

CHAPTER 11

RESPONSIBILITIES FOR IMPREST FUNDS

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11-01 PURPOSE

This chapter defines the responsibilities for establishing and managing imprest funds by the National Oceanic and Atmospheric Administration (NOAA) and its cross-serviced agencies.

11-02 SCOPE

This policy is applicable to all components of NOAA/cross-serviced agencies to which funds are available.

11-03 AUTHORITY

- Title 31 CFR, Part 208: Management of Federal Agency Disbursements, provides the provision that all payments must be made by Electronic Funds Transfer (EFT). Title 31 CFR, Part 208 is available online at: <https://www.govinfo.gov/content/pkg/CFR-2018-title31-vol2/pdf/CFR-2018-title31-vol2-part208.pdf>
- U.S. Department of Treasury (USDT), Treasury Financial Manual, Volume I, Part 4A, Chapter 3000, Requirements for Scheduling Payments Disbursed by the Bureau of Fiscal Service prescribes requirements for disbursing transactions, as well as scheduling and classifying domestic and international payments disbursed by the Bureau of Fiscal Service. Chapter 3000 is available online at: <https://fpm.fiscal.treasury.gov/v1/p4/ac300.html>

- U.S. Department of Commerce (DOC), Cash Management Policies and Procedures Handbook, Chapter 6, Cash Held Outside Treasury discusses regulations governing the administration of cash held outside the U.S. Treasury. Chapter 6 of the handbook is available online at:
http://www.osec.doc.gov/ofm/cash/Final_Ch_6_Cash_Mgmt_Hdbk_Cash_Held_Outside_Treasury_5-23-19.pdf
- DOC, Cash Management Policies and Procedures Handbook, Chapter 9, Cash Management Review and Reporting Requirements provides guidance on reporting requirements and monitoring of imprest funds. Chapter 9 of the handbook is available online at:
http://www.osec.doc.gov/ofm/cash/Final_Ch_9_Cash_Mgmt_Hdbk_Cash_Mgmt_Review_Rep_Reqrements_5-23-19.pdf
- Bureau of the Fiscal Service, Department of the Treasury, Regulations & Guidance Imprest Funds Policy Directive

11-04 POLICY

Federal agencies are required to eliminate imprest funds in accordance with the Department of Treasury's *Regulations & Guidance Imprest Funds Policy Directive*. Imprest funds may only be used when:

- A payment by electronic funds transfer (EFT) is waived in accordance with the provisions of 31 CFR 208, Management of Federal Agency Disbursements, at §208.4 Waivers, *and*,
- Payments involve national security interests, military operations, or national disasters;
- Payments are made in furtherance of a law enforcement action;
- The amount owed is less than \$25;
- The political, financial, or communications infrastructure of a foreign country does not support payment by a non-cash mechanism; or
- Payments are made in emergencies, or in mission critical circumstances, that are of such an unusual and compelling urgency that the Government would otherwise be seriously injured, unless payment is made by cash.

Treasury regulations require recipients of Federal nontax payments to receive payment by EFT. "Federal payment" means any nontax payment made by an agency, including, but not limited to, Federal wage, salary, and retirement payments; vendor and expense reimbursement payments; benefit payments; and miscellaneous payments. However, waivers can be granted for certain conditions. Imprest funds may only be used when the EFT requirement has been waived.

11.04.01 ESTABLISHING AND INCREASING IMPREST FUNDS

Any request for the establishment or increase of a NOAA imprest fund must be approved by the Director, Finance Office/Comptroller prior to the establishment or increase. Only one imprest fund may be established at any one location. Currently, only NOAA ships have waivers in place to operate imprest funds.

Once operating under such waiver, an imprest fund should satisfy a continuing need for making limited value cash or non-cash disbursements in lieu of processing check disbursements.

Establishing an Imprest Fund

A request to establish a ship imprest fund should be sent by memorandum addressed to the Director, Finance Office/Comptroller, and must come through the servicing Operations Branch, Accounting Operations Division (AOD) who is responsible for replenishing and auditing the fund. The memorandum request must be signed by the Line/Staff Office Chief Financial Officer and should state clearly why the imprest fund is needed and how the fund amount was determined. The request must be accompanied with Appendix A (OF 211) "*Request for Change or Establishment of Imprest Fund.*" The servicing Operations Branch, AOD will sign Section VI prior to submission to Director, Finance Office/Comptroller. Sufficient time should be allowed between the submission date and the effective date of the designation to allow for processing of the request.

Increasing an Imprest Fund

To determine the need for increases to imprest funds, approving officials should review cash requirements based on actual usage at least every six (6) months. The review should consist of an analysis of the types of payments the fund is used for and the frequency of those payments to determine if:

- The imprest fund is being used for valid disbursements;
- The fund's needs and activities are being monitored on an on-going basis;
- Increasing the fund level is appropriate in relation to the activity of the fund;
- Reimbursement vouchers are being submitted timely;
- The duties of the cashier(s) are properly segregated to prevent the opportunity for fraud; and
- The safeguards for the fund are adequate.

Similar to a request for a new imprest fund, a memorandum requesting an imprest fund increase should be addressed to the Director, Finance Office/Comptroller and come through the servicing Operations Branch, AOD. The memorandum request must be signed by the Line Office Chief Financial Officer, clearly state why the increase is needed, and how the additional need was determined. Appendix A (OF 211) must accompany the memorandum request. The servicing

Operations Branch, AOD will sign Section VI of the Appendix A (OF 211) allowing sufficient processing time for the effective date of the increase. In addition, Appendix B “*Request for Change of Imprest Fund*” should be completed and submit with the requested memorandum and Appendix A (OF 211). A copy of the completed Appendix A (OF 211) will be forwarded to the servicing Operations Branch, AOD for their records.

11.04.02 SHIP IMPREST FUNDS REIMBURSEMENTS

The imprest fund-authorizing official may authorize the submission of an electronic copy of an imprest fund reimbursement voucher and supporting documentation. The appropriate ship imprest fund personnel should electronically submit (either by fax or as a scanned attachment to an e-mail) the imprest fund reimbursement voucher and supporting documentation to the NOAA Office of Marine and Aviation Operations (OMAO).

After appropriate verification of authenticity and any additional required internal OMAO review and approval processing, OMAO should submit the electronic copy of the reimbursement voucher and supporting documentation to the NOAA Finance Office for review and payment processing. The NOAA Finance Office will process the electronic reimbursement voucher in accordance with established procedures.

The original reimbursement voucher and supporting documentation should be maintained on the ship for a minimum of two years so that it will be available for audit by the NOAA Finance Office. The NOAA Finance Office will compare, for agreement, the original documents to the previously submitted non-original (electronic) documents. Any discrepancies must be explained and resolved. After the two-year period, the original reimbursement voucher and documentation can be relocated to an OMAO facility and kept according to record retention requirements.

11.04.03 IMPREST FUND ANNUAL AUDIT

The contact memorandum and Appendix C, “*Imprest Fund Annual Audit and Questionnaire*” will be used along with Appendix D, *Form CD-422 “Cashier Account Audit”* and Appendix E, *Form CD-423 “Imprest Fund Verification”* to ensure that there is sufficient documentation to support the imprest fund account audit. The two-part “*Imprest Fund Annual Audit and Questionnaire*” (Appendix C) requires the imprest fund cashier and fund manager to answer key questions concerning their knowledge of imprest fund policy and procedures. The imprest fund cashier and fund manager have the primary responsibility for making sure that imprest funds are being used properly and all items purchased are officially necessary.

11.04.04 LIQUIDATING IMPREST FUNDS

When an imprest fund is not being operated in compliance with the requirements of this policy or the *DOC Cash Management Policies and Procedures Handbook*, (CMPPH) Chapter 6, it should be liquidated. The primary responsibility for recommending and effecting an involuntary liquidation of an imprest fund rests with the imprest fund-approving official. The NOAA Finance

Office, Financial Policy and Compliance Division (FCPD) may also recommend and effect liquidation of an imprest fund.

Liquidation of an imprest fund can be accomplished either by not replenishing reimbursement vouchers or by billing the imprest fund cashier for the remaining balance. The cash and/or uncashed check(s) must then be immediately returned to the servicing Operations Branch, AOD. See CMPPH, Chapter 6, Section 13.0 for procedures to liquidate imprest funds.

11-05 RESPONSIBILITIES

11.05.01 RESPONSIBILITIES OF APPROVING OFFICIALS AND CASHIERS

Upon approval of an imprest fund exception, the Director, Finance Office/Comptroller shall designate an approving official for the imprest fund. The approving official has the primary responsibility for appointing a cashier and ensuring that the imprest fund is used properly. CMPPH Chapter 6 lists the responsibilities of imprest fund approving officials and cashiers.

11.05.02 RESPONSIBILITIES OF THE NOAA FINANCE OFFICE

Accounting Operations Division

The Accounting Operations Division is responsible for:

- Reimbursing imprest funds in an accurate and timely manner following Department of Treasury, DOC, and NOAA policies for imprest funds;
- Conducting annual audits of ship imprest funds which includes comparing the original documents maintained by OMAO on a ship or at a facility to the previously-submitted non-original (electronic) documents;
- Ensure administrative audits are being completed by the ship on the non bi-annual audited year at the request of the servicing Operations Branch; and
- Notifying FPCD of any recommended fund liquidation or reduction.

Financial Policy and Compliance Division

The NOAA Finance Office, FCPD is responsible for policy and oversight of imprest funds, but is not responsible for their operation or management. Specifically, the imprest fund responsibilities of the NOAA FCPD include:

- Issue and interpret policy;
- Review and refer, when appropriate, requests for changes and exceptions to the policies and procedures contained in CMPPH, Chapter 6 to the DOC Office of Financial Management

11-06 EFFECT ON OTHER ISSUANCES

This chapter supersedes NOAA Finance Handbook Chapter 11, dated November 15, 2016.