

**SUBJECT: PROCEDURES FOR AUTHORIZATION, ADVANCEMENT, REIMBURSEMENT, EXPENDITURES AND CONTROL OF IMPREST CASH FUNDS AND IMPREST CHECKING ACCOUNTS**

I. PURPOSE:

The purpose of this regulation is to establish uniform policies and procedures for the utilization of Imprest Cash Funds and Imprest Checking Accounts by City departments. Authorization, advancement, reimbursement, expenditure and control of Imprest Cash Funds and checking account for all departments shall be executed in accordance with the provisions of this regulation.

II. SCOPE:

This regulation is applicable to all City departments and offices under the direction of the City Manager. In the interest of administrative uniformity, it is recommended that City elected offices and other independent offices and departments of the City comply with these procedures.

III. AMENDMENT

The City Manager may amend or update the policy, procedures and contents in this regulation in accordance with the provisions set forth in Administrative Regulation AR1-1.

IV. POLICY:

City Charter Section 804 and Municipal Code Section 3.20 are the legal basis for establishing Imprest Cash Funds. The procedures, amount, and purpose of such funds require advance approval by the City Auditor before Imprest Cash Funds can be established.

The City Manager or designee may authorize a fund amount in excess of the maximum amount per Section V. Procedures—Imprest Fund Utilization and Control, item B and may exempt certain departmental expenditures from the provisions and procedures of this administrative regulation, as long as such exemptions are not in conflict with the City Charter or Municipal Code.

V. PROCEDURES - IMPREST FUND UTILIZATION AND CONTROL:

A. *Responsibility:*

1. Full financial, legal, and compliance responsibility for each Imprest Cash Fund and Imprest Checking Account rests with the Department.
2. Departments shall formally assign a Custodian(s) for each Imprest Cash Fund and Imprest Checking Account. The name(s), contact information and location of assigned Imprest Cash Funds and Imprest Checking Accounts shall be provided via memorandum to the City Treasurer. Assignment of Custodians shall be either updated or confirmed annually (See Section V item K).

**SUBJECT: PROCEDURES FOR AUTHORIZATION, ADVANCEMENT, REIMBURSEMENT, EXPENDITURES AND CONTROL OF IMPREST CASH FUNDS AND IMPREST CHECKING ACCOUNTS**

3. The City Treasurer's Office shall maintain a list of the Custodians and locations (except for certain law enforcement funds) for each Imprest Cash Fund and Imprest Checking Account. Cash funds used in undercover operations by law enforcement may list the location as "upon request".
4. Custodians shall keep all cash locked up to safeguard the funds from unauthorized use. Access to fund shall be limited appointed custodians.
5. If a safe is available, imprest cash should be secured in the safe overnight.

**B. Amount:**

Except at the discretion the City Manager, the maximum amount of any Imprest Cash Fund in any department shall not exceed \$1,000. The authorized amount of an Imprest Cash Fund and Imprest Checking Account will be determined based on demonstrated need and frequency of use. After receiving approval from the City Auditor, department may request the establishment or adjustments to the amount of such funds from the City Treasurer. All adjustments, as well as the location of the Imprest Cash Funds, are to be approved by the City Treasurer.

**C. Maximum Expenditure:**

The maximum expenditure for any materials, supplies, advancements, reimbursements or other purchases shall not exceed \$1,000 per transaction, unless authorized by the City Manager.

**D. Establishment and Safeguarding of Imprest Checking Accounts:**

1. All Imprest Checking Accounts shall be with a bank designated by the City Treasurer.
2. A Custodian of the checks must be assigned and reported to the City Treasurer immediately upon assignment and reassignment.
3. Custodians shall keep all unused checks locked up to safeguard them from unauthorized use.
4. All checking accounts must include the City Treasurer and the City Auditor as signors.
5. The City Treasurer's Office shall maintain a list of all Imprest Checking Accounts along with the signors and designated Custodian of the checking account.
6. Any changes, additions, and/or deletions to the Custodian or signors of the checking account shall be immediately forwarded to the City Treasurer's Office for processing.
7. Imprest Checking Accounts shall be reconciled monthly. The assigned Custodian is responsible for the performance of the monthly reconciliation.

**SUBJECT: PROCEDURES FOR AUTHORIZATION, ADVANCEMENT, REIMBURSEMENT, EXPENDITURES AND CONTROL OF IMPREST CASH FUNDS AND IMPREST CHECKING ACCOUNTS**

8. The discovery of missing or tampered issued checks shall be reported immediately to the City Auditor and the City Treasurer.
9. Assignment of Custodians shall be either updated or confirmed annually (See Section V. item K).
10. Additional guidance concerning the appropriate operation and safeguarding of imprest accounts can be found at:

[http://clbnet/fm/accounting\\_/accounting/imprest\\_cash.asp](http://clbnet/fm/accounting_/accounting/imprest_cash.asp)

*E. Authorized Transactions for Imprest Funds:*

1. Purchasing, advancing or reimbursing the purchase of any materials, supplies, or equipment which are not contracted for by Purchasing on a departmental Purchase Order.
2. Processing Senior Citizen Utility Users Tax Refunds pursuant to Section 3.68.080 of the Municipal Code.
3. Reimbursing actual out-of-pocket personal expenditures when incurred on City business for the benefit of the City, but not involving overnight stays or travel outside the Los Angeles/Orange County area. Meals, however, are limited to a maximum of \$50 per person per day, excluding gratuity. Alcoholic beverages are not reimbursable. One person may be reimbursed for all persons attending.
4. See Administrative Regulation 4-1 for authorized business-related expenses and procedures for reimbursement for travel outside the area and/or overnight stays.
5. Books, subscriptions, memberships, and registrations.
6. Reimbursing emergency expenditures.
7. Refunds, including jury duty mileage, less than \$1000. (City Attorney must approve Refunds of \$1000 or more).
8. Delivery charges not associated with a Purchase Order.

All purchases must be approved by an authorized person in the Department whose signature is on file with the Department of Financial Management and the Auditor's Office. Non-emergency expenditures have to show evidence of prior approval or related to previously approved events or travel. Departments should use the Imprest Cash Fund Voucher slips obtained online under Financial Management for all expenditures. Emergency purchases must be explained. All purchases must be supported by accurate documentation, such as cash register receipts, paid copy of an invoice or charge card receipt. Receipts will not be required for expenditures where receipts are impractical or usually not given, such as taxi or bus fares, tips, etc. Handwritten notations for these will be sufficient documentation.

**SUBJECT: PROCEDURES FOR AUTHORIZATION, ADVANCEMENT, REIMBURSEMENT, EXPENDITURES AND CONTROL OF IMPREST CASH FUNDS AND IMPREST CHECKING ACCOUNTS**

*F. Items NOT Authorized for Purchase With Imprest Cash Funds:*

1. Items exceeding \$1,000.
2. Items for which the department, bureau or division making the purchase has an outstanding purchase order.
3. Federal Excise Taxes (the City is exempt).
4. Cashing of personal checks.
5. Any reimbursement for personal use, which is not directly related to the performance of City-related business. This includes purchases for employee amenities such as food, beverages and supplies, which should be paid out of employee funds.
6. Any expenditure not considered by the City Manager to be necessary to the daily operations or functional requirements of a department.
7. Personal business expenses with charges for meals in excess of \$50 per person excluding tips and alcoholic beverages. Requests for reimbursement of such expenses shall be documented and processed in accordance with Administrative Regulation 4-1.
8. Freight (usually associated with larger/higher dollar purchases) charges associated with a Purchase Order.
9. Personal services agreements.
10. Office and other machinery, equipment or furniture normally tracked on the City's Fixed Assets System.
11. Maintenance, Service or Rental Agreements.
12. Computer hardware and software materials, services and equipment.

Purchases for the above types of items will not be reimbursed. A department's Imprest Cash Fund replenishment will be reduced by the amount of the unauthorized transactions. Circumstances where employees incur unauthorized expenses out of their own pockets will not be an exception.

*G. Budget Control:*

All expenditures will be charged to appropriate departmental accounts at the time the receipts are submitted for reimbursement to its Imprest Cash Fund.

*H. Imprest Cash Fund Reimbursement and Control Procedures:*

When a departmental Imprest Cash Fund is either partially or totally depleted, the department may submit a Request for Direct Payment, together with all associated supporting documentation including invoices, bills or receipts for reimbursement to

**SUBJECT: PROCEDURES FOR AUTHORIZATION, ADVANCEMENT, REIMBURSEMENT, EXPENDITURES AND CONTROL OF IMPREST CASH FUNDS AND IMPREST CHECKING ACCOUNTS**

the Department of Financial Management, Accounts Payable Section. This Direct Payment form is to include the following language at the top of the item description space: **"Reimbursement - Imprest Cash Funds"**. All expenditures, commodity descriptions, and quantities purchased are to be listed in detail on the Direct Payment form. Appropriate expenditure organization and sub-object codes for all expenditures are to be listed in the voucher section of the Direct Payment form. Line "O" under "Description for Check Stubs" should indicate an abbreviated department name (and division if applicable) and the words "Reimbursement Imprest Cash". The Direct Payment must indicate that the check reimbursing the Imprest Cash Fund will be made payable to the department head or custodian. All signatures must be in accordance with the requirements for authorized signatures as set forth in AR 23-1.

Exhibit A attached to this regulation details the format required when processing a Direct Payment for Imprest Cash Fund reimbursement.

I. *Designation of Departmental Imprest Fund Custodian(s):*

Department heads are responsible for any Imprest Cash Fund and Imprest Checking Account assigned to their departments. Each department head shall designate, either annually or upon establishment of such funds, in lieu of themselves, a departmental Custodian(s) whose responsibility it shall be to operate, control and maintain records of all imprest fund transactions. The department head will establish the appropriate location and security measures for the imprest fund in their department.

A list of authorized departmental imprest fund Custodian(s) is to be submitted at the end of each fiscal year by each department head to the City Treasurer As set forth in section V, item K.2. Only the authorized departmental Custodian(s) or the department head shall be permitted to transact Imprest Cash Fund business. Changes in the designation of the department's Imprest Fund Custodian(s) shall be recorded with the City Treasurer, as they occur throughout the fiscal year.

J. *Procedure for Advancing Imprest Cash Funds for Expenditure:*

In situations where Imprest Cash Funds are to be advanced to an individual(s) for specific expenditures, the following procedures shall be utilized in all cases:

1. The individual(s) shall request an Imprest Cash Fund Voucher from the Imprest Cash Fund Custodian. The form shall be completed to include the individual's name, department, division, and description of the anticipated use of the funds being advanced and estimated cost. The individual receiving the advancement must sign the Imprest Cash Fund Voucher. An example of the Imprest Cash Fund Voucher is attached to this regulation as Exhibit B.

**SUBJECT: PROCEDURES FOR AUTHORIZATION, ADVANCEMENT, REIMBURSEMENT, EXPENDITURES AND CONTROL OF IMPREST CASH FUNDS AND IMPREST CHECKING ACCOUNTS**

2. The Custodian shall exchange the cash advancement for the voucher. The advancement must equal the estimated cost of the transaction(s) as indicated by the requesting individual on the voucher form.
3. It is the responsibility of the Imprest Cash Fund Custodian to ensure that all information on the Imprest Cash Fund Voucher and the individual's signature is properly completed.
4. The Custodian will place the completed voucher with the balance of the entire departmental Imprest Cash Fund.
5. The Imprest Cash Fund must at all times include available cash, paid receipts or explanations of expenditures, and/or Imprest Cash Fund Vouchers, the total of which is exactly equal to the total amount authorized for the department's Imprest Cash Fund. The following is an example of the records of a fund as directed above:

Total Departmental Imprest Cash Fund - \$500 Expenditures, Advancements, Reimbursements:

Cash	\$275
Handwritten Expenditures	210
Receipts Outstanding	10
Outstanding Vouchers	5
<b>TOTAL</b>	<b>\$500</b>

*K. Procedure for Annual Reconciliation/Verification of Imprest Cash and Imprest Checking Accounts balances:*

1. Imprest Cash Fund and Imprest Checking Account Custodians shall reconcile their assigned funds / accounts monthly. Reconciliation's should be reviewed and approved by a supervisor/manager. In the absence of an assigned Custodian, the department head is responsible for ensuring that the monthly reconciliation is completed. A record of the monthly reconciliation shall be maintained with the fund and shall be available for review and audit by internal and external auditors.
2. Annually, as part of fiscal year-end procedures, reconciliations and verification of imprest cash and Imprest Checking Account balances will be performed in September of each year.

**SUBJECT: PROCEDURES FOR AUTHORIZATION, ADVANCEMENT, REIMBURSEMENT, EXPENDITURES AND CONTROL OF IMPREST CASH FUNDS AND IMPREST CHECKING ACCOUNTS**

- a. Balances for imprest cash and imprest checking will be as of each September 30th and are due to the City Controller by October 15th.
  - b. For Imprest Checking Accounts, a copy of the August bank reconciliation shall be forwarded with the reconciliation.
  - c. The reconciliations shall be submitted on the appropriate form (see AR 23-4, Exhibits C and D). These forms may be used to meet the annual requirement to assign or confirm Custodians.
  - d. The City Controller or Designee shall review and forward the annual reconciliation's to the City Treasurer for safekeeping.
  - e. Reconciliation's shall be retained according to the records retention schedule.
- L. *Requests for Audits of Imprest Cash Funds and Imprest Checking Accounts*
1. Request for audit of any Imprest Cash Fund or Imprest Checking Account shall be forwarded to the City Auditor.
  2. It is strongly recommended that whenever there is a change in elected office or a department head, that all assigned Imprest Cash Funds and Imprest Checking Accounts be audited as part of the transition.

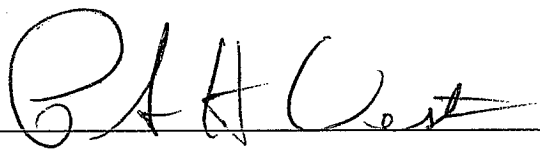
VI. Definitions:

- A. A **Custodian** is City employee who has been designated by a department head who is responsible for appropriately documenting all transactions, performing monthly reconciliations, completing reimbursement requests, preparing and submitting annual documents, and safeguarding the funds or accounts in their charge, on behalf of their department head for their assigned any Imprest Cash Fund or Imprest Checking Account.
- B. A **Signor** is a City employee who has been specifically identified as an authorized signor of an Imprest Checking Account checks and whose signature card is on hand at the bank where the checking account is located.
- C. **Handwritten Expenditures** are expenses where receipts are impractical or usually not given, such as taxi or bus fares, tips, etc. Handwritten notations for these will be sufficient documentation
- D. **Receipts Outstanding** represent expenses that have not been reimbursed and/or reconciled.
- E. A **Cash Advance** is cash that has been disbursed before a purchase for which a valid expenditure has been identified and approved. For these transactions, an

**SUBJECT: PROCEDURES FOR AUTHORIZATION, ADVANCEMENT, REIMBURSEMENT, EXPENDITURES  
AND CONTROL OF IMPREST CASH FUNDS AND IMPREST CHECKING ACCOUNTS**

imprest cash voucher is requested, filled out with pertinent details related to the proposed purchase, and signed by the recipient before the cash is disbursed.

City Manager \_\_\_\_\_



Date \_\_\_\_\_

11/12/10



<b>DP NO.90593</b>	CITY OF LONG BEACH CALIFORNIA	<b>VP</b>
DP DATE Current Date	<b>DIRECT PAYMENT</b>	Prepared By

REQUESTING OFFICIAL <p style="text-align:center;">John Doe, Director, Department Name</p>	Date Prepared
NAME TITLE DEPT	VENDOR NO.

<b>Please issue a check to the order of the following:</b>  John Doe Imprest Cash Custodian	<i>I hereby certify that this claim or demand is true and correct as stated and that the expenditure is in accordance with Administrative Regulation 23.1 of the City of Long Beach.</i>  <b>AUTHORIZED SIGNATURE</b> Payment Authorization Pursuant to Section 2.84.010 L.B.M.C.  _____ CITY PURCHASING AGENT <span style="float:right;">Date</span>
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**DESCRIPTION OF ITEMS (List authority for payment first)**

<b>REIMBURSEMENT OF IMPREST CASH FUND</b>	
Activity No. 150201: Object 095 - Equipment Repair	\$ 75.00
081 - Seminar Tapes	125.00
163 - Travel Expense	20.00
Activity No. 150202: Object 165 - Subscription	60.00
089 - Express Mailing	100.00
Activity No. 150801: Object 081 - Office Supplies	150.00
163 - GFOA Meeting	40.00
2 people attending	<u>40.00</u>
	<u>\$570.00</u>

LINE NO.	TRANS CODE	S U F	DUE DATE YYMMDD	SUBSIDIARY ACCOUNT G/L NO. SERIES NO.	ORGANIZATION CODE	OBJECT CODE	AMOUNT (NET)
1					150201	095	\$75.00
2					150201	081	\$125.00
3					150201	163	\$20.00
4					150202	165	\$60.00
5					150202	089	\$100.00
6					150801	081	\$150.00
7					150801	163	\$40.00
8							
9							
<b>Total</b>							<b>570.00</b>

<b>DESCRIPTION FOR CHECK</b>	
1	Department Name - Imprest Cash Fund
2	
3	
4	
5	
6	
7	
8	
9	





# CITY OF LONG BEACH IMPREST CHECKING ACCOUNTS

## SCHEDULE B

To be Completed at Each Change in Custodian and Annually as of August 31. Due October 15

Prepare a Separate Schedule B for each Imprest Checking Account

Department:

### ASSIGNMENT OF THE ACCOUNT CUSTODIAN(S)

Contact Name:

Alternate:

Phone No:

Phone No:

Email:

@ longbeach.gov

Email:

@ longbeach.gov

### CHECKING ACCOUNT INFORMATION

Account Number:

Account Name:

Bank Name:

Phone No:

Street Address:

City:

Zip Code:

Account Status:

Open and Active

Open and Inactive

Closed

If Closed, Date Closed:

### LOCATION OF IMPREST CHECKS

Street Address:

Please Describe how the Checks are Locked up or Secured:

### YEAR-END IMPREST CHECKING ACCOUNT REQUIREMENTS AND QUESTIONNAIRE

Attach the following to this Schedule:

August 31 Bank Statement

August 31 Bank Reconciliation (See page 2 of Schedule B)

FAMIS GL 102

Subsidiary Account:

August 31 FAMIS

Subsidiary Account Balance:

1 Please provide a detailed explanation and purpose of the account.

2 Please provide a detailed explanation as to why the City's Accounts Payable account can not be used?

3 Excluding replenishment by the City, what is the source and nature of the deposits for this account (if applicable)?

**IMPREST CHECKING BANK RECONCILIATION**

Department:

Account Number:

Reconciliation For the Month Of:

Bank Statement Date:

Bank Statement Balance:

**Add: Outstanding Deposits**

Date		Amount	Date		Amount	Total:
1	<input type="text"/>	<input type="text" value="-"/>	6	<input type="text"/>	<input type="text" value="-"/>	
2	<input type="text"/>	<input type="text" value="-"/>	7	<input type="text"/>	<input type="text" value="-"/>	
3	<input type="text"/>	<input type="text" value="-"/>	8	<input type="text"/>	<input type="text" value="-"/>	
4	<input type="text"/>	<input type="text" value="-"/>	9	<input type="text"/>	<input type="text" value="-"/>	
5	<input type="text"/>	<input type="text" value="-"/>	10	<input type="text"/>	<input type="text" value="-"/>	

**Deduct: Outstanding Checks**

Number	Amount	Number	Amount	Number	Amount
1	<input type="text" value="-"/>	11	<input type="text" value="-"/>	21	<input type="text" value="-"/>
2	<input type="text" value="-"/>	12	<input type="text" value="-"/>	22	<input type="text" value="-"/>
3	<input type="text" value="-"/>	13	<input type="text" value="-"/>	23	<input type="text" value="-"/>
4	<input type="text" value="-"/>	14	<input type="text" value="-"/>	24	<input type="text" value="-"/>
5	<input type="text" value="-"/>	15	<input type="text" value="-"/>	25	<input type="text" value="-"/>
6	<input type="text" value="-"/>	16	<input type="text" value="-"/>	26	<input type="text" value="-"/>
7	<input type="text" value="-"/>	17	<input type="text" value="-"/>	27	<input type="text" value="-"/>
8	<input type="text" value="-"/>	18	<input type="text" value="-"/>	28	<input type="text" value="-"/>
9	<input type="text" value="-"/>	19	<input type="text" value="-"/>	29	<input type="text" value="-"/>
10	<input type="text" value="-"/>	20	<input type="text" value="-"/>	30	<input type="text" value="-"/>

Total:

Adjusted Bank Statement Balance:

FAMIS Balance:

Add: Unrecorded Bank Activity (i.e., interest earned, etc.):

Deduct: Unrecorded Bank Activity (i.e., bank service charges, etc.):

Adjusted Balance:

Amount of Variance (Provide Explanation):

Prepared By:

Phone No:

Department Approved By:

Date:



# CITY OF LONG BEACH IMPREST CASH ACCOUNTS SCHEDULE C

To be Completed at Each Change in Custodian and Annually as of September 30. Due October 15

Prepare a Separate Schedule C for Each Imprest Cash Account

Department:

### ASSIGNMENT OF THE ACCOUNT CUSTODIAN(S)

Contact Name:

Alternate:

Phone No:

Phone No:

Email:

 @ longbeach.gov

Email:

 @ longbeach.gov

### IMPREST CASH ACCOUNT INFORMATION

FAMIS GL 102

Subsidiary Account:

FAMIS Subsidiary

Account Balance:

 -

Authorized Amount for Imprest Cash Account:

 -

\*Amount authorized by the City Treasurer or City Manager if over \$1,000

### LOCATION OF IMPREST CHECKS

Street Address:

Please Describe how the Cash is Locked up or Secured:

### YEAR-END IMPREST CHECKING ACCOUNT REQUIREMENTS AND QUESTIONNAIRE

1 Please provide a detailed explanation and purpose of the account

2 Please provide a detailed explanation as to why the City Treasury's Accounts Payable account can not be used?

3 Excluding replenishment by the City, what is the source and nature of the deposits for this account (if applicable)?

## IMPREST CASH ACCOUNT RECONCILIATION

Department:

FAMIS GL 102  
Subsidiary Account:

FAMIS Subsidiary  
Account Balance:  -

Reimbursements not converted to cash:

Cash on Hand:  -

	Date	Amount
1	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
2	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
3	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -

Total Reimbursements:  -

Disbursements Not Yet Recorded:

	To	Amount
1	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
2	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
3	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
4	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
5	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
6	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
7	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
8	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
9	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
10	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
11	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
12	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
13	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
14	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -
15	<input style="width: 95%; height: 20px;" type="text"/>	<input style="width: 95%; height: 20px;" type="text"/> -

Total Disbursements Not Yet Recorded:  -

Total Imprest Cash (must equal imprest account balance):  -

Amount of Variance (Provide Explanation Below ):  -

Prepared By:

Phone No:

Department Approved By:

Date: