

## Finance and Accounting Manual

### Imprest Bank Account Procedures

Approved by the Chief Financial Officer on 10 December 2010

Date of effect: 1 January 2011

Updated for Delegation amendment: 4 October 2011

Updated: 25 September 2012

Updated for Delegation amendments: 17 February 2014

Updated for Delegations: 29 May 2017 (commencing 1 June 2017)

Administrative amendments: 29 May 2017

#### 1. Overview

##### 1.1 Background

An imprest bank account allows urgent manual cheque payments for goods and services to be made locally. In most instances payments for good and services are to be made through a Corporate Card or through Accounts Payable. The imprest account cannot be used for payments normally made through the payroll system.

##### 1.2 Coverage

These procedures apply to all University staff involved in managing imprest bank accounts including approving imprest cheque payments, accounting and processing recoups.

#### 2. Procedures and Guidelines

##### 2.1 General Information

The [Procurement Policy](#) must be read in conjunction with these procedures.

The dollar limits/amounts shown in the University's policies and procedures are GST inclusive unless otherwise stated.

##### 2.2 Establishing an Imprest Bank Account

- (i) An application to establish an Imprest Bank Account must be made by the Finance Director/Associate Director Finance and forwarded to the Financial Control and Treasury (FCT) for referral to the Chief Financial Officer for approval. The application (memorandum) should include:
  - (a) the monetary level of the imprest account sought;
  - (b) the maximum individual payment amount anticipated;
  - (c) the expected types of payments to be made;
  - (d) the reasons why the normal University payment procedure cannot be used;
  - (e) the name, position, contact phone number, business address and specimen signature of the person who will manage the imprest account (Imprest Bank Account Officer);

- (f) the name, position and specimen signature of other signatories for the account;
  - (g) the chart of accounts code (classification 0027 Imprest Account Advance plus responsibility centre and project code). The relevant Finance Team can assist departments with the account number to be charged for the imprest bank account.
- (ii) Once approved the Imprest Bank Account Officer and the signatories to the account should undertake a 100-point ID check with National Australia Bank (NAB).
  - (iii) Financial Control and Treasury will organise with the bank to open the new bank account. The bank will send the cheque book as well as monthly bank statements to the department address nominated.
  - (iv) Financial Control and Treasury will notify Accounts Payable to establish a new vendor for the NAB imprest bank account showing the BSB and bank account number as the name of the vendor. Accounts Payable will notify the Imprest Bank Account Officer of the vendor number created to be used in all imprest recoups.
  - (v) Financial Control and Treasury will arrange the first payment to the account by Accounts Payable. The payment will be up to the maximum limit of the imprest bank account for the department/unit. A Payment Request form for the amount of the approved limit along with the new vendor number, classification 0027 Imprest Account Advance and responsibility centre and project codes will be sent to Accounts Payable for payment.
  - (vi) Financial Control and Treasury will update the schedule of University bank accounts to reflect the opening of the account, detailing: the name of the department/unit, the date of issue of the account, the account and class charged, the name of the Imprest Bank Account Officer in the department/unit and the list of cheque signatories.
  - (vii) Financial Control and Treasury must be notified of a permanent change in the Imprest Bank Account Officer or a change of signatories and the new officer(s) will be required to complete a standard 100 point ID check with the bank.

### **2.3 Paying Claims using the Imprest bank account**

- (i) An imprest bank account allows urgent manual cheque payments for goods and services to be made locally. However, to reiterate, the imprest account **cannot** be used for payments normally made through the payroll system.
- (ii) An invoice or Payment Request form must be prepared and approved for each claim in accordance with the procedures outlined in [Payment Procedures](#).
- (iii) The Imprest Bank Account Officer verifies that the invoice or Payment Request form has been correctly completed and approved by a delegated officer and that original receipts/supporting documentation is attached.
- (iv) A cheque is written out for the supplier and two signatures are required by the authorised imprest cheque signatories. The Imprest Bank Account Officer must stamp or mark all the invoices, Payment Request forms, receipts/supporting documentation “PAID BY IMPREST” to prevent re-use of the receipts. The cheque is sent or given to the supplier.

- (v) Bank charges should be included in the Imprest Recoup as an expense against the department.
- (vi) The Imprest Bank Account Officer must ensure there are sufficient funds in the account to cover all cheques issued. Imprest accounts must not run into deficit. Cheques cannot be issued in excess of the maximum amount approved when the account was established.

#### **2.4 Imprest Bank Account Recoup**

- (i) The Imprest Bank Account Officer should review the amount of funds remaining in the bank account and when approximately half has been expended, prepare a recoup as outlined below. All Imprest Bank Account Officers must submit a recoup at least monthly to ensure the imprest transactions are included in the university's financial system and reports.
- (ii) The Imprest Bank Account Officer prepares [Imprest Summary Request for Recoup](#) form and completes the six sections included on the form.
- (iii) All invoices and Payment Request forms and their receipts/supporting documentation must be attached to the recoup form.
- (iv) The form must be signed by the Finance Director/Associate Director Finance or delegated officer. The Delegated Officer must ensure that Sections 1 to 5 have been completed by the Imprest Bank Account Officer before approving the request for recoup.  
The Imprest Officer and Delegated Officer cannot be the same person.
- (v) The approved Imprest Summary Request for Recoup form and attachments are then sent to Accounts Payable for payment.
- (vi) Accounts Payable will check that all documents are attached and the form fully completed before processing the form as a voucher for payment in the finance system.

#### **2.5 Unpresented Cheques**

- (i) The Imprest Bank Account Officer must review monthly the unpresented cheques that are over 15 months old.
- (ii) Annually in June, the Imprest Bank Account Officer must transfer the unpresented cheques that are in excess of 15 months old to the University's Unclaimed money account.
- (iii) A cheque should be drawn from the Imprest account made payable to The University of Sydney for the total amount of the unpresented cheques issued the previous calendar year. Details are to be provided on an excel spreadsheet including:
  - cheque number
  - cheque date
  - amount
  - payee
  - address
  - reason for payment

The cheque and excel spreadsheet lists are to be sent to Financial Control and Treasury together with a signed statement from the Finance Director/Associate Director Finance that the “Details of the unclaimed moneys included in these schedules are accurate”.

- (iv) The Imprest Bank Account Officer will deposit the imprest cheque to the University’s unclaimed money account. Note: Financial Control and Treasury maintains a list of cheques/payments that have been transferred to the University’s unclaimed money account. Payments into the University’s unclaimed money account are transferred to NSW Treasury after 6 years from the cheque date.
- (v) Departments/suppliers can access any payments in the University or NSW Treasury Unclaimed Money accounts at any time in the future. Financial Control and Treasury can provide assistance if necessary
- (vi) Additional information on Unclaimed Money can be found in [Unclaimed Money Procedures](#).

## **2.6 Varying the amount of the imprest account**

- (i) If the level of the imprest account established exceeds current requirements, the level of the account should be reduced. As a guideline, if half of the imprest is not used monthly then the account exceeds current requirements, allowing for seasonal requirements. It is the responsibility of the Imprest Bank Account Officer to review the level of the imprest account and to formally advise the Finance Director/Associate Director Finance of the need to reduce the account.
- (ii) Financial Control and Treasury must be notified of the reduction to the account.
- (iii) Once the Finance Director/Associate Director Finance approves the reduction to the imprest account, the Imprest Bank Account Officer issues a cheque for that amount payable to The University of Sydney and deposits it through the University Cashier.
- (iv) For an increase to the level of an imprest account the Finance Director/Associate Director Finance must send a request together with the reasons for the increase to Financial Control and Treasury. The Chief Financial Officer must approve all increases in the level of an imprest bank account.

## **2.7 Closure of the Imprest Account**

- (i) Financial Control and Treasury must be advised when the imprest account is no longer required.
- (ii) An Imprest Recoup must be completed for any claims paid that have not been recouped. This will restore the balance of the imprest account to the approved limit.  
A cheque should be drawn for the entire balance in the imprest account, addressed to The University of Sydney and sent to the University Cashier.
- (iii) Financial Control and Treasury will check that the return of the float is reflected in the University’s main bank account and in the General Ledger.
- (iv) Financial Control and Treasury will then make a recommendation to the Chief Financial Officer to close the imprest bank account. Once approved Financial Control and Treasury will notify the bank to close the account and update the schedule of University bank accounts.

## 2.8 Delegations

Delegations of authority in relation to bank accounts are detailed in part 6.14 of the [University of Sydney \(Delegations of Authority – Administrative Functions\) Rule 2016](#) and in parts 6.3, and 6.4 and 6.5 for the acquisition of goods and services.

## 3. Internal Controls

### 3.1 Responsibilities/Accountability

<i>Officers</i>	<i>Responsibilities</i>
Chief Financial Officer	<ul style="list-style-type: none"><li>• Approve the establishment, closure and variation to the limit of imprest bank accounts</li></ul>
Financial Control and Treasury	<ul style="list-style-type: none"><li>• Advice to the bank on the establishment or closure of imprest bank accounts</li><li>• Maintenance of a central schedule of University imprest bank accounts</li></ul>
Accounts Payable	<ul style="list-style-type: none"><li>• Creation of a vendor for the imprest bank account in Accounts Payable</li><li>• Payment on establishment and subsequent appropriate authorised recoup requests</li></ul>
Imprest Bank Account Officer	<ul style="list-style-type: none"><li>• Correct payment of claims</li><li>• Accurate preparation of the Imprest Recoup</li><li>• Safe custody of the cheque book</li><li>• Ensures the account has enough funds to avoid overdraft</li><li>• Reconciliation of the bank account with the ledger</li><li>• Reporting events of theft or variances in the imprest reconciliation</li></ul>
Finance Director/Associate Director Finance with an Imprest Bank Account	<ul style="list-style-type: none"><li>• Advice to Financial Control and Treasury to establish, close or vary the amount of the imprest bank account for their department</li><li>• Checking and approving the Imprest Recoup</li></ul>

## 4. Related Information

### 4.1 Resources and weblinks.

#### (i) Training Materials

#### (ii) References

- [University of Sydney \(Delegations of Authority – Administrative Functions\) Rule 2016](#)  
sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2011/72&RendNum=0
- [Finance and Accounting Manual](#)  
sydney.edu.au/finance/about/manual.
- [Payment Procedures](#)  
sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2011/37&RendNum=0
- [Procurement Policy](#)  
sydney.edu.au/finance/docs/procurement\_policy.pdf

- [Unclaimed Money Procedures](http://sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2011/44&RendNum=0)  
sydney.edu.au/policies/showdoc.aspx?recnum=PDOC2011/44&RendNum=0

**(iii) Forms**

- [Imprest Summary Request for Recoup](http://sydney.edu.au/finance/docs/recoup_imprest.xls)  
sydney.edu.au/finance/docs/recoup\_imprest.xls
- [Payment Request](http://sydney.edu.au/finance/docs/payment_request.xls)  
sydney.edu.au/finance/docs/payment\_request.xls

**4.2 University procedures superseded or replaced by this procedure:**

- (i) Finance and Accounting Manual
- Imprest Bank Account Procedures: 1 June 2005

**5. Contact and Review**

**5.1 Contact**

Unit: Financial Control and Treasury Unit  
Phone: 9351-5891  
Fax: 9351-5861

**5.2 Review**

The Chief Financial Officer will approve changes to financial procedures and guidelines and will co-ordinate changes to financial policy, with the Vice-Chancellor delegated to approve University financial and infrastructure policy.

Amendments to forms, schedules and weblinks will be processed by Financial Services.

Amendments to the Finance and Accounting Manual procedures and forms are listed on the Financial Services website under:-

- [FAM Amendments](#)
- [Amendments to Forms](#)

Please forward suggestions and comments on the Finance and Accounting Manual via the [Feedback Form](#).