



Issue Date: May 2008	Effective Date: April 25, 2008	Responsible Agency: Office of the Comptroller General	Directive No: 804
Chapter: Control of Expenditures			
Directive Title: IMPREST BANK ACCOUNTS			

1. POLICY

The Comptroller General (CG) or delegate may establish an imprest bank account or increase an imprest balance. Departments are responsible to implement adequate controls to minimize loss or inappropriate use and to ensure that all expenses incurred through an imprest bank account meet all payment requirements of the *Financial Administration Act*.

2. DEFINITION

Imprest bank account is a bank account that is periodically replenished from the Consolidated Revenue Fund (CRF) bank account as expenditures are made. Generally, imprest bank accounts are used for making payments where the government's central payment system cannot be used in an effective or efficient manner.

3. DIRECTIVE

Wherever possible, payments shall be issued using the Government's central payment system and the CRF bank account established for that purpose as per FAM Directive 502 Banking Arrangements. Payments may be made from other bank accounts where they have been put in place for use with other cheque issue systems established under the authority of the Comptroller General as per FAM Directive 860 Departmental Cheque Issue Systems.

4. PROVISIONS

4.1 Controls are required to ensure:

- 1) the establishment of an imprest bank account is properly approved;



- 2) no money is deposited to an imprest bank account other than the initial money approved, any approved increases, and reimbursements; and
 - 3) that imprest bank accounts are not overdrawn.
- 4.2 Disbursements must be accurately recorded on a timely basis with adequate supporting documentation and proper authorization. Cash on hand must be properly safeguarded and controlled.
 - 4.3 When an imprest bank account is no longer needed, any remaining balance must be returned to the Consolidated Revenue Fund
 - 4.4 Requests for funds to establish imprest bank accounts or increase the balance of imprest bank accounts must be submitted in writing to the Comptroller General or delegate for approval. Requests must identify the types of payments and procedures to be used to ensure adequate internal control over the receipt and disbursement of funds.
 - 4.5 Payments from an imprest bank account are limited to the type of payments approved by the Comptroller General or delegate as in 4.4 above. Payments are subject to the same requirements as payments made directly from the Government's CRF.
 - 4.6 The custodian shall reconcile each imprest bank account on a monthly basis and provide a copy of the reconciliation to Financial Reporting and Controls of the Department of Finance.
 - 4.7 The following should be considered when setting the amount of an imprest bank account:
 - a) the size and location of the operation to be served;
 - b) how frequently the account will be used;
 - c) the practical maximum value of single transactions;
 - d) frequency of replenishment (not more frequently than bi-weekly); and
 - e) the balance should be adequate to support business needs.