: The numbers in parentheses on Attachment 2 correspond to the detailed instructions reflected below.

1) Enter the month, day, and year on which the check is prepared (e.g. 04 16 1996)

2) Enter the amount of the imprest checks:

   a) in words and numbers (Fill in unused spaces to guard against alteration).

   b) in numbers only (Start the figure close to the "$" to guard against alteration).

3) Enter the name of the vendor/payee (If the check is to be mailed, include the complete mailing address).

4) Enter the signature of the custodian or the alternate.

5) Enter the appropriate 6 digit account number.

6) Enter the appropriate 4 digit sub code.

7) Enter the amount for each line entry.

8) Enter the sum of all line entry amounts. This should equal to the amount of the check in #2.

9) Indicate the purpose of the disbursement by placing an "X" in the appropriate box. Include specific information where requested on the lines provided. For vendor payments, it is suggested that the invoice number and the invoice date be indicated next to the description of the item to assist the vendor in properly matching the payment with the order.

10) Obtain the recipient's signature upon disbursement of the check (The recipient need not be the payee). If the check is to be mailed, type "Mail" on the signature line.

b. **Check Register (Attachment 3)**

Note: The numbers in parentheses on Attachment 3
correspond to the detailed instructions reflected below.

1) Date: Enter the month and the day on which the check is prepared (e.g. Feb 2). Enter the year on the top of the column.

2) In Favor of: Enter the name of the vendor/payee.

3) In Payment of: List the item purchased or the purpose of the disbursement as fully as space will permit (e.g. Typewriter ribbon, telephone services).

4) Number: Enter the check number.

5) Posted on Page: Do not use.

6) Amount of Check: Enter the amount of the imprest check.

7) Paid /: This column should be checked upon receipt of the bank statement (with cancelled checks listed numerically).

8) Date of Deposit: Enter the month and the day on which a deposit is made (e.g. Feb 5).

9) Amount of Deposit: Enter the amount of the deposit.

10) Balance: Enter the current balance of the checking account for each transaction entered. Subtract the amount of a check from the previous balance to obtain the current balance. Add the amount of a deposit to the previous balance to obtain the current balance.

6. Availability of Forms

Imprest checks are to be ordered by campus/department units through the vendor selected in the formal bid process. Information is normally disseminated through the Business Affairs Circular; however, the Disbursing Office may be contacted for current information on the ordering of checks. Check registers, deposit slips and deposit stamps are available at First Hawaiian Bank branches.
**UNIVERSITY OF HAWAII**  
Imprest Check/Petty Cash Purchase Authorization

**Department/Campus:**  
- [ ] Imprest Check  
- [ ] Petty Cash  
Vendor/Payee:

This purchase authorization is valid only for payments of $100.00 or less. The original and two copies of the invoice are required to be submitted for processing of payment. Delivery address, purchase authorization number, and requisitioner must appear on all packages, invoices and shipping notices.

<table>
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<tr>
<th>ITEM #</th>
<th>QUANTITY</th>
<th>DESCRIPTION</th>
<th>OBJ.SYM.</th>
<th>UNIT PRICE</th>
<th>AMOUNT</th>
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**Account Code**  
Object Symbol  
Amount  
Imprest Check No.

Vendor Invoice No.

**Special Accounting for Petty Cash Advances**

- Amount Advanced $ ____________  
  Signature - Recipient Date

- Change Received $ ____________  
  Signature - Custodian Date

I certify that this purchase supports the University program indicated in the account code block.

Signature - Requisitioner Date

Signature - Approving Authority Date  
I authorize the issuance of this order and certify that this purchase is in accordance with applicable law and University policy. I certify that sufficient funds are available in this account for this purchase.

Signature - Authorized Recipient Date

Signature - Fiscal Officer Date  
F.O. Code
PETTY CASH FUND - STATE OF HAWAII
UNIVERSITY OF HAWAII
Financial Management Office, Disbursement and Payroll Office
1402 LOWER CAMPUS ROAD
HONOLULU, HAWAII 96822

DATE (1) 04/16/96

NO. Q 00020
VOID AFTER 180 DAYS

PAY ---------------- FIFTY-TWO AND 26/100 ---------------- DOLLARS $52.26

TO THE ORDER OF ____________________________________________
THE MAUI BOOKSTORE
P.O. Box 277
Wailuku, HI 96793

ACCOUNT CODE (5) 326867
SUBCODE 3200 (6)
AMOUNT $52.26 (7)

TOTAL $52.26 (8)

Purpose: (9) Others (Specify): OFFICE SUPPLIES (Invoice #AB0059, Invoice Date 04/14/96)

Payment for periodical(s) and subscription(s).
Payment for materials and supplies.
Payment for freight charges.

X Others (Specify): OFFICE SUPPLIES (Invoice #AB0059, Invoice Date 04/14/96)

UNIVERSITY OF HAWAII
FINANCIAL MANAGEMENT OFFICE, DISBURSEMENT AND PAYROLL OFFICE

(10) MAIL

AUTHORISED SIGNATURE

(4) [Signature]

UNIVERSITY OF HAWAII
FINANCIAL MANAGEMENT OFFICE, DISBURSEMENT AND PAYROLL OFFICE

(12)13 UNIVERSITY OF HAWAII
FIRST HAWAIIAN BANK
HONOLULU, HAWAII

(13) 1402 LOWER CAMPUS ROAD
HONOLULU, HAWAII 96822
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<th>Number</th>
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