

VA Financial Policies and Procedures
Imprest Funds

CHAPTER 5

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0501 OVERVIEW

This chapter establishes the Department of Veterans Affairs (VA) financial policies and procedures for imprest funds. The Department of the Treasury's (Treasury) Financial Management Service (FMS) published the Imprest Fund Policy Directive, dated November 9, 1999, requiring all Federal agencies to eliminate use of imprest funds because they are labor intensive, require relatively more internal controls than noncash payment mechanisms, and the Government does not earn interest on money held in these accounts. Until more viable payment options are available and system enhancements are made, VA will manage and maintain imprest funds in the form of Agent Cashiers in accordance with Treasury guidance. Where appropriate, VA has eliminated other types of imprest fund activities.

0502 POLICIES

050201 VA will only use and maintain imprest funds for Agent Cashier activities. Refer to Volume VIII Chapter 3, *Agent Cashier Accountability Policy*, for detailed VA guidance on agent cashiers.

050202 VA Administration and staff office Chief Financial Officers will submit requests and justification for exceptions to Treasury's moratorium on establishing imprest funds to the Office of Financial Policy Cash and Debt Management Division.

0503 AUTHORITY AND REFERENCES

050301 [31 U.S.C. Chapter 33, Depositing, Keeping and Paying Money](#)

050302 [31 C.F.R. 208, Management of Federal Agency Disbursements](#)

050303 [U.S. Department of the Treasury, Regulations and Guidance, Imprest Fund Policy Directive](#)

0504 ROLES AND RESPONSIBILITIES

050401 The Assistant Secretary for Management/Chief Financial Officer (CFO) oversees all financial management activities relating to the Department's programs and operations, as required by the Chief Financial Officers Act of 1990 and 38 U.S.C. 309. Responsibilities include directing, managing, and providing policy guidance and oversight of VA's financial management personnel, activities and operations. The CFO establishes financial policy, systems and operating procedures for all VA financial entities and provides guidance on all aspects of financial management.

050402 Under Secretaries, Assistant Secretaries, Chief Financial Officers, Fiscal Officers, Chiefs of Finance Activities, Chief Accountants and Other Key Officials are

responsible for ensuring compliance with the policies and procedures set forth in this chapter.

050403 The Office of Financial Policy, Cash and Debt Management Service is responsible for developing policies and procedures for cash and debt management in accordance with the Debt Collection Improvement Act of 1996 and other Governmentwide programs and initiatives. Programs and initiatives include, but are not limited to, agent cashier activities, electronic funds transfer (EFT), collection actions and debt collection reporting and Treasury offset and cross-servicing.

050404 Principal Agent Cashiers are responsible for disbursing cash and carrying out other cash operations. Principal Agent Cashiers who are authorized to make payments from funds advanced to them are regarded as a category of disbursing officer. Those who make disbursements may be either Class “A” or Class “B” cashiers. Cashiers are personally liable for any loss or shortage of funds in their custody unless relieved by proper authority. Like other accountable officers, they are regarded as “insurers” and are subject to strict liability. Alternate Agent Cashiers are responsible for performing agent cashier functions only during the absence of the Principal Agent Cashier.

0505 PROCEDURES

Refer to 0502 Policies for VA guidance on imprest funds.

Refer to Volume VIII Chapter 3, *Agent Cashier Accountability Policy*, for detailed VA guidance on agent cashiers.

0506 DEFINITIONS

050601 Agent Cashier. A cashier is an officer or employee of the Federal Government who is designated as a cashier by an approving official and is authorized to disburse cash or carry out other cash operations. Principal Agent Cashiers, who are authorized to make payments from funds advanced to them, are regarded as a category of disbursing officer. Those who make disbursements may be either Class “A” or Class “B” cashiers. They deal primarily with petty cash funds known as “imprest funds.” Cashiers are personally liable for any loss or shortage of funds in their custody unless relieved by proper authority. Like other accountable officers, they are regarded as “insurers” and are subject to strict liability. For the most part, a cashier will be operating with funds advanced by his or her own employing agency. In some situations, however, such as an authorized interagency agreement, the funds will be advanced by another agency. Liability and relief are the same in either case.

050602 Imprest Fund. A fixed- or petty-cash fund in the form of currency or coin that has been advanced as Funds Held Outside of Treasury. Federal agencies are required to report their imprest funds in General Ledger Account 1120 - Imprest Funds on their annual financial statements.

0507 RESCISSIONS

050701 VA Directive 4030, Imprest Fund Cashier Policy

050702 VA Handbook 4030, Imprest Fund Cashier Procedures

0508 QUESTIONS

Questions concerning these financial policies and procedures should be directed as follows:

VHA

VBA

All Others

VHA Accounting Policy (Outlook)

VAVBAWAS/CO/FINREP (Outlook)

OFP Accounting Policy (Outlook)