

PVAMU Departmental Manual

Working Fund

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The purpose of a working fund is to provide a department transacting university cash sales with the necessary change to customers. Working funds are only approved for approved university events that will require the use of change to the customer. The fund is only approved for the time period of the event. Approval of such funds are made by the Associate Vice President of Financial Management Services via the Director of Treasury Services.

1. Responsibility

- The respective department head or designee will sign a Responsibility Statement for the working fund entrusted to him/her. This individual will be the working fund custodian. In signing this statement, the department head or designee accepts full responsibility for the safekeeping of the fund and will be required to personally reimburse the fund for any unallowable expenditures.
- The working fund will be kept in a secure locked place with access only by the working fund custodian.
- Working fund must be reconciled after each event by someone who does not handle the working fund but is approved to collect funds for your department. Cash handling training will be required for those employees who will be handling and reconciling the working fund.

2. Request of Working Fund

Departments requesting a working fund must complete the "Working Fund Request Form." Once this form is approved by the Director of Treasury Services and the Associate V.P. for Financial Management Services, the form is submitted to the Financial Accountant I or II to set up an invoice under the responsible person's name to keep track of the working fund. The invoice will be processed using the Department's GL account listed on the Working Fund Request Form along with the object code of 1312. A copy of the form is also submitted to another Financial Accountant I to process the check for the responsible person. The check will be processed using the Departments GL account listed on the Working Fund Request Form along with the object code 1125. The responsible person will be contacted once the check is ready for pick-up.

3. Allowable Expenditures

- The working fund may only be used to give change for services provided or sales made for University operations. These funds must be established with local funds.

4. Unallowable Expenditures

- The working fund may not be used to:
 - Pay individuals (faculty, staff, students or vendors) for services rendered,
 - Cash checks,
 - Conduct personal business,
 - Pay for travel expenses,
 - Pay for gasoline, oil, etc. for personal vehicles, even if used for University business.
- The working fund custodian will be required to personally reimburse the University for all unallowable expenditures from the fund and will be subject to a review to determine whether the working fund should be removed from the department.

5. Request for Change as needed

- The department will request change from the Cashier's Office in Financial Management Services for large bills when needed.

6. Policy Compliance

- In addition to complying with these procedures, the working fund custodian is responsible for ensuring adherence to the [System policy 21.01.11](#) on working funds.

7. Return of Working Fund

- Working funds must be returned by the date listed on the Working Fund Request Form indicating the return date for the working fund.
- If working fund is not turned by required due date, a past due notice will be generated. The Financial Accountant I will follow up on all past due notices.
- The cash must be turned in to the Cashiers office and applied towards the invoice that was set-up when the request was made. The Cashier will forward a copy of the receipt to the Director of Treasury Services to process a journal entry to clear the return of the working fund by debited the Department's GL account along with object code 1312 and crediting the Department's GL account along with object code 1125.
- If it is determined that the working fund is no longer required prior to the return date, please turn in the working fund to Treasury Services immediately.

8. Reconciliations

The Director of Treasury Services or designee will reconcile object code 1125 each month. If a working fund is determine to be outstanding at the time of reconciliation, the responsible person for the outstanding working fund along with the department head will be notified in writing of the outstanding working fund to request the immediate return of the cash. Violators will be reported to the Office of Compliance if funds are not returned by the requested due date per notification sent to the responsible person and department head.

9. Annual Re-justification

- Each department with an approved working fund is required annually to re-justify the need and the amount of the working fund. Re-justification should be submitted to the Associate Vice President for Financial Management Services via the Director of Treasury Services by August 31 of each year.

10. Surprise Counts

- All working funds are subject to unannounced cash counts at anytime by Treasury Services or the Compliance Office.

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