

IMPREST FUNDS AT OVERSEAS POSTS

1. PURPOSE

This Directive establishes policies, guidelines, and responsibilities for the use of imprest funds in overseas locations.

2. REPLACEMENT HIGHLIGHTS

- a. This Directive replaces APHIS Directive 2250.1, Imprest Funds at Overseas Posts, dated 1/03/2007.
- b. Major Changes:
 - (1) Items g. and h. added to 3. AUTHORITIES.
 - (2) Criterion #5 added to chart in 5. a. POLICY.
 - (3) Responsibilities for all groups have been expanded in 6. RESPONSIBILITIES. In addition, sub-cashiers have been added in 6.a. and the Review and Analysis Branch has been added in 6.f.

3. AUTHORITIES

Imprest Fund regulations and guidelines are set forth in:

- a. 31 Code of Federal Regulations (CFR) Part 202, Depositories and Financial Agents of the Government.
- b. 31 CFR Part 208, Management of Federal Agency Disbursements.
- c. United States Department of Treasury (Treasury), Imprest Fund Policy Directive referred to henceforth as "Policy Directive" dated October 1, 2001.
- d. Treasury, Financial Management Service (FMS), Manual of Procedures and Instructions for Cashiers referred to henceforth as "Cashiers Manual" dated April 2001.

- e. Department of State (DOS), Volume 4 Foreign Affairs Manual (FAM), Part 390-391.4, Cashier Operations.
- f. United States Department of Agriculture (USDA), Departmental Regulation 2250-001, Imprest Fund Authorities and Requirements, dated August 11, 2003.
- g. DOS, Office of Building Operations Housing Manual.
- h. Post Policy established for each post.

4. BACKGROUND

On November 9, 1999, Treasury published its Policy Directive requiring all Federal agencies to eliminate domestic imprest funds by October 1, 2001, except where the need for an imprest fund is justified and when the imprest fund is operated in compliance with the Treasury Policy Directive. In compliance with this Directive, APHIS eliminated all domestic imprest fund accounts as of September 30, 2001.

Foreign imprest funds provide an important function to enable APHIS to carry out the Agency’s mission overseas justifying the need for continuous use. The Agency uses imprest funds to make small payments in cash when an office has a recurring need to reimburse employees for **official business expenses** and when other payment methods, such as ePRES or Smart Pay 2 are not possible or feasible. Currently, APHIS operates imprest funds in many foreign countries because of those offices’ need to make purchases in local currencies. APHIS also seeks to avoid high administrative State Department costs (International Cooperative Administrative Support Services charges) to process reimbursements through overseas embassies.

5. POLICY

- a. Criteria to Operate Foreign Imprest Funds. APHIS will establish, maintain, and operate imprest funds at overseas posts when **all the following criteria** are met:

CRITERIA TO OPERATE FOREIGN IMPREST FUNDS	
1. It is economical and beneficial to the Government.	✓ YES
2. When there is a definite and continuing need for making cash payments for equipment repairs, small purchases, local travel, and cash-on-delivery (c.o.d.) orders.	✓ YES
3. No other payment mechanism is available.	✓ YES

<p>4. 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.</p>	<p>✓ YES</p>
<p>5. Agency procurement policies are followed.</p>	<p>✓ YES</p>

b. Meeting Treasury’s Criteria. In addition, APHIS must certify, in writing, that the imprest fund meets one of the following criteria also specified in Treasury’s Policy Directive. The Marketing and Regulatory Programs Business Services (MRPBS), Financial Management Division (FMD) will coordinate and manage this function to ensure compliance with Departmental and Federal regulations and Treasury’s Policy Directive when:

- (1) Payments involve national security interests, military operations, or national disasters.
- (2) Payments are made in furtherance of a law enforcement action.
- (3) The amount owed is less than \$25.
- (4) The political, financial, or communications infrastructure of a foreign country does not support payment by a noncash mechanism such as EFT, the U.S. Debit Card, or the Automated Clearinghouse System.
- (5) Payments are made in emergencies, or in mission-critical circumstances, that are of such an unusual and compelling urgency that a government would otherwise be seriously injured unless payment is made by cash.

c. Maximum Per-Transaction Spending Limit. The maximum per-transaction spending limit for normal day-to-day cash expenditures is \$500 US dollars or equivalent. Claims in excess of \$500 US dollars or equivalent must have written approval from the Administrator, APHIS or the designee, and the written approval must accompany the reimbursement in accordance with Departmental policy, Treasury’s Policy Directive, and the FMS Cashiers Manual.

6. RESPONSIBILITIES

a. Principal, Alternate, and Sub-Cashiers. Principal, alternate, and sub-cashiers are personally liable for all cash maintained in their specific fund. Cashiers must ensure that:

- (1) Adequate facilities are available for properly safeguarding funds from loss or theft. Funds must be kept in a fireproof vault, safe, or locking compartment (lock box) accessible only to the disbursing cashier.

- a The combination to the safe and/or a duplicate key to the cash box (if applicable) must be placed in a sealed envelope. The cashier must sign and date the sealed envelope. It must be placed in a separate secure area that the supervisor has access to in case of emergencies.
 - b The cashier will change the safe combination annually or when there has been a change of cashier or the safe combination has been compromised.
 - c Cashiers must work from separate cash lockboxes or safes.
 - d Separate cash lockboxes or safes must be provided for alternates and sub-cashiers.
- (2) The amount of cash on hand is kept to the minimum required for local needs.
- (3) Goods and services are received prior to payment.
- (4) Disbursements are processed in accordance with the USDA and Treasury regulations listed in Section 3. AUTHORITIES.
- (5) All disbursements are documented with an invoice: Procurement Request, AD-700; Claim for Reimbursement for Expenditures on Official Business, SF-1164; SF-1165, Receipt for Cash-Sub-voucher; or other appropriate form. Each transaction will become a sub-voucher. Proper documentation includes retaining and stamping or noting each original receipt with "Paid" after making the payment. Sign, date, and number each sub-voucher starting with a "1" at the beginning of each fiscal year.
- (6) Appropriate approvals are received prior to disbursement of funds.
- (7) Claims in excess of \$500 US dollars or equivalent have written approval (waiver) from the Administrator, APHIS, or the designee. Submit a copy of the waiver with each applicable sub-voucher.
- (8) An SF-1129, Accountability Report, is completed by the principal cashier and sent to MRPBS, FMD, Accounting and Payments Team (APT), for reimbursement by the tenth day of each month. Sub-vouchers must be included to support the amount of the reimbursement request.
- (9) Documentation for the designation of an alternate cashier includes a completed and approved OF-211, Request for Change or Establishment of Imprest Fund, (which requires the approving official's signature and the International Services (IS), Management Policy and Services (MPS)

signature), and an SF-1165 at the time of the transfer of funds. Any transfer or revoking of the Alternate Cashier function will require a completed and approved OF-211 reporting the action. APT must receive a copy of the OF-211.

- (10) An SF-1165 has been completed to record the transfer of funds. The principal cashier must send a notification to APT identifying the sub-cashier's name and amount transferred. The designation of a sub-cashier does not require an OF-211.
- (11) An annual report is sent to APT by the end of the first quarter identifying alternate and sub-cashiers and the amounts affiliated with their sub-funds.
- (12) Any cash shortage is reported immediately to the supervisor. Refer to the Treasury's FMS Cashier Manual for guidance on additional action required.

b. The **Approving Official** will:

- (1) Appoint a principal cashier and an alternate cashier (if necessary). Complete and submit an OF-211 for each to the APT.
 - a Inform the cashier of his/her responsibilities as set forth in Section 6. (a) RESPONSIBILITIES of this Directive at the time of his/her designation.
 - b Ensure the cashier has copies of the Agency and Treasury regulations including the Treasury's Cashiers Manual and APHIS Directive 2250.1.
 - c Ensure the cashier has received proper training relating to cashier responsibilities.
- (2) Ensure that adequate facilities are available for properly safeguarding funds from loss or theft. Security measures must correspond to the size and/or amount of the fund.
- (3) Perform an unannounced verification of the imprest fund on a quarterly basis. An approving official or a disinterested third party can complete this. The Verification of Imprest Cash, AD-358, must be completed, signed, and sent to APT by the last day of each quarter. Maintain a copy of the report locally.
- (4) Inform APT of changes in approving officials and submit new signature cards immediately. Reimbursement vouchers will not be processed until this card has been received.

- (5) Review cash requirements based on actual usage at least every 6 months as stated in the Treasury's Cashiers Manual. The review may consist of analysis of the types of payments the fund is used for and the frequency of those payments. Analysis of cash requirements will also consider to what extent cash payments may be converted to EFT.
- (6) Review and validate sub-vouchers. Sign and date the SF-1129.
Note: approving officials do not have authority to sign reimbursement vouchers that contain sub-vouchers reimbursed to them. If another approving official is not available, MPS will approve the SF-1129. Stamp and sign the certified statement on the Detail and Summary reports. Certify all disbursements are in accordance with USDA and Treasury regulations listed in Section 3. AUTHORITIES of this Directive.
- (7) Submit a written report to APT and the MPS Financial Manager within 3 business days when a cash shortage is determined. Refer to the Treasury's FMS Cashiers Manual for guidance on reporting losses.

c. **MRPBS, FMD, APT**, will:

- (1) Establish, administer, and reimburse imprest funds at overseas posts in accordance with agency and Treasury regulations listed in Section 3. AUTHORITIES of this Directive.
- (2) Maintain documents in accordance with retention requirements from the APHIS Records Handbook for all imprest funds.
<http://inside.aphis.usda.gov/records>

Documents maintained will include the following:

- a OF 211.
 - b SF-1129.
 - c Approving official's signature card.
 - d Audits and Reviews.
 - e AD-358, received from the Approving Official.
- (3) Provide data to MPS on semi-annual justification and certification reporting of imprest fund activity.
 - (4) Perform unannounced cash verification and audit of the imprest fund when present at a location where a fund exists as needed.

- d. **MRPBS, FMD**, will:
- (1) Act as liaison for APT, MPS, and the Department to ensure APHIS imprest fund policies and procedures are established and followed.
 - (2) Submit justification/certification of funds and semi-annual certification reports to Treasury.
- e. The **IS, MPS Financial Manager**, will:
- (1) Review and approve OF-211 forms.
 - (2) Coordinate with APT and provide data to FSB on semi-annual and annual justification and certification reporting of imprest fund activity.
 - (3) Maintain the following documents in accordance with retention requirements from the APHIS Records Handbook:
 - a OF-211.
 - b Correspondence to Treasury, per Section 5. POLICY, of this Directive for annual justification/certification of funds and semi-annual certification reports.
 - c Audits and reviews.
 - d A list of current approving officials authorized to approve disbursements from the imprest fund. Maintain a signature card for each approving official and forward a copy to APT.
 - (4) Perform unannounced cash verification and audit of the imprest fund when present at a location where a fund exists as needed.
- f. **MRPBS, FMD, Review and Analysis Branch**, will:
- (1) Contact APT prior to field audits to determine if imprest funds are located on site.
 - (2) Perform unannounced cash verification and audit of imprest fund activity.
 - (3) Report findings and submit a copy of the AD-358, and Cashier Account Audit, AD-359, to APT and the MPS Financial Manager within 60 days of completion of audit.

7. INQUIRIES

- a. Inquiries regarding the operation of imprest funds established in Agency field offices should be directed to APT.
- b. This Directive can be accessed on the Internet at: www.aphis.usda.gov/library.
- c. Forms referenced in this directive are available on the Intranet at:
<http://www.aphis.usda.gov/mrpbs/forms/index.shtml>.

/s/

Gregory L. Parham
Deputy Administrator
MRP Business Services