



# LOS ANGELES UNIFIED SCHOOL DISTRICT REFERENCE GUIDE

**TITLE:** Imprest Funds

**NUMBER:** REF-1706.3

**ISSUER:** Luis Buendia, Controller  
Accounting and Disbursements Division

**DATE:** August 1, 2013

**PURPOSE:** This Reference Guide provides information and guidance on the appropriate use of Imprest Fund Accounts by all school, Educational Service Center and Central Office administrators.

**ROUTING**  
 Educational Service Center  
 Administrator of Operations  
 Educational Service  
 Center Directors  
 Fiscal Services Managers  
 Fiscal Specialists  
 Principals  
 Financial Managers  
 School Administrative  
 Assistants  
 Office Administrators

**MAJOR CHANGES:** This reference guide replaces Accounting and Disbursements Division’s Reference Guide No. 1706.2 of the same subject, dated October 5, 2009. The content has been updated to reflect current policies, and the revised forms related to the administration of the Imprest Fund to be compatible with the District’s new financial system, Systems Applications and Products (SAP). This reference guide includes the restrictions on the use of federal and state funds and the purchase of MS Office and Adobe software, (except for elementary and pre-school locations for Adobe applications), as prohibited expenditures paid through the Imprest Fund.

- INSTRUCTIONS:**
- I. INTRODUCTION
 

An Imprest Fund permits an administrator to make direct purchases of items utilizing a local site checking account. The Imprest Fund is another means of procuring materials when a vendor does not accept a purchase order or P-Card; it does not represent additional funding to the site.
  - II. ELIGIBILITY FOR BASIC DISTRICT PROVIDED FUND
    - A. Under current policies, Educational Service Center administrators, principals, non-school location administrators and other designated administrative officials may request an Imprest Fund Account. A basic amount is provided from District funds. Additional amounts may be requested as explained in Section IV of this reference guide.
    - B. The basic amounts that may be requested are listed below:
      - 1. For schools and children’s centers that do not have a restricted/specially funded program:



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<u>Enrollment</u>	<u>Maximum</u>
Under 300	\$750
300-749	\$1,100
750-1,199	\$1,500
1,200-2,199	\$1,800
2,200 and over	\$2,000

2. For schools and children’s centers that have a restricted/specially funded program or two or more schools sharing one Imprest account under the same administrator:

<u>Combined Enrollment</u>	<u>Maximum</u>
Under 300	\$1,100
300-749	\$1,500
750-1,199	\$1,800
1,200 and over	\$2,000

Once the restricted/specially funded program expires, or the number of schools assigned to a principal is reduced to only one, the amount for the Imprest Fund is reverted to the basic amount.

3. For Educational Service Center offices: \$10,000
4. For non-school location: \$ 750

**III. ESTABLISHING AN IMPREST FUND**

- A. Only cost centers with operating expense budgets will be allowed to establish an Imprest Fund account limited to one account per cost center. Eligible administrators should complete and sign an “Imprest Fund Request” form (Attachment A). The original form must be submitted to:

Attn: Head Accountant  
Accounts Payable Branch  
333 S. Beaudry Avenue, 27<sup>th</sup> Floor  
Los Angeles, CA 90017

If the Imprest Fund account is being re-established due to change in administrator, the existing account must be closed by the outgoing administrator before a new one can be established for the incoming administrator. (Please refer to Section VIII - Permanent Closing of the Imprest Account)

Establishing an Imprest Fund will not result in a charge against a school or office budget, except when an additional amount over the basic



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maximum amount is requested.

- B. If a cost center has an existing account with Bank of America (B of A), contact the Treasury Section of the Revenue Branch at (213) 241-3145 to update your signature card and other relevant information for the new administrator.
- C. When opening a brand new Imprest Fund account, the account must be with B of A. Contact the Treasury Section of the Revenue Branch at (213) 241-3145 for assistance in establishing the account. This will ensure the school account is identified as subsidiary of LAUSD's corporate account with B of A. Being part of LAUSD's corporate bank account guarantees that monthly bank service charges will be assessed per our agreement with B of A and absorbed by the District.
- D. School and office accounts are not charged in the District's accounting system when Imprest checks are issued by the Administrator or when the checks are transacted at the bank. School/Office accounts are charged when Imprest Fund reimbursement claims are processed by the Accounts Payable Branch.
- E. As custodian of the Imprest Fund, the administrator has the fiduciary responsibility of ensuring that expenditures charged to the Imprest Fund are in compliance with district policies and the funding line(s) to be charged has a sufficient available balance before issuing an Imprest Fund check. If expenditures are charged to restricted federal and/or state funds, the administrator is responsible for ensuring that the expenditures are justified in their Single Plan for Student Achievement (SPSA)/SPSA Update. The stewardship and responsibility over the Imprest Fund cannot be delegated and remains at all times with the fund administrator.
- F. All newly established Imprest Fund Accounts will require enrolling into the Automated Clearing House (ACH)/Electronic Funds Transfer (EFT) program for direct deposit to their bank account. Please see Attachment E for instructions on filling out the EFT Enrollment Form (Attachment F). Accounts Payable will finalize the EFT set up for the school's/office's Imprest Fund Account after the test remittance is confirmed by the school/office.

#### IV. INCREASING THE AMOUNT OF THE IMPREST FUND

The school or office administrator may increase the amount of the Imprest Fund above the basic amount outlined in Section II by transferring the allowable



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additional amount from accounts such as 13027 - General Fund School Program, 12544 – IMA Spec. Educ., 14173 – Cont. Schs. Supplies or 10025 – GF Admin to the Budget Services Branch account designated for this purpose.

- A. Maximum amount allowed for the Imprest Fund is the total of the basic amount plus the allowable increase. All schools may increase their Imprest Fund up to a maximum of \$5,000. Educational Service Centers may increase their Imprest Fund up to a maximum of \$20,000. All other offices may increase their Imprest Fund up to a maximum of \$2,000.
- B. Send the completed and signed “Imprest Fund Request” form (Attachment A) with the budget transfer document number indicated on the form to the Accounts Payable Branch to initiate processing of the requested increase.

### V. OPERATION OF THE FUND

- A. Administrators must deposit replenishment warrants only to the Imprest Fund checking account that bears the name of the school/office. The Imprest Fund should not be co-mingled with a personal checking account, or any other bank account.
- B. No single item with a total cost in excess of \$1,000 (inclusive of sales tax, shipping and handling), may be purchased through the Imprest Fund. In no case may the cost of the item exceeds the amount of the Imprest Fund. There are no additional limitations, other than budgetary, to the total amount that may be expended during any fiscal period.
- C. The fund administrator must ensure that Imprest Fund bank account balance is monitored. Fund administrators must verify the bank balance before issuing an imprest check to make sure that the bank account has a sufficient balance to cover the check amount and avoid unnecessary returned check or NSF/overdraft charges.
- D. An original invoice or receipt must be obtained when the purchase is made. Upon issuance of the Imprest Fund check, the fund administrator must ensure that the original invoice or receipt is stamped “PAID” to prevent the chance for it to be re-used for another reimbursement.
- E. No reimbursement claim shall be submitted for an item of expenditure before it has occurred.
- F. Prior to submission of the reimbursement claim form to Accounts Payable Branch, the fund administrator must ensure:



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1. The funding line provided is valid in SAP and the account has sufficient balance to cover the cost of the materials or services purchased.
  2. The purpose of the expenditure, quantity and unit cost should be indicated under the column “description” on the claim form for each account charged.
  3. The page from the Single Plan for Student Achievement (SPSA)/ SPSA Update that justifies the purchase is required to be attached to the claim form for charges to restricted federal and/or state funds for the reimbursement to be paid. Other supporting documents may be requested to validate claimed purchases are in compliance with the allowed expenditures. (Refer to Section VI below for authorized and prohibited uses) Only in extremely limited circumstances may federal/state restricted funds be used for Imprest reconciliation as these funds are subject to multiple audits and reviews.
- G. All records relating to the Imprest Fund must be available at the school or office for audit. For records retention, please see Office of the Superintendent’s bulletin no. 5503.1, “Records Retention and Destruction,” dated July 1, 2012. The Accounting and Disbursements Division retains the right to request supporting receipts and/or any pertinent documentation from the fund administrators at its discretion. Further, it is required that the fund administrator or his/her designee produce the requested documents on demand. The fact that a reimbursement was made does not constitute approval by the Accounting and Disbursements Division. Fund administrator should make sure that expenses charged to restricted federal and/or state funds are in compliance with the requirements of the grant. It is possible that an audit may determine the expenditures were not appropriate and result in disallowance. The fund administrator will be required to reimburse the Imprest Fund for the disallowed expenditures.
- H. The bank account must be reconciled monthly. The fund administrator or his/her designee must use the sample Imprest Fund Reconciliation Form included in this guide as Attachment B. This fund reconciliation identifies amounts that make up the Imprest Fund total. A sample Imprest Fund Bank Account Reconciliation Form is also included as Attachment C. Excel templates are available on the Accounts Payable webpage. The total of unspent funds, outstanding checks, receipts for unclaimed authorized purchases, and claims in process must equal the



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total amount of the fund at all times.

- I. At the end of each quarter, the fund administrator or his/her designee must submit copies of the bank and fund reconciliations to their Educational Service Center Fiscal Specialist.
- J. At the end of the fiscal year, the administrator must submit a final claim together with the bank statement and bank reconciliation report to the Accounts Payable Branch for reimbursement for expenditures to be charged to the appropriate fiscal year. It is not necessary to close the Imprest Fund account at the end of each fiscal year, unless there is a change in the Fund administrator.

### VI. AUTHORIZED AND PROHIBITED EXPENDITURES

#### A. Authorized Expenditures

The Imprest Fund may only be used to purchase any of the materials or services listed below when a vendor does not accept a purchase order or P-Card. Refer to the Procurement Services Division "Procurement Manual 5<sup>th</sup> Edition," dated February 2013 at <http://psg.lausd.net/> on usage of purchase orders and the P-Card. For clarification regarding the propriety of expenditures, please contact the Accounts Payable Branch, Customer Service Unit at (213) 241-4800 or your Fiscal Specialist for expenditures charged to restricted federal and/or state fund,

Use of restricted federal and/or state funds such as Title I, Bilingual, Comp Ed., etc. are allowed for specific items only which are indicated on the descriptions below:

1. Supplies and materials of all kinds that are not required to be purchased from the District warehouse, including:
  - a) Office or classroom materials
  - b) First aid supplies
  - c) Software (excluding Microsoft and Adobe applications.) Please contact the Information Technology Division for further clarification.
  - d) Plants and landscaping materials
  - e) Maintenance materials
  - f) Cleaning supplies, contact the Office of Environmental Health and Safety Branch at (213) 241-3199 for advance approval of cleaning products, chemical materials, and other items that may contain hazardous materials.



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2. Imprest check may be issued to staff for the direct purchase of supplies or reimbursement for authorized purchases.
3. Admissions to approved educational activities. See Office of Instruction, Reference Guide No. 2111.0, "Field Trips Handbook and Revised Procedures," dated July 24, 2006 and Office of the Superintendent REF-2191.4 "Admission Ticket Purchases", dated August 2013. A Copy of "Request for Approval of School Organized Trip for Students" (Form 34-EH-57) must be attached to the claim. Restricted federal and/or state funds may be used for this item. Schools desiring to use federal and/or state restricted funds, must submit a School Site Council approved budget adjustment request identifying commitment item 580005 (Other Expense) and an SPSA update page. The SPSA update page should establish the instructional purpose of the expenditure, the destination, the number of students requiring admission tickets and the cost.
4. Conference or registration fees for employees are allowed provided an Approved Travel Request Notification (ATRN) of the conference attendee is submitted to Accounts Payable together with the reimbursement claim. Restricted federal and/or state funds may be used for this item. Further information regarding travel/conference attendance is provided in Procurement Services Division BUL-5525.1 "District Policy for Travel and Attendance at Conferences, Conventions, or Meetings," dated July 1, 2013.
5. Parents may attend only Board-approved conferences using Title I or Bilingual Education funds. Educational Service Centers and schools may use their Imprest Fund for parent training and parent travel expenses. Restricted federal and/or state funds may be used for this item.
6. Contract bus services for educational field trips, provided that the contractor has been approved by the Transportation Branch. For additional information, refer to Business Services Division BUL-1521.1, "Buses for Student Trips and Other School Activities," dated June 26, 2009. Claim must state the bus company used and attach the Field Trip Approval to the claim. Restricted federal and/or state funds may be used for this item.
7. District or school membership fees for educational organizations



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- or organizations that provide support services to schools or stores that provide a discount to members. Please verify with the organization whether discounts are provided for District-wide membership. Individual or personal memberships are not allowed.
8. Equipment provided that electrical items have Underwriters Laboratory [UL] approval and grounded electrical cords [three-prong or polarized plug]. Portable and highly desirable equipment, such as tablets, laptops and televisions, must be locked down and/or properly engraved with the LAUSD name. Playground equipment and apparatus require prior approval of the Office of Environmental Health and Safety Branch, (213) 241-3199.
  9. Fees for CPR or First Aid Training Classes
  10. Plaques, trophies, and awards appropriate to the educational program or other student achievement recognitions, not to exceed \$40 in value.
  11. Refreshments /meals for meetings, etc.
    - a) Meals for employees can be covered only if funded by donation/grant that specifically authorizes the purchase of meals or allows discretion of the administrator as to what the donation or grant can be used for.
    - b) If donated or grant funds are used, the fund administrator's signature on the Imprest Fund Claim Form certifies that charges to the donation are within the donor's stipulated allowable use.
    - c) Refreshments/meal expenses may be permitted provided the meeting is at least five hours long and meal is preceded or followed by a session of not less than one hour. Also, the programs/accounts to be charged must allow purchase of refreshments/meals. Refer to the Chief Financial Officer's BUL-2188.0, "Purchase of Meals/Refreshments/Food," dated January 24, 2006.
  12. Services such as cleaning, laundry, repair of equipment, film rental, and short-term equipment rentals (six months or less). Anything over six months must be processed through purchase order.
  13. Printing of diplomas, not to exceed \$1,500 as indicated in





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Procurement Services Division “Procurement Manual 5<sup>th</sup> Edition,” dated February 2013.

14. Miscellaneous items such as postage, freight or shipping charges; parking fees while on District business; and transportation costs (Metropolitan Transit Authority) for students and staff participating in mobility training

### B. Prohibited Uses of the Imprest Fund

Claims will not be approved for the items listed below. The Imprest Fund administrator will be personally liable for the amount of any unauthorized use of the fund and/or un-reconciled expenditures. If an audit should disclose an improper expenditure, the amount expended must be returned to the Imprest Fund by the Imprest Fund administrator.

1. Professional Services of any kind including payments to speakers, artists, and other personal professional services. Please refer to the Procurement Services Division “Procurement Manual 5<sup>th</sup> Edition,” dated February 2013 at <http://psg.lausd.net/> for guidance on how to pay for professional services.
2. Salary payments of any kind.
3. Employee conference or convention attendance expenses (e.g., per diem, meals, mileage, transportation, hotels), other than registration fees as noted in Section VI-A, item no. 4.
4. Alterations/repairs to the school facility or grounds.
5. Printing of business cards, letterheads, and envelopes – call the Reprographic Services Unit at (562) 654-9052.
6. Cellular phones – refer to Information Technology Division Bulletin No. 1612.7, “Acquisition and Usage of Cellular Telephones and Wireless Broadband Air Cards,” dated June 21, 2012.
7. Contracts, down payments, or installment purchases for items such as cell phones, long term equipment rentals (longer than six months), maintenance agreements, etc.
8. Entertainment
9. Gifts, gift cards, clothing or other personal items to be given



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away, including payment of student SAT exam fees, graduation expenses, and other expenses related to school extra-curricular activities.

10. Party supplies or non-instructional decorations.
11. Rental of facilities – Refer to Chief Financial Officer Bulletin No. C-5, “Procedures for Arranging Events/Conferences at Non-District Facilities,” dated August 6, 2001 and Procurement Services Division “Procurement Manual 5<sup>th</sup> Edition,” dated February 2013 at <http://psg.lausd.net>.
12. MS Office and Adobe software (except for elementary and pre-school locations for Adobe applications). Please contact the Information Technology Division for further clarification or visit <http://askitd.net/adobe-ela> and <http://askitd.net/msela>.

### VII. REPLENISHING THE FUND AND RETENTION OF RECORDS

- A. The administrator, to whom the Imprest Fund was issued, must sign the completed Imprest Fund Claim Form (IMP-1706 Rev. 07/13), available at the Accounts Payable web page under Publications. Warrants are payable only to the school office name and can only be endorsed by the administrator of the Imprest Fund.
- B. Administrators should submit completed and signed claim forms including required supporting documents for restricted federal and/or state funds by Facsimile (FAX) to Accounts Payable at (213) 241-8913 or via email to [accounts-payable@lausd.net](mailto:accounts-payable@lausd.net) with the subject line to read “Imprest – Claim Number (current fiscal year - cost center - claim count).” The administrator must retain all supporting documents for review during the next audit. This review may affect final approval of the reimbursement.

For assistance converting funding lines from IFS format to SAP format (or vice-versa), please visit the BTS Help Zone at <http://btshelpzone.lausd.net/nav/index.htm> and reference the BTS quick reference guide titled “Convert IFS to SAP Account String.”

- C. To ensure continuous Imprest Fund cash availability, the administrator should submit claims forms when approximately one-third of the Imprest Fund is used. Delay in submission of reimbursement claim especially at year end may result to expenditures to be charged to next year’s budget. The administrator should not wait until the fund is close



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to being depleted before requesting fund replenishment. Claims that total less than \$50 should not be submitted except at the end of the fiscal year or to clear the fund of an outgoing administrator. (See Sections V-J and VIII).

### VIII. PERMANENT CLOSING OF THE FUND

If the administrator is leaving a school or office for any reason (promotion, transfer, resignation, or retirement) he must do the following prior to leaving:

- A. Close the Imprest Fund by submitting a closing reimbursement claim and a check in the amount of the unexpended funds. The check for the unspent funds must be payable to Los Angeles Unified School District and sent to:

Attn: Head Accountant  
Accounts Payable Branch  
333 S. Beaudry Avenue, 27<sup>th</sup> Floor  
Los Angeles, CA 90017
- B. Ensure that the Imprest bank account is properly transferred to the incoming administrator by completing and signing a bank signature card changing the authorized signatory for the account to the new administrator of school/office. If the account is with B of A see Attachment G (bank signature card). The fund administrator may contact the Treasury Section of the Revenue Branch at (213) 241-3145 to verify that changes have been made.
- C. Failure to reconcile all previous funds or properly close the Imprest Fund account may result in the freezing of the new administrator's request and/or delay in establishing the imprest account for the outgoing administrator in his new location. The Imprest Fund administrator is liable for any un-reconciled or prohibited transactions that he authorized and will have to reimburse the District for these expenditures before a new Imprest Account can be opened for him/her in the new assigned location.

#### **RELATED RESOURCES:**

- Procurement Services Division "Procurement Manual 5<sup>th</sup> Edition," dated February 2013
- Office of the Superintendent's BUL-5503.1, "Records Retention and Destruction," dated July 1, 2012
- Office of Instruction, REF-2111.0, "Field Trips Handbook and Revised Procedures," dated July 24, 2006
- Procurement Services Division BUL-5525.1 "District Policy for Travel and



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- Attendance at Conferences, Conventions, or Meetings,” dated July 1, 2013
- Business Services Division BUL-1521.1, “Buses for Student Trips and Other School Activities,” dated June 26, 2009
- The Chief Financial Officer’s BUL-2188.0, “Purchase of Meals/Refreshments/Food,” dated January 24, 2006
- Information Technology Division BUL-1612.7, “Acquisition and Usage of Cellular Telephones and Wireless Broadband Air Cards,” dated June 21, 2012
- The Chief Financial Officer BUL-C5, “Procedures for Arranging Events/Conferences at Non-District Facilities,” dated August 6, 2001
- Information Technology Division’s websites at <http://askitd.net/adobe-ela> and <http://askitd.net/msela>
- Business Tools for Schools quick reference guides located at <http://btshelpzone.lausd.net/nav/index.htm>
- Office of the Superintendent, REF-2191.4, “Admission Ticket Purchase”, dated August 2013.
- Office of the Superintendent, BUL-5320.1, “Audit Findings Pertaining to Expenditures with Federal and State Education Funds”, dated May 14, 2013,
- Federal and State Education Programs Budget Handbook that is updated annually.

### **ASSISTANCE:**

Please call the following for assistance and guidance:

- Customer Service Unit of the Accounts Payable Branch at (213) 241-4800 for assistance regarding Imprest Fund reimbursement claims.
- Your Fiscal Specialist for budget concerns or questions
- Federal and State Education Program Office for guidance on federal and state programs compliance requirements.