

Prepared by the Disbursing Office
This replaces Administrative Procedure No. A8.831
dated May 1988

A8.831
July 1996

A8.800 Disbursing/Accounts Payable and Payroll

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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)

These documents are to be maintained in office files and made available for review upon request. (Refer to A8.826 - Imprest Checking Accounts-Overview, section 5.a.6 for a complete listing of documents to be retained.)

4. Procedures - Reconciliation

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.

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 :

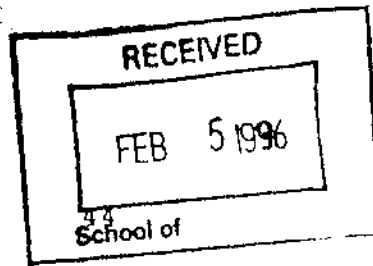
Prepared by : _____
Reconciler Signature _____ Date _____

Reviewed by : _____
Fiscal Officer Signature _____ Date _____



First Hawaiian Bank Member FDIC
Business Checking Statement

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 Attachment 2



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
			DEPOSITS	CHECKS		
44-000458	01/29/96	Z		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 (-)00
NEW BALANCE	2,668.42
MINIMUM BALANCE	2,163.73
AVERAGE BALANCE	2,495.11

CHECKING ACCOUNT ACTIVITY

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

DATE	DESCRIPTION	AMOUNT
01/21	DEPOSIT OR BANK CREDIT	740.43+
01/29	DEPOSIT OR BANK CREDIT	147.04+

DAILY BALANCE

DATE	LEDGER BALANCE	COLLECTED BALANCE	DATE	LEDGER BALANCE	COLLECTED BALANCE
01/04	2,691.69	2,691.69	01/21	2,854.11	2,113.68
01/05	2,673.66	2,673.66	01/22	2,854.11	2,854.11
01/06	2,480.32	2,480.32	01/25	2,761.39	2,761.39
01/07	2,383.57	2,383.57	01/26	2,718.21	2,718.21
01/08	2,327.57	2,327.57	01/27	2,717.06	2,717.06
01/13	2,279.57	2,279.57	01/28	2,604.76	2,604.76
01/14	2,177.72	2,177.72	01/29	2,668.42	2,521.38
01/18	2,163.73	2,163.73			

EKONOMIK CHECK AND DEPOSIT RECORD YEAR 2000

REGISTER CHECK BEFORE DRAWING

DATE	IN FAVOR OF	IN PAYMENT OF	Number	Paids on Part	Amount of Check	Yrs	Date of Deposit	Amount of Deposit	BALANCE
1995	AMOUNTS FORWARD								144136
Dec 29	The Office Place	Supplies	02778		1600	✓			129536
30	POSTMASTER	MAILING PRSES	02779		9675	✓			129861
31	LOTUS	SUBSCRIPTION	02780		4800	✓	12/30	110497	235558
31	Hopaco	Supplies	02781		1803	✓			233755
31	Hopaco	Supplies	02782		7798	✓			225957
Jan 6	Human Services	Book. Proovom Sewing	02783		1885	✓			224072
7	U.S. Sprint	LONG DISTANCE CHARGES	02784		115	✓			223957
12	LINDA CHOCK	REIMBURSEMENT	02785		4437	✓			219520
12	Calculators Hawaii	REBONS	02786		3120	✓			216400
14	Casean Enterprises	Supplies	02787		3745	✓			212652
14	Hopaco	Supplies	02788		1399	✓			211253
18	Hawaii Telephone	159-5800, 9431932	02789		6625	✓			204628
19	PWC	WOODW CLEANING	02790		10000				194628
20	CENTURY IMPRESSIONS OF HAWAII	X STAMPER	02791		1552				193076
20	NBI. THE OFFICE PLACE	DISKETTOS	02792		4318	✓			188758
20	Hopaco	SUPPLIES	02793		2647	✓			186111
21	NBI	SUPPLIES	02794		225	✓			185786
21	HAWAII TELEPHONE	946-2250	02795		8338	✓	1/21	14900	251591
22	ITT WORLD COMM. INC.	TORER CHARGES	02796		5920				245271
25	NBI	DISKETTOS	02797		6249	✓			239022
26	UNITED AERIAL SERVICE	PERASA	02798		4786	✓	1/29	14704	249370
Feb 01	MOI MAIL	MAIL	02799		1800				247570
03	Gaspro	Gaspro	02800		2933				244637

#2790		0000	
	100.00 +		0.00
#2791		#2789	
	15.52 +		66.25 +
#2796		#2790	
	59.20 +		100.00 +
0003		#2791	
	174.72 #		15.52 +
OUTSTANDING CHECKS		#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

Imprest 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 : <u>01 / 29 / 96</u>)		<u>\$2,668.42</u>
Less : Outstanding checks		<u>174.72</u>
Balance per your check register		<u>2,493.70</u>
Plus : Replenishments claimed	<u>458.44</u>	
Replenishments to be claimed	<u>47.86</u>	<u>506.30</u>
		<u>3,000.00</u>

TOTAL IMPREST CHECKING ACCOUNT

* Add Shortage/Deduct Overage

-0-

Deduct Temporary Increase

-0-

3,000.00

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 : Ed Brown 02/05/96
Reconciler Signature Date

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