

**Financial Policy & Procedure Instructions Manual  
FPI G-2 Special Operations Imprest Account**

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**I. PURPOSE**

To outline policies and procedures for establishment and operation of a Special Operations Imprest Bank Account.

**II. GENERAL**

A Special Operations Imprest Bank Account may be authorized to specific departments or agencies, which, because of special operations or distance from the University campus, may have a requirement to immediately reimburse certain expenses incurred. Payment will be made by check drawn on a special bank account, which must be authorized by the State Controller and State Treasurer and approved by the State Board of Agriculture. The decentralized operation authorized through the Special Operations Imprest Bank Account must provide proper safeguarding of funds, use approved forms, comply with the instructions of this and other applicable Financial Policy and Procedure Instructions (FPIs), and provide complete and accurate documentation of all transactions.

**III. POLICIES**

- A. **Purpose.** Because Special Operations Imprest Bank Accounts create additional responsibilities and processes for both the department (or agency) and central University administration, standard purchasing (DPO, PO, or University procurement card) and payroll procedures are recommended. A Special Operations Imprest Bank Account may be authorized and established only where distance or type of operation makes impractical the direct use of standard University purchasing and payroll procedures for applicable payments. The amount of the fund must be kept to a minimum and adjustments in amount must be requested as requirements change.
- B. **Authorization.** All University bank accounts require authorization by the State Controller and the State Treasurer. Bank accounts and authorized signatures for drawing on bank accounts are established by the University Treasurer's office as approved by the State Board of Agriculture. Other employees are not authorized to establish bank accounts for University activities.

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A State employee can be accused of embezzlement of public property if he or she retains money intended for the University or deposits University money in a bank account that is not approved by the State Board of Agriculture and controlled by the University Treasurer. See CRS 18-8-407.

- C. **Management.** Responsibility for management and operation of the Special Operations Imprest Bank Account is delegated to the University department or agency requesting the bank account and the individual(s) authorized to sign on the account.
- D. **Payment Restrictions.** Special Operations Imprest Bank Accounts may be used only for payment for services or materials which the respective University department or agency has been authorized to obtain. The limitations outlined in the University Purchasing Manual - <http://www.purchasing.colostate.edu/pmanual.html> , this FPI and other applicable FPIs, apply unless specific written exceptions are authorized by the Director of Business and Financial Services. Exceptions must be reviewed and authorized annually.

The University department or agency may purchase required and authorized materials and services as follows. (Exceptions must be reviewed and authorized annually in writing by the Director of Business and Financial Services.)

1. Payment by check is authorized for purchases under \$1000.
  2. All purchases of \$1,000 or more require a University Purchase Order.
  3. Except as described below in section VI, individuals performing agricultural labor may not be paid from any Special Operations Imprest Bank Account.
  4. Land or building lease or rental requirements must be forwarded to the Vice President for Administrative Services. Other contracts, agreements, leases or rentals, etc., require approval as outlined in FPI B-2.
  5. The Special Operations Imprest Bank Account may not be used to make a travel advance to an employee, to reimburse an employee for travel expenses, nor to purchase airline tickets. Travel advances and reimbursements and airline ticket purchases must be handled as outlined in FPI D-3.
  6. Expenses related to promotion and development, including official functions, require additional approval and documentation as described in FPI D-4 . Gifts, donations, and charitable contributions are never permissible.
- E. **Documentation.** Documentation of material received or services performed and documentation of payments for such material or services must conform to standard University requirements except as covered in this instruction or specific written exceptions authorized by the Director of Business and Financial Services. Exceptions must be reviewed and authorized annually.
  - F. **Cash.** No portion of the Special Operations Imprest Bank Account is to be held as cash on hand in the department or unit unless specifically authorized in the currently approved request for establishment of a Special Operations Imprest Bank Account. The Special Operations Imprest Bank Account must not be used to accumulate revenue received by the department or unit. Cash receipts must be deposited promptly in the imprest fund account and transferred to the University's primary bank account.

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**IV. PROCEDURES**

- A. **Establishing a bank account.** Contact the University Treasurer's office for specific information to be contained in the written request for a Special Operations Imprest Bank Account. The University Treasurer's office will review all requests. If the request is approved, the University Treasurer's office will request authorization from the State Controller and State Treasurer and approval from the State Board of Agriculture. Allow at least two months for the necessary approvals to be completed.
- B. **Securing reimbursement to the bank account.** At the end of each month and at additional times as necessary, the responsible agency or department must request reimbursement from the Accounts Payable section. Procedures are as follows:
1. Complete the Reimbursement for Imprest Bank Account and Reconciliation Statement - <http://www.colostate.edu/Depts/BusFin/fm.html> or facsimile.
  2. Complete a CIS Departmental Purchase Order (DPO). (See example in Attachment #1.) The payee on the DPO must be the same as the bank account name or the bank where the account is held. If the account is with the First National Bank of Fort Collins, the DPO must be payable to the bank.
  3. Print a copy of the DPO and attach the applicable documents outlined below (sorted by account):
    - a. For materials or services. An original sales slip, invoice or equivalent document must be secured from the vendor. A duplicate invoice is not normally acceptable documentation. The invoice must bear the annotation "Paid by check # \_\_\_\_\_ date \_\_\_\_\_ signed \_\_\_\_\_."
    - b. For labor. Refer to Section VI for required documentation.
  4. Submit to the Accounts Payable section a copy of the DPO, the back-up documentation, and one copy of the Reimbursement for Imprest Bank Account and Reconciliation Statement (or facsimile). Allow at least two weeks for reimbursement. If immediate reimbursement is needed, a written explanation of the need for immediate reimbursement must be included with the DPO and other documentation.
  5. The Accounts Payable section will review the adequacy of documentation prior to reimbursing the bank account. Even though initial payment is made by check drawn on the Special Operations Imprest Bank Account, the account will not be reimbursed unless complete and proper documentation is submitted.
  6. A copy of the DPO and a copy of the Reimbursement for Imprest Bank Account and Reconciliation Statement (or facsimile) must be retained by the department or agency for three years. The official copy of the DPO and the supporting documentation is retained by Accounts Payable for six years. See FPI J-7 .
- C. **Depositing cash receipts.** Cash receipts and checks must be secured in a metal lock box. This box, when unattended, must be safeguarded by placing it in a safe, locked desk, or locked cabinet. Checks must be immediately endorsed as follows:

For Deposit Only At

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(Bank Name)  
To The Credit Of  
COLORADO STATE UNIVERSITY  
(Account Name)

- D. Cash receipts must be deposited promptly in the imprest bank account. A departmental deposit must be entered on the CASHNet system (see FPI C-1) and notification sent to the University Cashier's office. The Cashier's office will arrange for the deposit to be transferred from the imprest bank account to the University's primary checking account.
- E. **Reconciliation and reporting.** One copy of the Reimbursement for Imprest Bank Account and Reconciliation Statement (or facsimile) must be forwarded to the General Accounting office. General Accounting will perform a monthly bank reconciliation. General Accounting will provide information to the University Treasurer's office for required monitoring and reporting of imprest funds.

V. **AUDIT**

The Internal Auditor may periodically (announced or unannounced) audit the fund. The State Auditor may also perform audits of selected funds. The responsible department or agency must ensure that the account is reconciled and available for audit at all times.

VI. **SPECIAL RULES FOR AGRICULTURAL LABOR**

- A. Except as described in Sections B and C below, agricultural laborers are employees of the University and must be paid through the University Payroll office as non-student hourly employees to accomplish withholding of payroll taxes, Medicare, and retirement contributions. Refer to the Human Resources Manual - <http://www.hrs.colostate.edu/manual/> for hiring and pay procedures for non-student hourly employees. Also refer to Section 1 of the Human Resources Manual for information concerning certification of work authorization documents prior to employment, via INS Form I-9, in order to comply with the Immigration Reform and Control Act of 1986.
- B. If the local labor market necessitates immediate payment of seasonal agricultural laborers, payment may be made from a Special Operations Imprest Bank Account. The manager of the department or unit responsible for the imprest bank account must obtain prior approval of the University Payroll office. Hours worked and withholding amounts must be documented on a special timesheet available from the University Payroll office.
- C. When laborers are furnished by a crew leader, then the laborers are considered employees of the crew leader. Crew leaders who meet the following criteria are considered to be independent contractors and may be paid from Special Operations Imprest Bank Accounts of the University. The crew leader and the individual crew members are not considered to be employees of the University. Refer to the independent contractor requirements set forth in the University's Purchasing Manual - <http://www.purchasing.colostate.edu/pmanual.html>.
  - 1. The Internal Revenue Code of 1986 states that if a crew leader
    - a. furnishes "agricultural labor" to a "farm" operator (a unit of the University meeting the "farm" definition, below),
    - b. pays the workers either on his/her own behalf or on behalf of the operator, and
    - c. is not designated as the farm operator's employee in any written statement between himself/herself and the operator, then the laborers are employees of the crew leader rather than the farm operator. The crew leader is then the party responsible for the payment and reporting of all payroll taxes of the laborers.

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2. Any work provided that is other than "agricultural labor" causes the crew leader to fail independent contractor status--the workers would be employees of the University (paid through payroll). Likewise, labor performed at a location other than a "farm" will cause the crew leader to fail independent contractor status, resulting in the workers being classified as employees of the University (paid through payroll).
3. Under no circumstances should University Payroll office time sheets be used for documentation of work performed by members of a crew where the crew leader is an independent contractor.
4. The Internal Revenue Code sets forth the following definitions of "agricultural labor" and "farm" that must be applied when determining whether or not the crew leader can be paid as an independent contractor.
  - a. For purposes of applying the crew leader provision, "agricultural labor" includes:
    1. ) Raising or harvesting agricultural or horticultural commodities on a farm--cultivating the soil; raising, shearing, feeding, caring for, training of livestock, bees, poultry, fur-bearing animals and wildlife; baling hay or straw; threshing grain; shelling corn; harvesting lettuce; feeding and fattening livestock along with the clerical, supervisory and administrative services performed in connection with the feeding operation. Also included is clearing stumps and removing debris from land in preparation of the land for use as an orchard, but not cutting trees, sawing them into logs and hauling the logs to market.
    2. ) Farm operation and maintenance--operation, management, conservation, improvement or maintenance of the farm, its tools and equipment; services of carpenters, painters, mechanics, farm supervisors, irrigation engineers, bookkeepers and other skilled or semi-skilled workers that contribute in any way to the conduct of the farm; operation or maintenance (but not the original construction) of ditches, canals, reservoirs or waterways for providing or storing water for farming purposes.
    3. ) Processing, packaging and other post-harvest operations--handling, planting, drying, packaging, processing, freezing, grading, storing or delivering to storage or to market or to a carrier for transport to market, in its unmanufactured state, any agricultural or horticultural commodity. The farm operator (University) must have produced more than one-half of the commodity with respect to which this service is performed in order for the service to qualify as "agricultural labor."
  - b. The term "farm" includes stock, dairy, poultry, fruit, fur-bearing animals, and truck farms; ranches; nurseries; ranges; orchards; greenhouses and other similar structures that are used "primarily for the raising of" agricultural and horticultural commodities. The principal factor necessary for a finding that an area or establishment constitutes a "farm" is that it be used primarily for the raising or production of agricultural or horticultural products.

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Attachment 1

**FILE COPY** 447077

\*\*\*\*\* FILE COPY NON-NEGOTIABLE \*\*\*\*\*

Date Requested: 12/06/99

V SAN LUIS VALLEY RES CTR  
E 0249 E ROAD NINE NORTH  
N CENTER CO 81125  
D  
O  
R

S COLORADO STATE UNIVERSITY  
H CENTRAL RECEIVING  
I REFERENCE DOCUMENT NUMBER: XPO447077  
P FORT COLLINS CO 80523-6011

ORDERING DEPARTMENT INFORMATION  
Ordered by: MIDDLETON, DYANN H  
Phone: (719)754-3594  
Department: SAN LUIS VALLEY RESEARCH CTR

TO:

Item #	Description	Qty	UOM	Unit Price	Extension	Acct #	Sub	User
1)	Reim. of Imprest Fund - Express Mail	1	EA	31.5000	31.50	156661	4330	ALT
2)	Reim. of Imprest Fund - Gen Supplies	1	EA	89.7500	89.75	159136	3580	TCS
3)	Reim. of Imprest Fund - Radio/Phone Chg	1	EA	141.3200	141.32	159136	4250	TCS
4)	Reim. of Imprest Fund - Phone Toll Chgs.	1	EA	43.0400	43.04	159136	4290	TCS
5)	Reim. of Imprest Fund - Grain Storage	1	EA	400.0000	400.00	159136	4760	TCS
6)	Reim. of Imprest Fund - Greenhouse Supp	1	EA	189.3600	189.36	531362	3580	DGH
7)	Reim. of Imprest Fund - Greenhouse Supp	1	EA	743.9000	743.90	538320	3580	DGH
8)	Reim. of Imprest Fund - Hourly Labor	1	EA	115.0000	115.00	538320	4010	DGH
9)	Reim. of Imprest Fund - Cell Phone	1	EA	43.6900	43.69	538320	4250	DGH
10)	Reim. of Imprest Fund - Gen. Supplies	1	EA	336.5900	336.59	538321	3580	RTZ
11)	Reim. of Imprest Fund - Hourly Labor	1	EA	71.8800	71.88	538321	4010	RTZ

TOTAL: \$2,206.03

NOTIFY THE ORDERING DEPARTMENT  
IMMEDIATELY IF THERE ARE ANY  
EXCEPTIONS TO THIS ORDER

SIGNATURE

DATE