
PROCUREMENT AND DISBURSEMENT SYSTEMS

BANK ACCOUNTS/REMOTE IMPREST FUNDS

SUMMARY

A remote imprest fund is an advance of University funds to an individual custodian located in an underdeveloped country where banking and postal services, or local business practices, make it impractical to make payments directly. A remote imprest fund provides a mechanism for making on-site disbursements, while maintaining adequate internal controls, accounting for activities, and reporting financial data in a timely manner.

It is recommended that a checking account be established at the site of operations in the foreign country. The checking account may be in the name of the custodian or in the name of the project, depending upon local business practices, but may not be in the name of the University. The only allowable deposits to the checking account are University checks and wire transfers issued as replenishments to the fund. The only allowable disbursements are those that support program activity. Personal advances and reimbursements are not allowed.

The amount of the fund is determined by the requesting department, based upon expected expenditures, and may not exceed four months' worth of activity. The requesting department submits Form B-29 (Petty Cash Action Form) to the appropriate divisional business office (DBO) which recommends approval of the request for establishing the remote imprest fund. The DBO also recommends approval of changes and closing of the funds. The DBO forwards the forms to the Accounts Payable Department of the Controller's Office for final approval and processing.

Activity of allowable expenditures must be reported, substantiated, reviewed, and approved monthly in order to receive a replenishment of funds. Funds may be replenished in U.S. dollars or other foreign currencies. Funds may be sent via check, wire transfer, or foreign draft to the custodian's bank account, depending upon circumstances.

A remote imprest fund may be established to track activity of one project only or to provide on-site cash disbursements to multiple projects at a single foreign location. Expenditures are charged to accounts when the Replenishment Report (Form B-31) is completed. Transactions appear on the monthly expenditure statements and in the online account inquiry system (AINQ).

The custodian of record has direct access to the cash or checking account and is located at the foreign site. The budget administrator may be located in the United States. If the custodian and budget administrator decide to have two individuals named on the account for signature authority, the custodian of record still maintains full responsibility for the fund.

INTERNAL CONTROLS

OBJECTIVES

- Control over University assets
- Control over cash
- Appropriate use of funds
- Secure location to store fund's cash and checks

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INTERNAL CONTROLS, CONTINUED

RISKS

- Non-compliance with University policies and agency regulations
- Theft of funds
- Misuse of funds/fraud
- Personal liability

AUDIT CHECKLIST

	Has the remote imprest fund been properly authorized and approved (are completed Petty Cash Forms B-29 and B-30 on file)?
	Has the fund's custodian received adequate instruction from the divisional business office relating to policies, procedures, and responsibilities?
	Are the remote imprest fund and/or unissued checks kept in a secure place?
	Is the fund used for the intended business purpose?
	Are all remote imprest fund disbursements supported by a purchase receipt or other appropriate documentation?
	Does the budget administrator, as well as the custodian, review expenditures for appropriateness and compliance?
	Is the authorized fund amount equal to the total amount of expenditures reimbursed over a typical four-month period?
	Is the size of the fund reviewed periodically to determine whether it should be increased or decreased?
	If a checking account has been established <ul style="list-style-type: none">• is the account not in the name of the University?• is the bank statement for the checking account reconciled monthly?• are bank statements kept on file for three or more years?
	Have inactive remote imprest fund accounts been closed?

RESOURCES FOR ASSISTANCE

Accounts Payable Manager, Office of the Controller, 410-516-6691
Divisional Business Offices
(see list of addresses and phone numbers in Offices to Contact section)