A8.831 Reconciliation of the Imprest Checking Account

1. Purpose

To provide procedures to perform reconciliations of the Bank Statement and the Imprest Checking Account for review and control purposes.

2. Responsibilities

a. The reconciler is responsible for conducting monthly reviews of imprest checking account disbursement records and bank statements to ensure proper maintenance of the checking account and the integrity of the imprest system.

b. The Fiscal Officer is responsible for ensuring that the imprest checking account is being properly administered. The Fiscal Officer must review the findings of each reconciliation and initiate any appropriate action as required.

3. Guidelines

a. The Fiscal Officer or the Campus/Department Head, who designates the reconciler, must ensure that the reconciler is an individual other than the custodian or the alternate. The Fiscal Officer may be the designated reconciler in those offices where staffing does not allow for the separation of duties.

b. The reconciler will promptly conduct reconciliations at the end of each month and submit a Reconciliation of Bank Statement and Imprest Checking Account Report, Form IC-3 (Attachment 1) to the Internal Auditor's Office by the 20th day following the close of each month. The reconciliation report must be properly certified by the reconciler and the Fiscal Officer. No detailed support documents are required to be submitted with the reconciliation report. If a discrepancy is reported, indicate the corrective action that is being initiated.
c. If a reconciliation uncovers a discrepancy (shortage/overage), a review of the transactions for the month should reveal the source of the discrepancy (e.g. incorrect replenishment claim, erroneous check register entry, depositing refunds incorrectly, claiming a replacement check, etc.) In almost every situation, the discrepancy can be corrected upon discovery of the source of error.

All unresolved discrepancies revealed by a reconciliation should be reported immediately through memorandum to the Disbursing Office.

d. Campus/department units are responsible in maintaining proper documentation to support all imprest checking account reconciliations including:

1) Reconciliation of Bank Statement and Imprest Checking Account Report (Attachment 1)

2) Monthly bank statements (Attachment 2)

3) Cancelled checks, deposit slips, bank debit/credit memos

4) Voided checks

5) Check register reflecting all imprest checking account transactions (Attachment 3)

6) Listings of check numbers/amounts of outstanding checks (Attachment 4)

7) Listings of replenishment claims related to checks issued during the month (or before) for which the replenishment claim was processed by the end of the month (but not received, deposited, and entered in the check register) (Attachment 4)

8) Listings of checks and replenishment claims related to checks issued during the month (or before) for which the replenishment claim was not processed by the end of the month (Attachment 4)

9) Any other relevant supporting documentation (e.g. Aging list of outstanding checks, follow-up letters on outstanding checks, stop payment orders, etc.) (Attachment 5)
The reconciliation process reviews the activities of the imprest checking account for the specific month, updates the information from the previous month's reconciliation, and determines whether the account is in balance. Even if the reconciliation is delayed, the end of the month must still be maintained as the cut-off date (i.e., Consider only checks issued by the end of the month and segregate replenishment claims processed by the end of the month from those not processed by the end of the month).

The detailed procedures listed below present some suggested practices to follow.

a. Documents Required

1) Bank Statement with the cancelled checks and deposit tickets for the month.

2) Check register maintained by the custodian.

3) Previous month's listing of outstanding checks.

4) Listing of current month's voided checks.

5) Listing of current month's stop payments.

6) Listing of current month's replacement checks and references to original checks.

b. Reconciler's Activities

1) Obtain the unopened envelope containing the cancelled checks and the bank statement for the month.

   a) Match the cancelled check listing (listed numerically) on the bank statement against the check register and notate each match with a ( / ) in the "Paid " column of the check register.

   b) Based on these documents, prepare a current listing of outstanding checks. Additionally, the outstanding checks should be sorted in aging
categories and appropriate follow-up action initiated (Refer to section 5.a of this procedure for details).

2) Prepare a listing of replenishment claims related to checks issued during the month (or before) for which the replenishment claim was processed by the end of the month (but not received, deposited, and entered in the check register).

3) Prepare a listing of checks and replenishment claims related to checks issued during the month (or before) for which the replenishment claim was not processed by the end of the month.

4) Compile listings of all voided checks and stop payment orders issued for the month.

5) Review the check register and insert lines to separate the records for the month. Ensure that the balances have been properly calculated. Ensure that deposit tickets, check register deposit entries, and the deposit entries on the bank statement are properly recorded.

6) Examine the check register and the supply of unissued checks to account for all checks. Should any checks appear to be missing, immediate follow-up action is required including the issuances of stop payment orders if appropriate (Refer to A8.832 - Special Imprest Checking Account Procedures).

7) Review cancelled checks for unauthorized signatures, alterations, or irregular endorsements. If any incidents of altered checks or forgery are uncovered, initiate the procedures reflected in A8.832 - Special Imprest Checking Account Procedures.

c. Reconciliation of Bank Statement and Imprest Checking Account Report (Attachment 6)

Complete the Reconciliation of Bank Statement and Imprest Checking Account Report (Form IC-3) as follows:

1) Date: Enter the month, day, and year on which the form is being prepared (e.g. 02/05/96).

2) Vendor Code: Enter the 11 digit vendor code (X _ _ _ _ _ _ _ _ _ _) assigned to the custodian.

3) UH Campus/Department: Enter the appropriate campus and department (e.g. Agr-Bio Chem; Honolulu CC).
4) Custodian: Enter the name of the custodian of the imprest checking account.

5) Balance as per bank statement (Date:): Enter the ending date (month, day, and year) of the bank statement and the balance from the bank statement for that date.

6) Less: Outstanding checks: Enter the total from the current listing of outstanding checks.

7) Balance per your check register: Enter the balance as of the end of the month from the check register maintained by the custodian.

Note: This figure should equal to the difference of the "Outstanding Checks" total from the "Balance As Per Bank Statement". If it does not, a discrepancy exists that must be researched and corrected.

8) Plus: Replenishment claimed: Enter the total from the replenishment claims relating to checks issued during the month (or before) for which the replenishment claim was processed by the end of the month (but not yet received, deposited, and entered in the check register).

9) Replenishments to be claimed: Enter the total from the listing of checks and replenishment claims relating to checks issued during the month (or before) for which the replenishment claim was not processed by the end of the month.

10) Total Imprest Checking Account: Summarize the amounts from lines 7, 8, and 9. Compare this amount to the Permanent Authorized Fund Amount which should be reflected on the last line. Any difference will either be a temporary increase, a shortage, or an overage. These figures should be properly reflected on the appropriate lines. All unresolved discrepancies revealed by a reconciliation should be reported immediately through memorandum to the Disbursing Office.

11) Reconciler, Fiscal Officer Signature and Date: The reconciler and the Fiscal Officer are to sign and date the form to certify the accuracy of the information provided.

Attachment 6 is an example of a reconciliation with appropriate supporting documents (Attachment 2, 3, 4 & 5).
5. Procedures – Related Activities

a. Outstanding Checks

1) The listing of outstanding checks must be reviewed periodically and classified into groups or "aged" based on the number of days outstanding.

2) It is suggested that letters of inquiry be sent to those vendors/payees that have been issued checks that are outstanding for a significant period (even before the 180-day limit is reached). Initiate any required action based on responses to inquiries.

3) A follow-up stale dated check inquiry should be sent to vendors/payees for any outstanding check exceeding the 180-day limit (sample – Attachment 1). Technically, the checks are no longer negotiable and must be properly enfaced (updated) before it can be cashed.

4) Stop payment orders should be initiated for any stale-dated check unless it is being enfaced (updated). The stop payment orders should be initiated regardless of whether a replacement check is to be issued or not. (Refer to A8.832 – Special Imprest Checking Account Procedures.)

b. Altered Check, Forgery Situation

1) In the review of the cancelled checks included with the bank statement, any discovery of altered checks or confirmation of check forgery requires immediate contact with the University branch of the First Hawaiian Bank.

2) The bank will require that an affidavit be completed with a police investigation to follow. (Refer to A8.832 – Special Imprest Checking Account Procedure)

6. Availability of Forms

The Reconciliation of Bank Statement and Imprest Checking Account Report (Form IC-3) should be reproduced as required.
UNIVERSITY OF HAWAII
Reconciliation of Bank Statement and Imprest Checking Account Report

Date: _______ / _______ / _______
Vendor Code: X____________

UH Campus/Department: ________________________________

Custodian: ____________________________________________

Balance as per bank statement (Date: _______ / _______ / _______) ____________________________

Less: Outstanding checks _________________________________

Balance per your check register ______________________________

Plus: Replenishments claimed ______________________________

Replenishments to be claimed _______________________________

TOTAL IMPREST CHECKING ACCOUNT _________________________

* Add Shortage/Deduct Overage _______________________________

Deduct Temporary Increase _________________________________

PERMANENT AUTHORIZED FUND AMOUNT _______________________

* Explanation of Shortage/Overage and Correction Action:
   (Unresolved discrepancies are to be reported by memorandum to the Disbursing Office.)

List of Check Numbers - Void/Stop Payments:

Prepared by: ____________________ Reconciler Signature ____________________ Date ____________________

Reviewed by: ____________________ Fiscal Officer Signature ____________________ Date ____________________

General Instructions: Submit the original document to the Internal Auditor's Office
First Hawaiian Bank
Member FDIC

Business Checking Statement

2° PETTY CASH FUND STATE OF HAWAII
UNIVERSITY OF HAWAII
SCHOOL OF
1960 EAST WEST RD.
HONOLULU HI 96822

ACCOUNT NO. STATEMENT CYCLE CYCLE CODE DOCUMENT COUNT TAXPAYER OR FEDERAL ID NO. PAGE
44-000458 01/29/96 2 24 99-6000354 1

If no errors are reported within 60 days with respect to electronic fund transfers or within 14 days for other transactions, this statement will be considered correct. If your address has changed, please notify your branch.

CHECKING ACCOUNT SUMMARY

PREVIOUS BALANCE AS OF 12/31/95 ........................................ 2,707.69
DEPOSITS AND OTHER CREDITS TOTALING (+) ....................... 887.47
CHECKS AND OTHER DEBITS TOTALING (-) .......................... 926.74
SERVICE CHARGES (-) ..................................................... 0.00
NEW BALANCE ..................................................................... 2,668.42
MINIMUM BALANCE ............................................................. 2,163.73
AVERAGE BALANCE ............................................................. 2,495.11

CHECKING ACCOUNT ACTIVITY

<table>
<thead>
<tr>
<th>CHECK DATE</th>
<th>AMOUNT</th>
<th>CHECK DATE</th>
<th>AMOUNT</th>
<th>CHECK DATE</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>2727 01/14</td>
<td>20.00</td>
<td>2780 01/13</td>
<td>48.00</td>
<td>2788 01/18</td>
<td>13.99</td>
</tr>
<tr>
<td>2765*01/08</td>
<td>20.00</td>
<td>2781 01/05</td>
<td>18.03</td>
<td>2789 01/25</td>
<td>66.25</td>
</tr>
<tr>
<td>2773*01/08</td>
<td>28.00</td>
<td>2782 01/06</td>
<td>77.98</td>
<td>2792*01/26</td>
<td>43.18</td>
</tr>
<tr>
<td>2774 01/06</td>
<td>24.00</td>
<td>2783 01/21</td>
<td>18.85</td>
<td>2793 01/25</td>
<td>26.47</td>
</tr>
<tr>
<td>2775 01/06</td>
<td>91.36</td>
<td>2784 01/27</td>
<td>1.15</td>
<td>2794 01/28</td>
<td>2.25</td>
</tr>
<tr>
<td>2776 01/08</td>
<td>8.00</td>
<td>2785 01/14</td>
<td>44.37</td>
<td>2795 01/29</td>
<td>83.38</td>
</tr>
<tr>
<td>2778*01/04</td>
<td>16.00</td>
<td>2786 01/21</td>
<td>31.20</td>
<td>2797*01/28</td>
<td>62.19</td>
</tr>
<tr>
<td>2779 01/07</td>
<td>96.75</td>
<td>2787 01/14</td>
<td>37.48</td>
<td>2798 01/28</td>
<td>47.86</td>
</tr>
</tbody>
</table>

DATE DESCRIPTION AMOUNT
01/21 DEPOSIT OR BANK CREDIT ............................................. 740.43+
01/29 DEPOSIT OR BANK CREDIT ............................................. 347.04+

DAILY BALANCE

<table>
<thead>
<tr>
<th>DATE</th>
<th>LEDGER BALANCE</th>
<th>COLLECTED BALANCE</th>
<th>LEDGER DATE</th>
<th>COLLECTED BALANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/04</td>
<td>2,691.69</td>
<td>2,691.69</td>
<td>01/21</td>
<td>2,854.11</td>
</tr>
<tr>
<td>01/05</td>
<td>2,673.66</td>
<td>2,673.66</td>
<td>01/22</td>
<td>2,854.11</td>
</tr>
<tr>
<td>01/06</td>
<td>2,480.32</td>
<td>2,480.32</td>
<td>01/25</td>
<td>2,761.39</td>
</tr>
<tr>
<td>01/07</td>
<td>2,383.57</td>
<td>2,383.57</td>
<td>01/26</td>
<td>2,718.21</td>
</tr>
<tr>
<td>01/08</td>
<td>2,327.57</td>
<td>2,327.57</td>
<td>01/27</td>
<td>2,717.06</td>
</tr>
<tr>
<td>01/13</td>
<td>2,279.57</td>
<td>2,279.57</td>
<td>01/28</td>
<td>2,604.76</td>
</tr>
<tr>
<td>01/14</td>
<td>2,177.72</td>
<td>2,177.72</td>
<td>01/29</td>
<td>2,668.42</td>
</tr>
<tr>
<td>01/18</td>
<td>2,163.73</td>
<td>2,163.73</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>IN FAVOR OF</td>
<td>IN PAYMENT OF</td>
<td>Amount of Check</td>
<td>Date of Deposit</td>
</tr>
<tr>
<td>------</td>
<td>----------------------</td>
<td>-----------------</td>
<td>-----------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>1995</td>
<td></td>
<td></td>
<td>1600.00 v</td>
<td></td>
</tr>
<tr>
<td>Dec 29</td>
<td>THE OFFICE PLACE</td>
<td>Suppliers</td>
<td>02778</td>
<td>1600.00 v</td>
</tr>
<tr>
<td>30</td>
<td>Postmaster</td>
<td>Mail &amp; Pkg</td>
<td>02779</td>
<td>967.25 v</td>
</tr>
<tr>
<td>31</td>
<td>Lotus</td>
<td>Subscription</td>
<td>02780</td>
<td>480.00 v</td>
</tr>
<tr>
<td>31</td>
<td>Hopaco</td>
<td>Supplies</td>
<td>02781</td>
<td>1808 v</td>
</tr>
<tr>
<td>31</td>
<td>Hopaco</td>
<td>Supplies</td>
<td>02782</td>
<td>7798 v</td>
</tr>
<tr>
<td>Jan 5</td>
<td>Human Scavengers</td>
<td>Book. Program</td>
<td>02783</td>
<td>1685 v</td>
</tr>
<tr>
<td>7</td>
<td>U S Sprint</td>
<td>Long Distance</td>
<td>02784</td>
<td>115 v</td>
</tr>
<tr>
<td>12</td>
<td>Linda Chock</td>
<td>Remittance</td>
<td>02785</td>
<td>14687 v</td>
</tr>
<tr>
<td>12</td>
<td>Calculators Hawaii</td>
<td>Repair</td>
<td>02786</td>
<td>3120 v</td>
</tr>
<tr>
<td>14</td>
<td>Caudale Enterprises</td>
<td>Supplies</td>
<td>02787</td>
<td>9736 v</td>
</tr>
<tr>
<td>14</td>
<td>Hopaco</td>
<td>Supplies</td>
<td>02788</td>
<td>1398 v</td>
</tr>
<tr>
<td>18</td>
<td>Hawaii Telephone</td>
<td>159.5800, 9431937</td>
<td>02789</td>
<td>6625 v</td>
</tr>
<tr>
<td>19</td>
<td>PWC</td>
<td>Window Cleaning</td>
<td>02790</td>
<td>1000 v</td>
</tr>
<tr>
<td>20</td>
<td>Century Impressions of Hawaii</td>
<td>X Stamper</td>
<td>02791</td>
<td>1653 v</td>
</tr>
<tr>
<td>20</td>
<td>NBI, THE OFFICE PLACE</td>
<td>Disks &amp; Stamps</td>
<td>02792</td>
<td>4311 v</td>
</tr>
<tr>
<td>20</td>
<td>Hopaco</td>
<td>Supplies</td>
<td>02793</td>
<td>2647 v</td>
</tr>
<tr>
<td>21</td>
<td>NBI</td>
<td>Supplies</td>
<td>02794</td>
<td>225 v</td>
</tr>
<tr>
<td>21</td>
<td>Hawaii Telephone</td>
<td>946 3250</td>
<td>02795</td>
<td>8338 v</td>
</tr>
<tr>
<td>23</td>
<td>ITW World Comm Inc</td>
<td>Tower Chargers</td>
<td>02796</td>
<td>5921</td>
</tr>
<tr>
<td>25</td>
<td>NBI</td>
<td>Disks &amp; Stamps</td>
<td>02797</td>
<td>6219 v</td>
</tr>
<tr>
<td>26</td>
<td>United Parcel Service</td>
<td>Access</td>
<td>02798</td>
<td>4728 v</td>
</tr>
<tr>
<td>Feb 01</td>
<td>MAE MAIL</td>
<td>Mail</td>
<td>02799</td>
<td>1544 v</td>
</tr>
<tr>
<td>03</td>
<td>Gaspe</td>
<td>OKY xmax</td>
<td>02800</td>
<td>2935 v</td>
</tr>
</tbody>
</table>
#2790
100.00 +

#2791
15.52 +

#2796
59.20 +

0003
174.72 =

OUTSTANDING CHECKS

0000
0.00

#2789
66.25 +

#2790
100.00 +

#2791
15.52 +

#2792
43.18 +

#2793
26.47 +

#2794
2.25 +

#2795
83.38 +

#2796
59.20 +

#2797
62.19 +

0009
458.44 =

REPLENISHMENT CLAIMED

#2798
47.86 +

0001
47.86 =

Replenishment to be
claimed.
UNIVERSITY OF HAWAII

Change of address if any:

Date: ____________________

________________________________________

We have issued an imprest check to you and it is still outstanding:

Check Number _________________________

Date of Check _________________________

Amount of Check _________________________

Purpose __________________________________

1. If you do not have the check, please check one of the following boxes:

☐ I have lost the check.

☐ I have no recollection of ever receiving the check.

Please sign and date this agreement and return to us. We will send you a new check.

Agreement: In consideration of the issuance of a new check as a replacement of the check claimed to be lost, destroyed or never received, the undersigned payee of the new check hereby agrees to indemnify and save harmless the maker of this check, its agents, successors and assigns against any claims demands and costs that may be incurred by reason of said lost or destroyed check, and the stop payment order filed with Bank to same.

__________________________   _________________________
Signature                  Date

2. If you still have the check, please return it to us with this notice. We will update the check and return it to you.

3. If you have already cashed the check, please fill in below:

__________________________
Date cashed

__________________________
Imprint Custodian
UNIVERSITY OF HAWAII
Reconciliation of Bank Statement and Imprest Checking Account Report

Date: 02 / 05 / 96
Vendor Code: X 9201000000

UH Campus/Department: School of

Custodian: John Smith

Balance as per bank statement (Date: 01 / 29 / 96) $2,668.42

Less: Outstanding checks

Balance per your check register 174.72

Plus: Replenishments claimed 458.44

Replenishments to be claimed

TOTAL IMPREST CHECKING ACCOUNT 47.86 506.30

3,000.00

* Add Shortage/Deduct Overage

Deduct Temporary Increase

PERMANENT AUTHORIZED FUND AMOUNT

* Explanation of Shortage/Overage and Correction Action:
(Unresolved discrepancies are to be reported by memorandum to the Disbursing Office.)

List of Check Numbers - Void/Stop Payments:

02460 - Stop Payment

Prepared by: Earl Brown 02/05/96
Reconciler Signature  Date

Reviewed by: Jim Jones 02/05/96
Fiscal Officer Signature  Date

General Instructions: Submit the original document to the Internal Auditor’s Office.