



SUBJECT

IMPREST REVOLVING FUNDS

I. AUTHORITY

A.R.S. § 35-131; 35-193; 41-722; 41-735

Note: Many of the concepts presented in this document apply to all types of revolving funds. However, these policies and procedures have been specifically developed to govern revolving funds established in accordance with A.R.S. § 35-193.

II. DEFINITIONS

- A. ADOA - Arizona Department of Administration.
- B. Arizona Financial Information System (AFIS) - the State of Arizona automated accounting and financial reporting system.
- C. Budget Unit - any department, commission, board, institution, or other agency of the State organization receiving, expending, or disbursing State funds or incurring obligations against the State. Budget units include major budget units.
- D. Change Fund - portion of the imprest account used primarily for making change when it is necessary during the day for collection of fees in the agency's regular course of business. The change fund is not to exceed \$500 unless prior approval has been obtained from the State Comptroller, Arizona Department of Administration.
- E. Checking Account - a demand account set up at a bank authorized by the Arizona State Banking Department.
- F. Fund Custodian - the individual who applied for the fund (applying officer). The fund custodian is responsible for the fund's money, accuracy, use and timely reconciliation.
- G. Head of Budget Unit - director or agency head.
- H. General Accounting Office (GAO) - within the Arizona Department of Administration, Financial Services Division. The GAO is primarily responsible for overseeing the statewide accounting functions of all State agencies.
- I. Imprest Basis - an accounting methodology by which the total cash on hand plus the fund's total activity (invoices, cash register receipts, etc.) must equal the total authorized dollar amount of the fund or account at all times.
- J. Joint Legislative Budget Committee - a legislative committee consisting of members of the Arizona Senate and Arizona House of Representatives that is responsible for conducting analyses of State agency budget requests.
- K. Petty Cash - an imprest account that is not to exceed \$500. The petty cash fund is not to be used as a change fund.



SUBJECT

IMPREST REVOLVING FUNDS

- L. Revolving Fund (imprest account) - a fund in which the amount of the cash receipts is normally equal to the amount of cash disbursements. In Arizona, there are five types of revolving funds: 1) internal service funds; 2) enterprise funds; 3) 90/10 funds; 4) statutorily mandated funds such as the Public Assistance and Administration Revolving Fund; and 5) imprest funds. This policy only controls revolving funds established in accordance with A.R.S. § 35-193.
- M. Sub-Fund Custodian - an individual authorized by the agency head to administer portions of the revolving fund in accordance with A.R.S. § 35-193. The sub-fund custodian must report to the fund custodian at least monthly.

III. POLICIES

- A. Revolving fund disbursements shall be limited to emergency situations that cannot be accommodated through normal channels due to time constraints.
- B. Revolving funds are not to be used to circumvent procurement, travel or accounting policies, procedures and requirements.
- C. The revolving fund is considered an imprest account because, at all times, the total cash on hand plus the fund's total activity (invoices, cash register receipts, etc.) must equal the total authorized dollar amount of the fund or account.
- D. The fund custodian must be in a high level of authority, such as the Chief Financial Officer or equivalent, who can be held to a high level of accountability. The fund custodian (and ultimately the agency director) shall be held financially and legally liable for the fund.
- E. The agency head has the discretion to sub-divide this fund into smaller funds (sub-funds) within the agency. The agency head and the fund custodian have the responsibility for ensuring accountability for all of these funds as prescribed in this section of the Accounting Manual.
- F. Each agency that designates a sub-fund custodian must distinguish the sub-fund custodian(s) from the fund custodian and develop internal policies and procedures to ensure that the sub-fund custodian is aware of the responsibilities and liabilities associated with the function. The sub-fund custodian must report to the fund custodian at least monthly.
- G. The following policies are in accordance with A.R.S. § 35-193:
 - The fund custodian and the agency head certify that the revolving fund will be administered in accordance with all policies and procedures established by the Arizona Department of Administration (ADOA).
 - The fund custodian and agency head further certify that this fund will be used for the purpose of making change (change fund) or for cash outlays (petty cash, checking



SUBJECT

IMPREST REVOLVING FUNDS

account) for postage, supplies and other minor emergency disbursements. The disbursements must meet all State requirements since reimbursement will be made from State funds.

- This fund may consist of petty cash, a change fund, a checking account, or a combination of these.
- The supervisory official of a budget unit shall apply to the ADOA to provide a revolving fund in an amount that will allow the budget unit to pay operating expense items under procedures prescribed by the ADOA.
- The application (GAO-33) for a revolving fund shall state the following: the purpose of the fund, the necessary amount, the custodian who will be charged with the handling and accounting of the fund, and the appropriation and/or the fund to which the revolving fund is to be charged.
- The ADOA shall review the application as to purpose and reasonableness of the amount requested and, if applicable, may draw a warrant to the order of the officer applying therefor, and charge the amount thereof to the appropriation and/or the fund of that budget unit as requested.
- The ADOA shall not approve an amount of more than \$50,000 for a budget unit without approval of the Joint Legislative Budget Committee.
- The manner of accounting for a revolving fund shall be as prescribed by the State of Arizona Accounting Manual and all applicable GAO Technical Bulletins.
- A revolving fund established under this section does not revert to the State General fund at the end of the fiscal year.
- At the request of the director of the ADOA, the applicant shall return to the State Treasurer the full amount of the revolving fund or amount requested. Until such request has been honored, A.R.S. § 35-193 requires that no claims for services (i.e., payroll) of the applying officer or the head of the budget unit shall be paid.

H. In accordance with A.R.S. § 41-735, all revolving are subject to audit by the ADOA.

IV. PROCEDURES

A. Establishing a Revolving Fund

1. To request a revolving fund, the agency must submit a "Request for Revolving Fund," form GAO-33. (See Appendix A for instructions.)
2. The top portion of the form GAO-33 must be completed and signed by the Agency Head and the Fund Custodian. The custodian is the person who is responsible for the activities of the revolving fund. This person must be in a high level of authority, such as the Chief



SUBJECT

IMPREST REVOLVING FUNDS

Financial Officer or a person who is responsible for establishing financial policies of the agency.

3. The completed form GAO-33 must be sent to the State Comptroller, General Accounting Office, West Wing, Room 290, 1700 West Washington, Phoenix, AZ 85007.
4. Upon approval, a copy of the approved form GAO-33 will be returned to the agency. A claim (form GAO-504) can then be processed in the amount for which the revolving fund was approved. (see Appendix C for instructions) If the agency does not have on-line access to AFIS, the claim form can be sent with the original request (form GAO-33) to the GAO. The comptroller object code 7962 should be used to establish or increase a revolving fund, but not to reimburse or return the revolving fund, except as provided for in paragraph H.2.
5. The vendor on the claim shall be "(Agency Name) - Revolving Fund, (Custodian Name) - Custodian". This should agree with the name on the vendor file.

B. Establishing and Maintaining the Bank Account

This section applies only if a checking account is needed. (*Note:* it does not apply if only a change fund or a petty cash fund is requested.)

1. All bank accounts must be approved by the State Treasurer and the Department of Administration. The bank account may be established at any bank approved by the Banking Department.
2. When a bank account has been properly approved, the Department of Administration and the State Treasurer's Office encourage the establishment of an interest bearing account. Also, the individual establishing the bank account should request a waiver of any monthly service charges.

The agency must request that all canceled checks be returned with the monthly bank statements. Service charges may be considered acceptable if the bank policy is to charge a fee for returning canceled checks with the bank statements. Use comptroller object 6499 to reimburse the revolving fund for unavoidable bank service charges.

3. The bank account must be set up so that bank statements have a date cut-off at year-end, i.e., For the period ending June 30, 19xx. Do not set up bank accounts that have bank statement cut-off dates in the middle of the month.
4. Interest earned on the account must be deposited to the General Fund unless other arrangements are authorized by the State Comptroller. The interest deposit must be made at least annually, using a check from the revolving fund.
5. The account shall be unique and entitled "(Agency Name) - Revolving Fund" and this must be preprinted on the checks with progressive numbers.



SUBJECT

IMPREST REVOLVING FUNDS

6. A signature card must be obtained from the bank and must be kept current. All authorized signers must be shown on the card, including the agency head, fund custodian and one or two sub-fund custodians as needed.
7. Each agency must establish policies to ensure that all signers on the checking account authorize disbursements from the revolving fund in accordance with applicable statutes, policies and procedures.
8. Each agency that designates a sub-fund custodian must distinguish the sub-fund custodian(s) from the fund custodian and develop internal policies and procedures to ensure that the sub-fund custodian is aware of the responsibilities and liabilities associated with the function.
9. If the checking account is a sub-account of the agency revolving fund, the title of the account shall be "(Agency Name- Organization Name or Location) - Revolving Fund" and the director's signature can be replaced by the manager/director of the facility/organization.
10. Any changes in the custodian or agency director must be provided to the ADOA on form GAO-33 within 30 days following the change.

C. Safeguarding the Revolving Fund

1. Cash, checks and revolving fund records should be restricted to those who have the right and/or need to access them.
2. Adequate facilities must be provided for safeguarding cash and checks prior to deposit.
3. Change safe combinations and/or locks to files when deemed necessary to maintain security.
4. Restrict safe combinations and keep access to cash boxes and files to an essential number of employees.
5. Unused checks must be adequately safeguarded.
6. Unused checks should be in the custody of a person who does not sign checks manually, control the use of the facsimile signature plates or operate the facsimile signature machine.
7. If a mechanical check signer is used, the facsimile signature plate shall be under adequate control.
8. For cash reimbursed to the revolving fund, refer to the Cash Receipts section for applicable cash control concepts.



SUBJECT

IMPREST REVOLVING FUNDS

D. Vendor Setup

1. Revolving fund vendor setup requires the agency to complete forms GAO-33 and GAO-617 (see Appendix D for instructions), and submit both forms to the GAO.
2. Once the above forms are approved, the GAO will establish the vendor in AFIS.
3. The GAO reviews the applicable forms and establishes all vendor mail codes for revolving funds.
4. State ID #68660047919 is the vendor number used for revolving funds. The last digit (9) is very important as it identifies the number as a revolving fund.
5. Changes to the revolving fund (e.g. change in custodian) require the agency to complete forms GAO-33 and GAO-617, and submit both forms to the GAO.

E. Disbursement and Reimbursement (including change funds, petty cash funds, and checking accounts).

1. A revolving fund (imprest account) is established for the purpose of making minor emergency disbursements that cannot be accommodated through normal channels due to time constraints. When revolving funds are used, the disbursement process is not complete until claims for payment are made from State funds and the revolving fund is reimbursed for the emergency activity.
2. The petty cash drawer or change fund portion of the imprest account must be \$500 or LESS per location unless prior approval has been obtained from the State Comptroller, Arizona Department of Administration.
3. Change funds are to be used primarily for making change when it is necessary during the day for collection of fees in the agency's regular course of business. Change funds should remain constant and should be removed at the end of the day from the receipts in the register. Any differences in the cash receipts affect the day's receipts and not the change fund.
4. Petty cash and/or revolving funds must not be used for unapproved, non-emergency transactions, including the following:
 - Loans or cash advances to employees;
 - Travel reimbursement;
 - Travel Advances;
 - Payments to employees for personal services;
 - Subscriptions, memberships, registrations, or tuition;
 - A clearing fund for any purpose;
 - Monthly recurring operating expenses of the agency;
 - Situations that can be accommodated through other established procedures.



SUBJECT

IMPREST REVOLVING FUNDS

5. Petty cash and/or revolving funds may be used for the following situation:
 - Advance on earned salary may be made in an emergency situation with prior approval of the Director of the Arizona Department of Administration, the State Comptroller, or his/her authorized representative. After approval, up to a maximum of 80% of an employee's net pay, not to exceed \$500 is allowable.
6. Revolving fund procedures, such as making deposits, preparing checks, signing checks, and performing monthly reconciliations, must be segregated to the extent possible. No one individual should have complete authority over an entire revolving fund and/or petty cash fund transaction. For example, the fund custodian should not be allowed to prepare requests for disbursements and record fund receipts.
7. All disbursements from the revolving fund, with the exception of petty cash items, should be made by serially pre-numbered check to maximize controls.
 - a. Voided checks must be stamped VOID and mutilated by cutting out the signature section of the check to prevent reuse. The voided checks should then be numerically filed with other canceled checks or attached to the appropriate check register.
 - b. The check register, stub or control log balances must be current at all times. To correct any of the above, draw a single line through the error. Never erase or paint out.
8. The fund custodian must be able to provide an adequate audit trail for all disbursements from the revolving fund.
9. All revolving fund disbursements must be properly authorized. This includes meeting the public benefit threshold and consideration of appropriation, cash, and statutory and other applicable requirements.

Note: All requests for disbursements from the revolving fund must be approved by the agency head or designee. Unauthorized disbursements from the revolving fund are not considered a legal obligation of the State; therefore, the fund custodian (and ultimately the agency head) is financially and legally liable for such activities. Internal controls must be in place, to the extent possible, to ensure that no one individual has complete authority over an entire revolving fund transaction.
10. The individual preparing the check should be different from the individual signing the check.
11. All checks must be fully completed before being presented for signature(s). Checks missing essential elements (such as amount, payee or date) must not be signed.



SUBJECT

IMPREST REVOLVING FUNDS

12. When a person on the signature card is no longer authorized to sign checks, a new signature card must be obtained from the bank to update the authorized signatures. This must be done on a timely basis.
13. Refer to the Purchasing, Receiving and Accounts Payable section for concepts applicable and germane to the disbursement of public funds.
14. Fund reimbursements of all disbursements from the petty cash drawer or checking account of the revolving fund must be supported by cash register receipts/invoices for the former and Imprest Account vouchers for the latter.
 - a. No disbursement may exceed \$500.
 - b. Travel advances, expenses, and reimbursements must not be paid from the revolving fund. Policies and procedures relating to travel advances are provided in the *Travel* section (II-D) of this accounting manual
 - c. Any disbursement or check over \$250 must have the signatures of the agency director and the fund custodian, or their authorized representatives. Two signatures are required. If the checks do not have two lines, a second line should be added along with a statement indicating "two signatures required if over \$250.00".
 - d. A check must not be made out to "CASH" or "BEARER". If reimbursing the petty cash fund, make the check payable to "(Agency Name) - Revolving Fund, (Custodian Name) - Custodian".
 - e. The revolving fund must not be used for making loans (IOU's), to cash personal checks, or any other unauthorized advances or purposes.
15. All warrants to reimburse the revolving fund must be restrictively endorsed immediately upon receipt. If you receive any other instrument for reimbursing the revolving fund, contact your GAO liaison.
16. The appropriate expenditure comptroller object code must be used to replenish the revolving fund. The comptroller object code 7962 must not be used to reimburse expenditures in the revolving fund.
 - a. A claim form (GAO-504) must be completed to reimburse the revolving fund. The vendor on the claim is the same as used in paragraph a(5).
 - b. Original receipts are required as supporting documentation when reimbursing the revolving fund through AFIS.
 - c. Bank service charges, if any, will be reimbursed like any other fund expenditure.

Note: Bank service charges cannot be offset with interest earned. As stated in paragraph B.4., interest earned on the account must be deposited to the



SUBJECT

IMPREST REVOLVING FUNDS

General Fund unless other arrangements are authorized by the State Comptroller.

- 17. Revolving fund claims and reconciliations should be filed separately from regular transactions of the agency.
- 18. The custodian (and ultimately the agency head) is responsible for resolving any shortages in the authorized amount. Resolution may include calling the revolving fund in accordance with A.R.S. § 35-193.

F. Change in Custodian

- 1. When an appointed fund custodian or custodian's address is changed, complete and sign forms GAO-33 and GAO-617 (see Appendices A and D, respectively, for instructions), and submit both forms to the GAO.
- 2. Before changing the custodian, a reconciliation of the fund must be performed to substantiate the authorized imprest balance.
- 3. The new custodian shall be furnished a copy of the revolving fund procedures and made aware of her or his responsibilities and legal liabilities.
- 4. The prior custodian will be accountable for any differences before the new custodian assumes the responsibility. If the former custodian has already left the agency or state service, the agency head is responsible by statute for these differences.

G. Monthly Bank Account and Revolving Fund Reconciliation

Note: To assist the State agencies, Appendix B of this policy contains a revolving fund reconciliation form (GAO-33A) and step-by-step instructions on how to complete the reconciliation process. Although the use of this form is not required, it is strongly recommended that the agency use this form (or one similar to it in both content and format) in order to maintain consistency throughout all State agencies.

- 1. Upon receipt of the monthly bank statement and canceled checks, a monthly bank and revolving fund reconciliation must be made. This reconciliation must be made within thirty days of month-end, i.e., the date on the bank statement. Refer to paragraph B.3.
- 2. If a monthly bank statement is not received due to inactivity in the account, the reconciliation must still be done. Verify by telephone the bank account balance with a bank representative.

Note: Review all inactive bank accounts on an annual basis. If an inactive bank account is deemed unnecessary, it should be closed promptly.

- 4. Monthly bank reconciliations must be performed by someone other than the person responsible for receipts or disbursements. For example, the custodian of the revolving



SUBJECT

IMPREST REVOLVING FUNDS

fund may perform the reconciliations as long as he/she does not both prepare and sign checks, or record fund receipts.

5. The following steps should be included in the monthly bank reconciliation process:
 - a. Compare the canceled checks with the check register as to number, date, payee and amount;
 - b. Examine the canceled checks for authorized signature(s);
 - c. Examine the canceled checks for irregular endorsements and alterations;
 - d. Compare the dates and amounts of deposits shown on the bank statement with the check register.
6. The bank and revolving fund reconciliation must be reviewed by an individual other than the preparer of the reconciliation, and this review must be indicated on the reconciliation form.
7. Checks outstanding for more than one month should be periodically investigated and proper action taken.
8. Monthly reconciliations must also be made to the total authorized fund amount that may include petty cash, change funds, and other sub-divided accounts within the agency.
9. Annually, a copy of the June 30 bank and revolving fund reconciliations must be submitted to the GAO Revolving Fund Coordinator for review. **This is effective beginning with the June 30, 1996 reconciliations.**

H. Revolving Fund Shortages/Overages

1. If a fund shortage or overage occurs in the revolving fund, fully explain the variance in the monthly fund reconciliation.
2. All overages in the revolving fund are to be immediately deposited to the fund that was used to create the revolving fund.
3. Any fund shortage that remains for two consecutive months must be resolved immediately. Resolution may include collection of the fund shortage from the individual(s) responsible. The fund custodian (and ultimately the agency head) is financially and legally liable for all revolving fund shortages.
4. The agency must notify the GAO of all revolving fund shortages and overages.
5. If excessive and/or repetitive shortages or overages persist in the fund, the agency must take the applicable personnel actions to resolve the problem. This may include relieving the current custodian of his or her duties and establishing a new custodian.



SUBJECT

IMPREST REVOLVING FUNDS

6. If your agency has unique cash shortage/overage issues, submit the policy for handling these situations to the State Comptroller for approval, e.g., change fund.

I. Elimination or Reduction of the Revolving Fund

1. To decrease or eliminate a revolving fund, complete and submit form GAO-33 to the State Comptroller, Department of Administration. Attach a copy of the deposit to show that the funds were returned to the AFIS fund that was the source of the revolving fund.
2. The revenue comptroller object code 4994 must be used to return the funds. Comptroller object 7962 may be used to return a revolving fund only to the extent that the fund was either established or increased in the current fiscal year. Such a reduction or elimination of the revolving fund, using comptroller object 7962, must not be greater than the amount by which the revolving fund was established or increased in the same fiscal year.

Note: Comptroller object 7962 should never have a credit (negative) balance.

V. APPENDICES

Appendices A, B, C and D contain example copies of all forms referenced in this document. The forms included in appendices are for reference purposes only and are not to be used in lieu of the official GAO forms.



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX A GAO-33

PROCEDURE: This form will be used to request the establishment of a revolving fund, increase or decrease the amount of the revolving fund, elimination of the revolving fund, and change in custodian of the revolving fund.

- **NEW REQUEST** - Check this box if the request is for the establishment of a revolving fund.
- **INCREASE/DECREASE** - Check this box if the request is for an increase or decrease in the amount of an established revolving fund.
- **CUSTODIAN CHANGE** - Check this box if the request is for a change of the approved custodian.
- **FROM** - Enter the agency, section and unit for which the request is submitted.
- **DATE** - Enter the current date.
- **AMOUNT INCREASE(+)/DECREASE(-)** - Enter the amount requested to establish, increase or decrease the revolving fund.
- **TOTAL AMOUNT REQUESTED INCLUDING INCREASE(+)/DECREASE(-)** - Enter the total amount of the revolving fund including the requested amount.

EXAMPLE: Revolving fund amount prior to request
 +/- Requested increase/decrease
 Total amount requested including increase/decrease

- **AFIS FUND #** - Enter the AFIS fund # from which the revolving fund is to be established. The AFIS fund must exist in the Fund Profile (screen D23). Increases/decreases must affect the same AFIS fund as the establishment of the revolving fund.
- **APPROPRIATION #** - Enter the appropriation # from which the revolving fund is to be established. The appropriation must exist in the Appropriation Profile (screen 20). Increases/ decreases must affect the same appropriation as the establishment of the revolving fund.
- **NAME OF FUND CUSTODIAN** - Type or print the name of the fund custodian. The fund custodian must be in a high level of authority, such as Chief Financial Officer, or equivalent, who can be held to a high level of accountability. The fund custodian (and ultimately the agency head) shall be held financially and legally liable for any misuse of the fund.
- **TITLE OF FUND CUSTODIAN** - Type or print the title of the fund custodian.
- **SIGNATURES** - This form must be signed by the fund custodian and the agency head. By signing this form, the fund custodian and agency head acknowledge their responsibilities and understanding of the purpose and appropriate use of the revolving fund. They also certify that they will administer the revolving fund accordance with all policies and procedures established by the ADOA.



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX A (cont'd) GAO-33

STATE OF ARIZONA DEPARTMENT OF ADMINISTRATION FINANCIAL SERVICES DIVISION GENERAL ACCOUNTING OFFICE REQUEST FOR REVOLVING FUND	<input type="checkbox"/> NEW REQUEST <input type="checkbox"/> INCREASE/DECREASE <input type="checkbox"/> CUSTODIAN CHANGE <input type="checkbox"/> CLOSE OUT
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(Agency)		To: General Accounting Office (file JLBC if fund exceeds \$50,000)		Date
From:	AFIS Fund #	Appropriation #	Comptroller Object [] 7551 [] 4821 (See Accounting Manual section II-C-2 for appropriate COBJ)	
Previous Revolving Fund Balance: \$ _____				
Change Increase / (Decrease): \$ _____				
New Revolving Fund Balance: \$ _____				

REQUEST AND CERTIFICATION

In accordance with ARS 35-193, I hereby request the establishment of, or changes to the revolving fund for the amount and accounting data specified above. This fund will be used for the purpose of making charge for cash outlay, postage, supplies and other minor disbursements. This fund may consist of working cash, petty cash and/or a checking account.

I certify that the expenditures from the revolving fund will be for a valid public purpose and consistent with applicable statutes, laws, appropriations, grants and contracts. I certify that sufficient appropriation and monies are available for the expenditures, and that I am authorized to disburse these monies. I also certify that I will administer the revolving fund in accordance with policies and procedures established by the Arizona Department of Administration.

The following agency official is the designated custodian of the revolving fund and is charged with handling and accounting procedures.

_____ Signature of Fund Custodian	_____ Signature of Agency Head
_____ Name of Fund Custodian (Please Print or Type)	_____ Title of Fund Custodian (Please Print or Type)

INSTRUCTIONS: Submit the completed request to the General Accounting Office (GAO) for approval (via JLBC if request exceeds \$50,000.00). If the agency does not have on-line access to AFIS, a claim (form GAO 504) can be sent to GAO with the original request. The claim should indicate it is for the purpose of establishing or changing a revolving fund and must be signed by the fund custodian.

ARS 35-193; REVOLVING FUNDS, states that:

- A. The supervisory official of a budget unit may apply to the Department of Administration to provide a revolving fund in an amount which will allow the budget to pay operating expense items under procedures prescribed by the Department of Administration.
- B. The application for a revolving fund shall state the purposes for which required, the amount deemed necessary and the particular person who shall have custody of and be charged with the handling and accounting of the fund and the appropriation or other fund to which the revolving fund is to be charged.
- C. The Department of Administration shall review the application as to purpose and reasonableness of amount requested and if applicable may draw a warrant in the order of the officer applying therefor, and charge the amount thereof against the appropriation or other fund of that budget unit as requested. The department shall not approve an amount of more than fifty thousand dollars for a budget unit without approval of the Joint Legislative Budget Committee.
- D. The manner of accounting for a revolving fund shall be as prescribed by the director of the Department of Administration. A revolving fund established under this section does not revert to the state general fund at the end of the fiscal year.
- E. At the request of the director of the Department of Administration, the applicant shall return to the State Treasurer the full amount of the revolving fund or amount requested, and no claims for services of the officer applying therefor or the head of the budget unit shall be paid until such request has been complied with.

APPROVAL SIGNATURES

Total amount approved by the Joint Legislative Budget Committee (if over \$50,000.00): \$ _____	Joint Legislative Budget Committee <input type="checkbox"/> Denied on _____ Via letter attached <input type="checkbox"/> Approved on _____ Via letter attached
Agency Accounting Services - GAO _____ Signature and Date	General Accounting Administrator - GAO _____ Signature and Date



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX B GAO-33A

PROCEDURE: This form shall be used to perform a revolving fund reconciliation on a monthly basis. It consists of a bank statement reconciliation, a petty cash reconciliation, or both. In addition, a reconciliation to the revolving fund imprest balance must be completed. Annually, a copy of the June 30 bank and revolving fund reconciliations must be submitted to the GAO Revolving Fund Coordinator for review.

Note: It is strongly recommended that agencies use the reconciliation form that follows these instructions or one similar to it in content and form.

A. Bank Statement Reconciliation

- Send, unopened, the monthly bank statement from the mailroom or the employee designated to open mail to the person responsible for the reconciliation. The person responsible for performing the reconciliation shall open the bank statement envelope.
- Receive the statement and open.
- Record the date and account number on the bank statement top of the worksheet.
- Record the bank statement balance on the worksheet.
- List and total all outstanding deposits.

Note: Outstanding deposits are deposits made to the account subsequent to the bank statement date and, therefore, are reflected in the checkbook balance but are not reflected on the current bank statement.

- List all outstanding check numbers and total the corresponding amounts.

Note: Outstanding checks are checks that have been deducted from the checkbook balance but have not cleared the bank as of the bank statement date and, therefore, are not reflected on the bank statement.

- Record the checkbook balance, adjust for any unrecorded bank activity (i.e., add interest earned; deduct services charges). This is the adjusted checkbook balance.
- Compare the adjusted bank balance to the adjusted checkbook balance; they must equal.¹ If they do not, include a full explanation of the variance.
- The individuals responsible for preparing and reviewing the reconciliation must sign the form.

¹Interest earned is to be treated as a reconciling item until reverted to the General Fund. Bank fees are considered an expense of the revolving fund and must be deducted from the checkbook balance and the revolving fund should be reimbursed.



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX B (cont'd) GAO-33A**B. Petty Cash Reconciliation**

- Conduct a cash count of the petty cash on hand and record amount on worksheet.
- Include receipts for all disbursements not yet reimbursed. Total and record these receipts on worksheet.
- Compare total receipts plus the cash on hand to the authorized imprest petty cash balance. They should be equal. If not, explain the variance.

C. Consolidated Bank Statement and Petty Cash Reconciliation

- Combine the above two reconciliations by bringing the balances on the bank statement and the petty cash reconciliation worksheets forward onto the consolidated worksheet.
- Compare the combined reconciliations with the total amount established for the revolving fund. They should be equal. If not, explain the variance.

Note: All unrecorded items must be properly recorded in the checkbook.



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX B (cont'd) GAO-33A

REVOLVING FUND RECONCILIATION

The revolving fund reconciliation shall be performed on a monthly basis. A copy of the June 30 bank and revolving fund reconciliations must be submitted to the GAO Revolving Fund Coordinator for review.

Date _____ Prepared by: _____
Account No. _____ Reviewed by: _____

SECTION A Bank Statement Reconciliation

Bank Statement Balance \$ _____

Add: Outstanding Deposits

Table with 4 columns: Date, Amount, Date, Amount. Rows 1-10 for deposits, followed by a Total row.

Deduct: Outstanding Checks

Table with 4 columns: No., Amount, No., Amount. Rows 1-20 for checks, followed by a Total row.

Adjusted Bank Balance (MUST equal adjusted checkbook balance ①) \$ _____ ①

Checkbook Balance \$ _____

Add: Unrecorded Bank Activity (i.e., interest earned) \$ _____

Deduct: Unrecorded Bank Activity (i.e., bank service charges) \$ _____

Adjusted Checkbook Balance (MUST equal adjusted bank balance ②) \$ _____ ②

Amount of Variance. Include Full Explanation. \$ _____



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX B (cont'd) GAO-33A

REVOLVING FUND RECONCILIATION (cont'd)

SECTION B Petty Cash Reconciliation

Petty Cash on Hand \$ _____

Disbursements Not Yet Reimbursed:

	To	Amount	
1)	_____	_____	
2)	_____	_____	
3)	_____	_____	
4)	_____	_____	
5)	_____	_____	
6)	_____	_____	
7)	_____	_____	
8)	_____	_____	
9)	_____	_____	
10)	_____	_____	
11)	_____	_____	
12)	_____	_____	
13)	_____	_____	
14)	_____	_____	
15)	_____	_____	
		Total	\$ _____

Total Petty Cash (MUST equal imprest balance) \$ _____

Amount of Variance. Include Full Explanation. \$ _____

SECTION C Consolidated Bank Statement and Petty Cash Reconciliation

Revolving Fund Amount (GAO records)* \$ _____

Total Adjusted Checkbook Balance(s) \$ _____
(from all checking accounts in the revolving fund)

Payments Not Yet Reimbursed (from USAS) \$ _____

Petty Cash on Hand \$ _____

Petty Cash Disbursements \$ _____
(not yet reimbursed from bank account)

Total Revolving Fund Amount (agency records)* \$ _____

* These amounts MUST balance.

Amount of Variance. Include Full Explanation. \$ _____



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX C GAO-504

PROCEDURE: This form will be used to obtain funds for the purpose of establishing, increasing or reimbursing the revolving fund.

- **DOC DATE** - The date the transaction is being created.
- **EFF DATE** - This date will default for the current accounting period or the date entered on the Batch Header Record.
- **DUE DATE** - The date the warrant is to be generated. If left blank, payment is made as the funds are available.
- **SERV DATE** - Not used for revolving fund claim.
- **CUR DOC/SFX** - A unique identification for the transaction. Numerous items are placed under one current document number using sequential numbering for the suffix. The first character of the current document represents the type of document.
- **REF DOC/SFX** - Identifies the encumbrance/pre-encumbrance transaction which is being referenced by the current document to collect data. The reference document requires a suffix. This should be a valid encumbrance/pre-encumbrance number.
- **MOD** - Used only when a reference document number is used. It determines how the reference is to be liquidated. The valid codes are:
 - P** Partial liquidation;
 - F** Complete liquidation;
 - A** Activate a previously closed encumbrance;
 - C** Close an encumbrance to prevent future postings. It only liquidates the amount of the transaction.
- **AGY** - The three character code representing your agency.
- **TC** - A three digit code required on all transactions to identify the accounts being debited and credited. Use TC 222 (not encumbered) or TC 225 (encumbered) to obtain funds to establish, increase or reimburse the revolving fund. Use TC 190 to reduce or return the revolving fund.
- **INDEX** - A five digit code required for all transactions. The Index may look up the PCA or the PCA may look up the Index (if neither one is looked up, both the Index and PCA must be entered). For most agencies, the Index looks up the PCA. The Index is a coding reduction tool, decreasing the amount of entries required. The Index is used for financial reporting, giving the organizational structure level where reporting is to occur.
- **PCA** - A five digit Program Cost Account code required on all transactions. The PCA may look up the Index or the Index may look up the PCA (if neither one is looked up, both the Index and



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX C (cont'd) GAO-504

PCA must be entered). For most agencies, the Index looks up the PCA. The PCA is a coding reduction tool,

- decreasing the amount of entries required. It is used to account for money and report at levels set up by the organization.
- **AY** - The appropriation year under which the funds are being accessed.
- **COMP OBJ** - The comptroller object is a four digit account number of the category where the transaction is to be placed for financial reporting. The comptroller object code 7962 should be used to open or increase a revolving fund. The comptroller object applicable to the expenditure should be used to reimburse the revolving fund.
- **AGY OBJ** - The Agency Object is a four digit account number instituted by the agency for detailed accounting and reporting purposes.
- **BTM** - Betterment (this is a new field).
- **AMOUNT** - Enter the amount of the transaction.
- **R** - To indicate that the impact of the transaction is to be reversed for all accounts involved. The valid codes are:
 - R Reverse immediately;
 - M Reverse on the first day of the next month (Not being used);
 - Y Reverse on the first day of the next fiscal year (Not being used).
- **DISC** - Not used for revolving fund claim.
- **1099** - A code for the type of 1099 a vendor is to receive. A default 1099 type for each comptroller object has already been established in the system file and cannot be overridden.
- **FO** - A code used by the GAO only.
- **PDT** - A payment distribution type identifies how transactions can be combined for warrants and how warrants are to be routed. A PDT has been set up on each vendor record, which may be overridden by entering a different code here. The payment distribution type on the Batch Header Record allows all transactions in the batch to carry the same code. If entered on individual transactions, just the transaction will be effected. The valid codes are:
 - R Release to the agency, do not combine documents, do not combine funds;
 - RD Release to the agency, combine documents, do not combine funds;
 - RF Release to the agency, combine documents and combine funds;
 - RT Release to the agency, do not combine documents, combine funds.



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX C (cont'd) GAO-504

- **DOC AMT** - The total from the AMOUNT field for all transactions using the same current document number within the same year. This is an absolute amount.
- **DOC AGY** - The three character code identifying your agency.
- **CI** - Not used for revolving fund claim.
- **PROP NO** - Not used for revolving fund claim.
- **INV DATE** - Not used for revolving fund claim.
- **DATE** - Not used for revolving fund claim.
- **DESCRIPTION** - For the agency's use to provide additional information about the transaction.
- **CONT NO** - Not used for revolving fund claim.
- **WARRANT NO** - Enter warrant number when a hand written warrant is issued. (GAO use only).
- **APPN NO** - The appropriation number affected by the transaction. This number can be looked up by either the Index or the PCA.
- **FUND** - The fund affected by the transaction. The fund can be looked up by the Index or PCA.
- **COMP GL** - The comptroller general ledger is not entered on the claim.
- **AGY GL** - The agency general ledger is not entered on the claim.
- **GRANT NO/PH** - Optional for revolving fund claim.
- **SUB GRANTEE** - Optional for revolving fund claim.
- **PROJ NO/PH** - Optional for revolving fund claim.
- **MPCD** - Optional for revolving fund claim.
- **AGY CD-1,2,3** - Optional for revolving fund claim.
- **DI** - Not used for revolving fund claim.
- **RTI** - Not used for revolving fund claim.



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX C (cont'd) GAO-504

STATE OF ARIZONA		AGENCY:		VENDOR NO (11)		MC (3)		AGY (3)		DATE (6)		TYPE (1)		ND (3)		
CLAIM		ENTERED BY/DATE:		RELEASED BY/DATE:		BATCH COUNT(5)		BATCH AMOUNT \$(11) # (2)								
VENDOR'S NAME (50)		ADDRESS 1 (50)		CITY (20)		ST (2)		ZIP CODE (5) * 4								
DOC DATE (8)	EFF DATE (6)	DUE DATE (6)	SERV DATE (6)	CUR DOC (8)	SFX (3)	REF DOC (8)	SFX (3)	MOD(1) AGY (3)	TC (3)			INDEX (5)				
AY (2)	COMP OBJ(4)	AGY OBJ (4)	BTM (1)	AMOUNT \$(11) # (2)	R (1)	DISC \$(11) # (2)	1099 (1)	FO (1)	PDT (2)	DOC AMOUNT \$(11) # (2)			DOC AGY (3)	CI (1)		
PROP NO (10)	INV NO (14)	INVOICE DATE (6)	DESCRIPTION (30)	CONT NO (10)	WARRANT NO (9)	APPN NO (5)	FUND (4)	COMP GL (4)								
AGY GL (8)	GRANT NO (6)	PH (2)	SUB GRANTEE (14)	PROJ NO (6)	PH (2)	MPCD (10)	AGY CD-1 (4)	AGY CD-2 (4)	AGY CD-3 (4)	DI (9)			RTI (8)			
DOC DATE (8)	EFF DATE (6)	DUE DATE (6)	SERV DATE (6)	CUR DOC (8)	SFX (3)	REF DOC (8)	SFX (3)	MOD(1) AGY (3)	TC (3)			INDEX (5)				
AY (2)	COMP OBJ(4)	AGY OBJ (4)	BTM (1)	AMOUNT \$(11) # (2)	R (1)	DISC \$(11) # (2)	1099 (1)	FO (1)	PDT (2)	DOC AMOUNT \$(11) # (2)			DOC AGY (3)	CI (1)		
PROP NO (10)	INV NO (14)	INVOICE DATE (6)	DESCRIPTION (30)	CONT NO (10)	WARRANT NO (9)	APPN NO (5)	FUND (4)	COMP GL (4)								
AGY GL (8)	GRANT NO (6)	PH (2)	SUB GRANTEE (14)	PROJ NO (6)	PH (2)	MPCD (10)	AGY CD-1 (4)	AGY CD-2 (4)	AGY CD-3 (4)	DI (9)			RTI (8)			
DOC DATE (8)	EFF DATE (6)	DUE DATE (6)	SERV DATE (6)	CUR DOC (8)	SFX (3)	REF DOC (8)	SFX (3)	MOD(1) AGY (3)	TC (3)			INDEX (5)				
AY (2)	COMP OBJ(4)	AGY OBJ (4)	BTM (1)	AMOUNT \$(11) # (2)	R (1)	DISC \$(11) # (2)	1099 (1)	FO (1)	PDT (2)	DOC AMOUNT \$(11) # (2)			DOC AGY (3)	CI (1)		
PROP NO (10)	INV NO (14)	INVOICE DATE (6)	DESCRIPTION (30)	CONT NO (10)	WARRANT NO (9)	APPN NO (5)	FUND (4)	COMP GL (4)								
AGY GL (8)	GRANT NO (6)	PH (2)	SUB GRANTEE (14)	PROJ NO (6)	PH (2)	MPCD (10)	AGY CD-1 (4)	AGY CD-2 (4)	AGY CD-3 (4)	DI (9)			RTI (8)			
DOC DATE (8)	EFF DATE (6)	DUE DATE (6)	SERV DATE (6)	CUR DOC (8)	SFX (3)	REF DOC (8)	SFX (3)	MOD(1) AGY (3)	TC (3)			INDEX (5)				
AY (2)	COMP OBJ(4)	AGY OBJ (4)	BTM (1)	AMOUNT \$(11) # (2)	R (1)	DISC \$(11) # (2)	1099 (1)	FO (1)	PDT (2)	DOC AMOUNT \$(11) # (2)			DOC AGY (3)	CI (1)		
PROP NO (10)	INV NO (14)	INVOICE DATE (6)	DESCRIPTION (30)	CONT NO (10)	WARRANT NO (9)	APPN NO (5)	FUND (4)	COMP GL (4)								
AGY GL (8)	GRANT NO (6)	PH (2)	SUB GRANTEE (14)	PROJ NO (6)	PH (2)	MPCD (10)	AGY CD-1 (4)	AGY CD-2 (4)	AGY CD-3 (4)	DI (9)			RTI (8)			

APPROVED BY:

I certify that this expenditure/transaction is for a valid public purpose and is consistent with all applicable statutes, laws, appropriations, grants, and contracts. I also certify that sufficient appropriation and monies are available for this expenditure/transaction, and that I am authorized to distribute these monies.

GAO-504 (7-97) CLAIM



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX D GAO-617

PROCEDURE: This form will be used to request the establishment, change, or inactivation of a fund custodian in the AFIS Vendor File.

- **ADD** - Check this box to add a revolving fund vendor. (Must attach approved form GAO-33).
- **CHANGE** - Check this box to change a fund custodian or address. (Must attach approved form GAO-33).
- **INACTIVATE** - Check this box to inactivate a revolving fund vendor.
- **DATE** - Enter the current date.
- **MAIL CODE** - If the request is to establish a new revolving fund, leave blank. The GAO will assign the mail code upon approval of forms GAO-33 and GAO-617. If the request is to change or inactivate a revolving fund vendor, enter the applicable mail code.
- **VENDOR NUMBER** - Enter the State ID number used for revolving funds - 68660047919.
- **VENDOR NAME** - The vendor name should appear as "(AGENCY NAME) REVOLVING FUND". Enter the name with all CAPS, no punctuation, and only one space between words (NO EXTRA spaces).
- **ADDRESS** - The address should appear as "(FUND CUSTODIAN NAME) - CUSTODIAN". The street address of the agency should appear on the second line of the address field.
- **VENDOR TYPE** - Enter "4".
- **OWNERSHIP CODE** - Enter "G".
- **VENDOR CONTACT/PHONE** - Enter the name and telephone number of the fund custodian.
- **AGENCY ID** - Enter the three digit transaction code identifying your agency.
- **AUTHORIZED AGENCY SIGNER/PHONE NUMBER** - Signature and telephone number of an agency authorized signer.



SUBJECT

IMPREST REVOLVING FUNDS

APPENDIX D (con't) GAO-617

VENDOR SETUP/ CHANGE ADD [] CHANGE [] INACTIVATE [] DATE _____

Social Security # precedes by 2, Tax Id # precedes by 1, last digit will always be 0

VENDOR NUMBER (11 char) MAIL CODES (3) 000/001 If a vendor has moved do NOT add a new M/C change the old one!!

VENDOR NAME

ADDRESS

ALTERNATE NAME(S)/ DOING BUSINESS AS (DBA)

1. _____

A Vendor contact name and phone number is REQUIRED. If you do not have one then you MUST put your name and agency phone number.

VENDOR CONTACT

VENDOR PHONE NUMBER

FAX NUMBER

SALES TAX LICENSE

1099 INFORMATION

AZ CORPS MUST BE INCORPORATED AND LISTED WITH THE AZ CORPORATION COMMISSION

*MEDICAL CORPS WILL ALWAYS BE 1099 YES

VENDOR NAMES THAT END IN LIMITED OR LTD ARE PARTNERSHIPS AND MUST BE 1099 YES

INDIVIDUAL RECIPIENTS/ BOARD MEMBERS SHOULD ALWAYS BE 1099 YES. THE COMP OBJECT USED WILL DETERMINE IF THE ITEM IS REPORTABLE 1099 INCOME.

IRS FORM 1099 MISCELLANEOUS INCOME MUST BE ISSUED TO VENDORS WHO:

1. PROVIDE A SERVICE TO THE STATE
2. ARE NOT INCORPORATED (*Except Medical Corps)
3. WHO ARE NON EMPLOYEES OF THE STATE

CITY: STATE: ZIP: OWNERSHIP CODE : 1099

VENDOR TYPE:

1. EMPLOYEE E. STATE EMPLOYEE Y

2. FEDERAL AGENCIES G. GOVERNMENTAL ENTITY N

3. STATE AGENCIES G. GOVERNMENTAL ENTITY N

4. LOCAL GOVERNMENT G. GOVERNMENTAL ENTITY N

5. VENDOR BUSINESS

A. ARIZONA CORP N

C. PC or LLP Y

F. FINANCIAL INSTITUTION Y

M. MEDICAL CORPORATION Y

O. OUT OF STATE CORP N

P. PROFESSIONAL ASSOCIATION Y

R. FOREIGN CORP N

S. SOLE OWNER Y

T. PARTNERSHIP Y

6. VENDOR INDIVIDUAL

I. INDIVIDUAL RECIPIENT Y

S. SOLE OWNER Y

7. OTHER (Trust funds, receiverships, etc.)

COULD BE ANY OF THE ABOVE OWNERSHIP CODES Y

B. BOARD MEMBERS B. BOARD MEMBERS Y

AGENCY ID _____

AUTHORIZED AGY SIGNER _____

AGENCY PHONE NUMBER _____

(GAO 817 Rev. 8-1-95)