The American University in Cairo  
Financial Policies and Procedures

Policy : Imprest Fund Policy  
Policy Number : FPP-DISB-005  
Date Issued : Active  
Effective Date: September 1, 1997  
Date Revised : September 1, 2004  
Responsible Official : Controller  
Approved By : VP Finance  
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Definitions

Imprest  
An amount of money entrusted to a specific person, for a given period, to be used for paying minor operational needs.

Replenishment  
The process thru which the imprest holder is refunded for submission of documents that support payments incurred thru the imprest fund.

Minimum Operational Needs  
Irregular needs or an unexpected shortage in regular needs that can be satisfied in small quantity or the University Purchasing Department permits budget centers to procure directly.

Purpose

This policy aims at introducing the imprest fund facility to all budget centers and defining the boundaries for the utilization of such facility.

Policy Statement

The University assigns to one full-time employee only per each budget center an imprest (petty cash) fund commensurate to average departmental operating minor needs and obligations of amount below or equal to the limit set by the guidelines to this policy.

Policy Guidelines

Spending Limit  
Imprest fund can be used to pay for the provision of supplies and services when the sum of an invoice is less than or equal to LE 500 provided that such transaction does not violate the ceiling on direct purchases.  
No purchases may be split into smaller purchases for the purpose of by-passing monetary and tax withholding limits.

Permissible Purposes  
Imprest funds may be expended for the following University-business related purposes:  
Hospitality  
Newspaper and magazines required for the office  
Minor stationary items if not available at the University supply stores  
Xeroxing, subject to the observance of applicable copyright law  
Minor repair costs  
Minor items of office and laboratory equipment if not available at the University supply store  
Buses, taxis and local transport in general.
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Unallowable Purposes
Imprest funds may not be used for the following purposes:
- Flowers for the office
- Tips to University employees
- Payment for personal services
- Pastries and food for office use.
- Purchases that have to be processed through Purchasing in accordance with the Purchasing policies and procedures.

Request for Imprest Fund
A request for the creation of an imprest fund should be sent through a memorandum to the Controller stating the amount needed, description of minor requirements, and identifying the name of the person who will be the imprest holder.

In addition to a memo similar to the one used to request the original fund, the Controller’s Office perform an analysis of the past six months fund utilization.

To approve the increase request, the Controller should be satisfied that the current fund is insufficient to meet the needs.

If the increase is a result of a new regular activity, such activity should be clearly described in the request memo.

To ensure that payments are for valid business-related purposes, employees making petty cash expenditures shall obtain receipts whenever possible to document their disbursements. A stamped-paid invoice may also serve as a receipt.

Items not covered by cash receipt will be accounted for via completion of a “Petty Cash Voucher”, signed by the person receiving the money as reimbursement, and stating his or her ID number. A statement signed by the cash recipient describing the details of payment may also be used to support the settlement.

Tax withholding should be applied to all payments of LE 10 or more. See Policy FPP-DISB-003 for details of tax withholding rates.

Whenever cash is drawn from the fund, the cash receipt or the disbursement voucher must be placed in the fund. When the cash balance of the fund falls below the minimum operating cash needs e.g. two weeks, the imprest holder will turn in all receipts and vouchers to the Disbursement Office attached to a MW duly approved by the budget center manager.

Upon satisfactory checking of the MW and attachments, a reimbursement check will be issued so that the fund can be restored to its original authorized cash balance. The reimbursement request MW should be submitted within a maximum period of two months from the date of incurring the expense except for expenses incurred during July and August. Prompt submission of
reimbursement requests ensures timely charge of budget line items. For effective control over the fund and replenishment, the imprest holder may maintain an Imprest Fund Register, where transaction details are entered (date, amount, who received the cash, document obtained as a receipt, the account number charged, purpose, the balance available after the transaction, and when replenishment was received).

The value of receipts and vouchers, plus cash on hand in the fund should always equal the authorized fund amount. The imprest holder should always maintain copies of receipts and vouchers, as well as copies of reimbursement requests submitted to the Controller.

Whenever there is a change in imprest holders, the Controller should be notified in writing with the name of the new imprest holder. The imprest holder should document the process of handing over the imprest fund cash and documents to the new holder, and a copy of the handing over report should be sent to the Controller.

The Controller’s Office writes to the Office of Budget and Financial Planning to effect the name change on the University financial system.

Holders of imprest fund equal to or greater than LE 5000 are covered by a group fidelity insurance policy.

As part of the annual fiscal closing, the Controller circulates during the first week of June the deadlines for the close. One of those deadlines is reporting expenses made thru the imprest fund, and provides two options to all budget centers:

1. Close the imprest fund and refund its amount to the cashier, or
2. Rollover the fund for another fiscal year.

Each budget center must inform -in writing thru either email or memo- the Controller of its intention to close or rollover the fund before the deadline.

Expenses not reported prior to the deadline will be processed against the next year’s budget.