

## 21.01.11 Working Funds

Revised [August 15, 2022](#)

Next Scheduled Review: August 15, 2027

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### Regulation Summary

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This regulation prescribes general rules to govern the establishment, utilization and operation of working funds within The Texas A&M University System (system).

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### Definitions

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### Regulation

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#### 1. GENERAL

Working funds, temporary or permanent, may be used only for the purpose for which they are designated. Working funds may be established by members, with the approval of the member chief executive officer (CEO) or designee, for the purpose of making small disbursements for which formal expenditure procedures are not cost-effective, making change of currency (change fund) or travel advances or any similar purpose or combination of purposes a member considers prudent for conducting state business. Working funds established in a bank other than the approved depository bank must be approved by the chancellor or designee, and all signers on the account must be approved by the member CEO or designee.

#### 2. ESTABLISHING A WORKING FUND

2.1 A written request to establish a working fund must be sent to the member CEO or designee. The request must include the following:

- (a) proposed use, internal control, and specific limitations;
- (b) desired amount;
- (c) security arrangements;
- (d) physical location of the fund;
- (e) custodian name(s) and title(s);
- (f) appropriate departmental authorization, such as dean or director; and
- (g) copy of the departmental procedures for handling the fund.

- 2.2 Working funds are established with either local or state funds.
- 2.3 Working funds established with state funds are subject to specific dollar limits.
  - 2.3.1 A working fund established for changing currency may not exceed \$500.
  - 2.3.2 A working fund established in the fiscal office for making minor disbursements may not exceed \$1,000.
  - 2.3.3 A working fund established for making minor disbursements by an office other than the member fiscal office is limited to \$500.
  - 2.3.4 A working fund designated for travel advances may not exceed one-twelfth of the member's expenses for travel during the preceding fiscal year.
  - 2.3.5 The State Comptroller's approval is required if the amount of the working fund exceeds these limits.
- 2.4 The member fiscal office must contact the System Office of Treasury Services to establish a working fund in a federally insured financial institution.
  - 2.4.1 The System Office of Treasury Services facilitates the opening of the account and coordinates the signature card process.
  - 2.4.2 If authorized by the member CEO or designee, the member fiscal office opens a working fund account in any bank in which the system has a depository agreement, provided the balance in the working fund account is covered by the allocation of securities to the member.
  - 2.4.3 The chancellor or designee must approve a working fund account in any bank with which the member does not have a depository agreement. The bank balance of a working fund may not, at any time, exceed the Federal Deposit Insurance Corporation coverage limit.
  - 2.4.4 The member CEO or designee must approve all signers for working fund bank accounts;
  - 2.4.5 If a working fund bank account is authorized, the depository must be selected on the basis of competitive bids. If bids are taken orally, the bids are required to be tabulated by the person taking the bids and made part of the permanent records of the member.
- 2.5 Before a working fund may be established from state funds in a federally insured financial institution, a member must receive certification from the State Comptroller that the member has sufficient state appropriations to cover the expected disbursements. In order to receive such certification, the member must provide the State Comptroller with:
  - (a) the reason(s) for the account and its purpose; and
  - (b) an estimate of the disbursements expected for the fiscal year.

- 2.6 Each member must reconcile and request replenishment of its state working fund as often as required by the State Comptroller.

### 3. RESPONSIBILITY

- 3.1 The working fund must be used for the purpose defined in the original request to establish the fund.
- 3.2 Working funds may not be used to cash employee checks or make loans for any reason.
- 3.3 Departments are accountable for working funds they have been assigned. If a fund is closed, the full amount of the fund must be returned to the fiscal office.
- 3.4 Proper cash handling and accounting procedures must be observed. Refer to System Regulation *21.01.02, Receipt, Custody and Deposit of Revenues*, for additional information on cash handling procedures.
- 3.5 Departments are responsible for maintaining the official records of the working funds they have been assigned. These records include:
  - 3.5.1 An authorization for working funds used by the department. The fund must be approved by the member CEO or designee.
  - 3.5.2 Records indicating who have been assigned custody of departmental working fund(s) and all other correspondence and documentation related to departmental cash handling and cash controls, including cash handling procedures. These procedures are reviewed by the System Internal Audit Department or the member fiscal office in the normal course of their activities or reviews.
  - 3.5.3 Cash transfer logs, documenting all changes in custody of the working fund(s).
  - 3.5.4 Internal records showing transaction flow (i.e., money in, money out), including copies of reimbursement vouchers with corresponding required documentation and reconciliation work papers.
  - 3.5.5 Original bank statements (for those that have been authorized to be maintained in a bank account).
- 3.6 Official records for working funds must be kept on file in accordance with the member's retention schedule. Working fund records may not be destroyed without approval of the member's fiscal office.
- 3.7 Disbursements from working funds for goods and services are subject to the same certification, approval and documentation requirements as disbursements made through regular disbursement procedures. Additional information on these requirements can be found in System Regulation *21.01.03, Disbursement of Funds*.
- 3.8 Departments must provide copies of year-end reconciliations to the applicable fiscal office for each working fund they have been assigned, including the amount of currency,

checks, cash/credit card ticket items and outstanding reimbursement vouchers making up the fund balance. Annually, the funds are reviewed by a manager or designated reviewer.

- 3.9 In conjunction with the year-end reconciliation of working funds, fiscal offices review the need for petty cash and working funds with the applicable departments. Petty cash and working funds that are no longer needed or are not being used regularly are eliminated. Use of procurement cards can significantly reduce the need for departmental petty cash funds.

#### 4. TRAINING

It is recommended that the member ensures that individuals with the custody of working funds receives training on working fund procedures and responsibilities as described in this regulation.

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### **Related Statutes, Policies, or Requirements**

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[Tex. Educ. Code § 51.003 – Depositories](#)

[Tex. Gov't Code § 403.241-252 – Petty Cash Accounts](#)

[Tex. Gov't Code § 660.025 – Advance Payment Procedure](#)

[Texas Comptroller of Public Accounts Petty Cash Account \(APS 010\)](#)

[System Regulation 21.01.02, Receipt, Custody and Deposit of Revenues](#)

[System Regulation 21.01.03, Disbursement of Funds](#)

[System Policy 22.02, System Investment](#)

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### **Member Rule Requirements**

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A rule is not required to supplement this regulation.

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### **Contact Office**

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