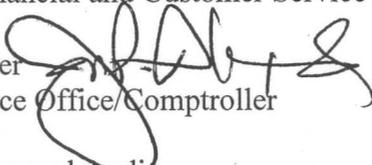




UNITED STATES DEPARTMENT OF COMMERCE  
National Oceanic and Atmospheric Administration  
NOAA FINANCE AND ADMINISTRATION

JAN 8 2007

MEMORANDUM TO: Mathew Grow  
Chief, Field Financial and Customer Service Division

FROM: Jon P. Alexander   
Director, Finance Office/Comptroller

SUBJECT: Imprest Fund Annual Audit  
Policy Memorandum 08-02

**Background:** Chapter 6, Section 14.14 of the Department of Commerce, Cash Management Policies and Procedures Handbook (CMPPH) requires an audit of each imprest fund account be conducted annually.

**Purpose:** The purpose of this policy memorandum is to establish policy concerning the use of the contact memorandum and Annual Imprest Fund Audit Questionnaire to facilitate the annual audit of an imprest fund account.

**Policy:** The contact memorandum and "Annual Imprest Fund Audit Questionnaire" will be used along with Form CD-422 "Cashier Account Audit" and Form CD-423 "Imprest Fund Verification" to ensure that there is sufficient documentation to support the imprest fund account audit. The two-part "Annual Imprest Fund Audit Questionnaire" 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.

Attachments

Date

MEMORANDUM FOR: Imprest Fund Manager

FROM: "Contact Name"  
(Insert Branch Name) Finance Branch  
Field Financial and Client Services Division

SUBJECT: Imprest Fund Annual Audit

In accordance with regulations, an audit of every imprest fund will be scheduled during each fiscal year, unless an audit has been performed during the fiscal year by the Office of the Inspector General. An audit includes, but extends beyond, the verification of cashier funds.

This audit is of high priority and must be completed within 15 days and returned to the NOAA Finance Office listed below by (Insert Date). This audit will be reviewed by the NOAA Finance Office, (Insert Branch Name) Finance Branch, Field Financial and Client Services Division and questions or comments will be directed to the fund manager. The next physical audit performed by the NOAA Finance Office will include the review of this audit to validate the information provided.

If the audit cannot be completed within the time limit, an explanation of the reason for this should be sent to the Chief, (Insert Branch Name) Finance Branch, and Chief, Field Financial and Client Services Division.

Attached are copies of the Cashier Account Audit (Form CD-422), Imprest Fund Verification (Form CD-423) and a questionnaire to serve as documentation to support the annual audit of the (Insert Name of Fund) Imprest Fund. The questionnaire is in two parts, part one to be filled out by the cashier and part two by the fund manager.

Your cooperation in submitting the report referenced above will be appreciated. Upon completion of audit, please return Forms CD-422 and CD-423 with questionnaire to:

U.S. Department of Commerce NOAA  
NOAA Finance Office  
Chief, (Insert Branch Name) Finance Branch  
Field Financial and Client Services Division  
(Insert Address)

If you have any questions concerning this audit, please contact (Insert Name) at (Insert Phone #).

Attachments

ANNUAL IMPREST FUND AUDIT QUESTIONNAIRE

Imprest Fund # \_\_\_\_\_ Authorized Fund Level \$ \_\_\_\_\_  
Cashier: \_\_\_\_\_ Telephone \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_ Interviewed by: \_\_\_\_\_  
(Signature)

PURPOSE: This questionnaire serves as documentation to support the annual audit of the Imprest Fund. At the request of the (Insert Branch Name) Finance Branch, Field Financial and Client Services Division the responsible person will interview the cashier, complete and sign the questionnaire.

The completed questionnaire should be sent to the (Insert Branch Name) Finance Branch, Field Financial and Client Services Division along with the Imprest Fund Quarterly Verification form CD-423.

PROCEDURES:

Close the imprest fund (also alternate and sub cashiers) during cash verifications to prevent cash withdrawals and deposits or alterations of the records.

In the presence of the responsible imprest fund cashier, and when possible a third party witness, inventory all cash and documentation and complete this questionnaire. Have the cashier and the third party sign the Imprest Fund Verification form CD-423.

Determine the location of safes and metal cash boxes, which contain cash and receipts accountable to the Imprest Fund Cashier.

Cash locations: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Ascertain the identity of any alternate or sub cashiers. Obtain and attach copies of their delegations.

Alternate: \_\_\_\_\_  
Alternate \_\_\_\_\_  
Sub cashier: \_\_\_\_\_  
Sub cashier \_\_\_\_\_

Take immediate measures to complete the questionnaire for the alternates and sub cashier's funds. If applicable

**PART ONE**

Information to be provided by the Cashier:

**FUND BALANCE**

YES   NO   N/A

Objective: Determine if the fund advance is excessive for the current fund usage.

- |   |     |     |     |
|---|-----|-----|-----|
| 1. Are replenishment checks held until cash is needed?      | ___ | ___ | ___ |
| 2. Are replenishment check held uncashed more than 90 days? | ___ | ___ | ___ |

**SAFEKEEPING FACILITIES AND PRACTICES**

YES   NO   N/A

Objective: To evaluate the adequacy of physical safeguards and practices used to protect imprest funds.

- |   |     |     |     |
|---|-----|-----|-----|
| 1. Is the cashier located in an area which afford security for the assigned fund?<br>If no, explain.  | ___ | ___ | ___ |
| 2. Is a metal cash box with combination lock or key arrangement provided for each cashier?  | ___ | ___ | ___ |
| 3. Are funds of \$300 or more kept in a locked cash box and stored in a U.S. Government approved safe with a 3-tumbler combination lock?                | ___ | ___ | ___ |
| 4. Are funds of less than \$300 stored in a file cabinet with a bar and combination lock?   | ___ | ___ | ___ |
| 5. Does the cashier personally set the combination when it is changed?  | ___ | ___ | ___ |
| 6. Has the safe combination and duplicate cash box key been placed in a sealed, signed and dated envelope and given to the designated security officer? | ___ | ___ | ___ |

- |  | <u>YES</u> | <u>NO</u> | <u>N/A</u> |
|--|------------|-----------|------------|
| 7. Has the combination to the safe been changed?   |            |           |            |
| a. Annually,   | ___        | ___       | ___        |
| b. When there is a change in cashier,  | ___        | ___       | ___        |
| c. When the combination has been compromised,  | ___        | ___       | ___        |
| d. When it was necessary to access the fund in the unforeseen absence of the cashier,  | ___        | ___       | ___        |
| e. On what date was the safe combination last changed?   |            |           |            |
| Cashier's safe     ___/___/___   |            |           |            |
| Alternate's safe   ___/___/___   |            |           |            |
| Subcashier's safe   ___/___/___  |            |           |            |
| 8. Does each cashier, alternate, or sub-cashier work from a separate cash box and/or safe drawer?  | ___        | ___       | ___        |
| 9. Are paid but unreimbursed sub vouchers, interim receipts for cash, and copies of replenishment vouchers in transit treated as equivalents of cash and safeguarded as such until replenishment is received to support the accountability of the cashier? | ___        | ___       | ___        |
| 10. Are the funds stored in a safe when not in use?  | ___        | ___       | ___        |
| 11. Are the telephone numbers of the servicing finance branch and local police posted in the cashier's office?   | ___        | ___       | ___        |

**PROCEDURES AND GUIDELINES:**

YES    NO    N/A

Objective: To determine if the cashier has the current imprest fund regulations and guidelines.

- |   |     |     |     |
|---|-----|-----|-----|
| 1. Does the cashier have a copy of:                                 |     |     |     |
| a. DOC Cash Management Policies and Procedures Handbook, Chapter 6, | ___ | ___ | ___ |

	<u>YES</u>	<u>NO</u>	<u>N/A</u>
b. Department of Treasury, Manual of Procedures and Instructions for Cashiers,	—	—	—
c. DOC Administrative Payments Manual.	—	—	—
d. Cashier Training Manual	—	—	—
2. Is the cashier aware of policies concerning allowable and prohibited purchases and proper purchase and payment methods (Bankcard, convenience checks, purchase order, etc.)?	—	—	—

**INTERNAL CONTROLS:**

YES   NO   N/A

Objective: To evaluate the adequacy of procedures and controls used to operate and account for imprest funds.

1. Does the cashier have a current OF-211, "Request for Change or Establishment of Imprest Fund" on file for the principal and alternate cashier?	—	—	—
2. Does the cashier:			
a. Approve purchases,	—	—	—
b. Maintain or control any inventories or inventory records,	—	—	—
c. Authorize or handle the receipt or shipment of goods and/or services	—	—	—
3. Are imprest funds commingled with personal or unofficial funds?	—	—	—
4. Does the cashier ensure that only NOAA employees are using the imprest fund?	—	—	—
5. Does the cashier have a current roster of authorized approving officials?	—	—	—
6. Does the cashier have on file signature cards or facsimile signatures of the approving officials?	—	—	—

	<u>YES</u>	<u>NO</u>	<u>N/A</u>
7. Does the cashier compare the signature of the approving official to the signature card on file?	___	___	___
8. Are uncashed reimbursement checks drawn to the proper cashier?	___	___	___
9. Are interim receipts for cash supported by a copy of the authorization for purchase?	___	___	___
10. Are interim receipts for cash outstanding for more than 5 days?	___	___	___
11. At a minimum, does the cashier submit replenishment vouchers or accountability reports to the servicing finance branch monthly?	___	___	___
12. Does the cashier retain copies of subvouchers until the reimbursement check is received?	___	___	___
13. Does the cashier serially number all subvouchers in the order of payment?	___	___	___
14. If travel advances are issued through the fund, does the cashier verify there is a justification on Form CD-369, "Application for Advances of Funds" for travel advances in excess of \$26 per travel day? Cash travel advances should only be given from the imprest fund under extreme emergency cases.	___	___	___
15. Is the imprest fund being used to cash checks?	___	___	___

## PART TWO

Information to be provided by the Fund Manager or Cashier's Supervisor:

Fund Manager: \_\_\_\_\_ Telephone \_\_\_\_\_

Signature: \_\_\_\_\_ Date \_\_\_\_\_

**FUND MANAGEMENT:**

YES   NO   N/A

Objective: To evaluate the management of the fund by the cashier's supervisor or fund manager.

- |   |   |   |   |
|---|---|---|---|
| 1. Does anyone besides the cashier have access to the combination of the safe or key to the cash box?<br>If yes, explain.   | — | — | — |
| 2. Does the office have proper procedures in place for transferring the fund to others during temporary absences of the principal cashier?  | — | — | — |
| 3. Are the fund's needs and activities being monitored on an on-going basis?  | — | — | — |
| 4. Is the fund at the appropriate fund level in relation to the activity of the fund?   | — | — | — |
| 5. Is the cashier allowed an "uninterrupted" time to balance the fund?  | — | — | — |
| 6. As personnel changes occur and as delegations change, do you provide the updates to the list of employees who have been delegated authority to authorize procurement of goods and/or services and to approve payments from the imprest fund? | — | — | — |
| 7. As part of your oversight responsibilities, do you review the SF-1129 reimbursement voucher for:   | — | — | — |
| a. The cashier's accountability,  | — | — | — |
| b. To ensure disbursements are proper,  | — | — | — |

	<u>YES</u>	<u>NO</u>	<u>N/A</u>
c. Any typeovers or other alterations on authorized documents, invoices or receipts.	—	—	—
8. As the fund manager do you maintain copies of the cashier reference materials?	—	—	—
9. Has the cashier received proper training?	—	—	—
10. Do you feel the cashier understands his/her responsibilities?	—	—	—
11. Are independent cash verifications done quarterly?	—	—	—
12. Are the quarterly cash verifications unannounced?	—	—	—

## CASHIER ACCOUNT AUDIT

BUREAU—LOCATION	PREVIOUS AUDIT DATE	AUDITOR (Signature)
CASHIER	SOCIAL SECURITY NO.	CURRENT AUDIT DATE
		TITLE

ITEM No.	ITEM	YES	NO
1.	Has the cashier been properly designated using Form OF-211?		
2.	Does the cashier have a current <i>Treasury Manual of Procedures and Instructions for Cashiers</i> ?		
3.	Does the cashier have access to adequate safekeeping facilities?		
4.	Does the cashier keep the key or combination to safekeeping facilities under exclusive control?		
5.	Are separate safekeeping facilities provided for alternates and subcashiers?		
6.	Is the combination to the safe changed annually, when there is a change of cashier or when the combination has been compromised?		
7.	Does the cashier keep Imprest Funds separate from personal or other Government funds?		
8.	Are cash verifications made at least once each calendar quarter?		
9.	Are all subvouchers, invoices, or receipts and their copies marked "paid" immediately upon payment?		
10.	Does the cashier verify signatures against Form SEC-230 (or equivalent) when payments are made from the fund for the procurement of goods and services?		
11.	Are accountability reports submitted on schedule?		
12.	Are advances made for only authorized purposes?		
13.	Are cash advances for procurement supported by payment receipts or the unused cash returned within 5 working days from the date the advance was issued?		
14.	Are interim receipts for cash advances secured on SF-1165 and properly recorded for cash advanced to employees?		
15.	Does the class D cashier keep a record of advances for change making purposes current?		
16.	Are controls in place to prevent duplicating cash purchases?		
17.	Do controls prevent the fund from being used for transactions that can be made via Government issued travel cards, bankcards, travelers checks, or purchase orders?		
18.	Have recommendations stated in previous audit reports been satisfactorily implemented?		
19.	Are all other observed Imprest Fund practices satisfactory?		
20.	Is the amount of the cashier's advance reasonable compared with the volume of business?		
21.	Based on the audit findings, the costs and savings in using the account, should the Imprest Fund account be continued?		

**SEE INSTRUCTIONS ON REVERSE SIDE**

## INSTRUCTIONS

Use this form to record the cashier account audit. An unannounced audit of each imprest fund account must be made at least annually in accordance with *Department of Commerce's Cash Management Policies and Procedures Handbook*.

1. Verify the imprest fund account on Form CD-423, Imprest Fund Verification form and attach it to this audit.
2. Check appropriate "Yes" and "No" columns.
3. Provide remarks for items checked "No."
4. Cross reference comments to item numbers. Use space below or attach additional sheets as necessary.

### REMARKS:

## IMPREST FUND VERIFICATION

**NOTE: CASHIERS MAY NOT ACT AS VERIFIERS**

Bureau \_\_\_\_\_ Cashier \_\_\_\_\_  
 Location \_\_\_\_\_ Social Security Number \_\_\_\_\_  
 Fund Number \_\_\_\_\_ Authorized Traveler's  
 Authorized Fund Level \_\_\_\_\_ Check Level \_\_\_\_\_

**I. VERIFICATION OF FUND**

A. Total Cash on Hand (II-A)	\$	0.00
B. Total Uncashed Checks (II-B)	\$	0.00
C. Total Unpaid Reimbursement Vouchers (II-C)	\$	0.00
D. Total Unscheduled Subvouchers (II-D)	\$	0.00
E. Total Unreimbursed Cash Travel Advances (II-E)	\$	0.00
F. Total Unreimbursed Other (II-F)	\$	0.00
G. Total Interim Receipts (II-G)	\$	0.00
H. Total Advances to Subcashiers	\$	0.00
I. Total Accounted for (I-A through I-H)	\$	0.00
J. Authorized Level	\$	0.00
K. Difference Between I-I and I-J	\$	0.00

**REMARKS:**

DATE	VERIFIER	SIGNATURE	TITLE	PHONE
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Cashier's Concurrence: Signature \_\_\_\_\_ Date \_\_\_\_\_

**II. DETAILED ANALYSIS**

**A. CASH ON HAND:**

BILLS	NO.	AMOUNT	COINS	NO.	AMOUNT
\$100			\$1.00		
\$50			\$.50		
\$20			\$.25		
\$10			\$.10		
\$5			\$.05		
\$2			\$.01		
\$1					
<b>TOTAL</b>		0.00	<b>TOTAL</b>		0.00

**B. UNCASHED CHECKS:**

CHECK NO.	AMOUNT	CHECK NO.	AMOUNT

**TOTAL CASH ON HAND \$ 0.00**

**TOTAL UNCASHED CHECKS \$ 0.00**

**C. UNPAID REIMBURSEMENT VOUCHERS:\***

NO.	INCLUSIVE PERIOD	AMOUNT

TOTAL UNPAID REIMBURSEMENT VOUCHERS \$ 0.00

**E. UNREIMBURSED CASH TRAVEL ADVANCES:\***

DATE	TRAVELER	AMOUNT

TOTAL UNREIMBURSED CASH TRAVEL ADVANCES \$ 0.00

**F. UNREIMBURSED - OTHER: \***

DATE	REFERENCE NO.	AMOUNT

TOTAL UNREIMBURSED - OTHER \$ 0.00

**D. UNSCHEDULED SUBVOUCHERS:\***

SUBVOUCHER NO.	DATE	AMOUNT

TOTAL UNSCHEDULED SUBVOUCHERS \$ 0.00

**G. INTERIM RECEIPTS: \***

DATE	EMPLOYEE	AMOUNT

TOTAL INTERIM RECEIPTS \$ 0.00

**\* USE SEPARATE SHEET IF NECESSARY**

**III. VERIFICATION OF TRAVELER'S CHECKS:**

A. Traveler's Checks On Hand Last Verification	\$ _____
B. ADD: Traveler's Checks Received	\$ _____
C. SUBTRACT: Traveler's Checks Issued	\$ _____
D. SUBTRACT: Traveler's Checks Returned	\$ _____
E. Traveler's Checks on Hand (A + B - C - D)	\$ <u>0.00</u>
F. Authorized Traveler's Check Level	\$ _____
G. Difference Between III-E and III-F	\$ <u>0.00</u>

**REMARKS:**