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Contact Person: Executive Director of Finance and Support Services

POLICY 702.1 ESTABLISHMENT AND USE OF IMPREST CASH FUNDS

I. PURPOSE

To establish an imprest fund system.

II. GENERAL STATEMENT OF POLICY

The Superintendent will establish and maintain regulations to determine number, locations and who is responsible for imprest cash. The Superintendent will also define authorized users, disbursement processes, replenishment processes and define controls and audit processes.

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REGULATION 702.1 ESTABLISHMENT AND USE OF IMPREST CASH FUNDS

A. Establishment of Imprest Cash Funds

Each imprest cash fund must be established by the Executive Director of Finance and Support Services or the Controller, and a “custodian” of the fund must be appointed. Periodically, the Business Services Office should review these funds to determine whether they are still necessary. The designated imprest cash custodian is personally responsible for the cash entrusted to the fund.

B. Authorized Uses of Fund

By law, school districts are allowed to establish imprest cash funds. These funds are cash funds with currency in the form of coins and bills, not separate checking accounts. Using an “imprest system” you can only spend what you have in the fund and can only be reimbursed if you have receipts. Imprest cash funds are allowed for the payment of claims if “it is impractical” to pay the claims in any other manner. The law prohibits their use for salaries or personal expenses of an officer or employee.

C. Disbursements from Imprest Cash

There are two permissible methods of disbursing imprest cash funds: 1) the reimbursement method and 2) the advance method. When using the reimbursement method, an individual purchases an authorized item with personal funds, provides the original detailed vendor receipt to the imprest cash custodian, and is then reimbursed from the imprest cash fund. This method is less complicated than the advance method. There is no risk of loss of imprest cash funds due to the purchaser failing to buy the item and/or failing to submit supporting documentation for the purchase. It also allows the imprest cash fund to be replenished more quickly than with the advance method. For these reasons, the reimbursement method is generally preferred.

D. Replenishing the Imprest Cash Fund

To replace the imprest cash fund, a claim itemizing all disbursements from the fund must be presented to the Business Services Office, after disbursements are made. If the Business Services Office approves the claim, the funds’ custodian should be given payment to replenish the fund. If the Business Services Office fails to approve the claim in full, the fund’s custodian is personally responsible for the difference. When replenishing imprest cash funds, the total of the original receipts maintained by the custodian should match the amount of the replenishing check.

E. Controls over the Imprest Cash Fund

Because these are cash funds, extra security precautions need to be taken to safeguard these funds. The imprest cash custodian should properly secure the funds in a metal lock box that is maintained in a locked desk, locked cabinet, or locked safe to which access is limited.

Reconciliations of the imprest cash fund should be done by someone other than the person approving disbursements from the fund. At any time, the amount of cash on hand plus the receipts should equal the amount of the approved imprest cash fund. The original receipts should be maintained and filed as supporting documentation.

The Executive Director of Finance and Support Services or the Controller should consider adopting an imprest cash policy. The policy could describe when imprest cash funds should be used, items that may not be purchased with imprest cash funds, proper petty cash documentation, and imprest cash replenishing procedures.