

Coding Tip of the Month, November 2018

as of 11/26/2018

Imprest and Petty Cash Accounts

There are two specific statutes that guide accounting for these types of general ledger accounts and specific accounts identified in the Dept of Legislative Audit school accounting manual that should be used to account for these dollars. Please review general ledger cash accounts to make sure the appropriate accounts are being used in the governmental and enterprise funds balance sheets.

Imprest Fund: School districts with an established imprest account should be reporting the funds under general fund account 108.

South Dakota Codified Law 13-18-17 -- Incidental account. A school district may establish an incidental account in an amount determined by the board by setting aside on an imprest basis money from the general fund. Such incidental account shall be kept and used by the officer designated by the board for advanced payment or for claims requiring immediate payment, not to exceed an amount established by the board. A detailed account of the expenditures from the incidental account shall be presented at regular intervals not to exceed one month with verified vouchers, itemized and supported by receipted bills or other information as general evidence of payment, which shall be subject to audit. All expenditures from this account shall be listed with other bills in the regular school board proceedings.

School Accounting Manual General Ledger Account -- 108 Advance Payments - an incidental account in an amount determined by the board on an imprest basis for advanced payment or for claims requiring immediate payment. (SDCL 13-18-17)

Petty Cash: School districts with an established petty cash account should be reporting funds of not more than \$1,000 in account 102. This applies to general fund, food service fund or other enterprise fund.

South Dakota Codified Law 13-18-16 -- Petty cash account--Maximum amount. Nothing in § 13-18-1 or 13-18-2 prohibits the establishment of a petty cash account. Moneys in such an account shall be set aside on an imprest basis from the fund of ownership upon presentation of a voucher by the business manager and approval by the board. The school board shall determine the amount of money set aside in the account up to a maximum of one thousand dollars. The school board shall prescribe policies and procedures governing the stewardship of such account. An employee shall be designated to be accountable for the petty cash account and shall keep accurate records of all receipts, expenditures, and balances of the account. Unless required by the school board, disbursements from the petty cash account may neither require approval by the board nor signature of the presiding officer of the board or business manager.

School Accounting Manual General Ledger Account -- 102 Petty Cash - money set aside on an imprest basis for the purpose of paying small obligations for which the issuance of a formal voucher or check would be too expensive and time-consuming. (SDCL 13-18-16)