Working Fund

Responsible Officer: Chief Financial Officer and Vice President
Sponsoring Department: Accounting Services
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Errors or changes to: aim@uta.edu

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I. Purpose

A working fund is used for cash purchases of items costing less than $50 and may also be used for making change.

II. Establishing a Working Fund

A. Complete Custodian and Working Fund Authorization (Form 2-2) and check "New Fund". After the Department Chairman or Director signs the request, retain a copy for departmental records.

B. Send the original to Accounting Services. The Associate Vice President for Business Affairs must approve the request prior to the issuance of fund.

C. If approved, Accounting Services will prepare a Payment Approval Voucher payable to the custodian. This voucher must be picked up in the Office of Accounting and Business Services, 219 West Main, and may be exchanged for cash at the Bursar's Office.

D. The working fund must be closed or transferred to another custodian prior to termination of the current custodian.
III. Increasing the Amount of a Cash Fund

A. Complete Custodian and Working Fund Authorization (Form 2-2) for the increased amount and check "Increase Fund".

B. The Department Chair or Director should sign the request and send to Accounting Services. The Associate Vice President for Business Affairs must approve the increase.

C. Include in the justification the amount of the present fund and the amount of the proposed increase.

IV. Decreasing the Amount of a Cash Fund

A. Complete Custodian and Working Fund Authorization (Form 2-2) for the decreased amount and check "Decrease Fund".

B. The Department Chairman or Director should sign the request.

C. Deposit the excess funds with the Bursar's Office and identify the deposit as being a decrease of the working fund by using general ledger acct 10010 and the working fund cost center. Keep the receipt issued by the Bursar's Office for departmental records and forward a copy of the receipt to Accounting Services.

V. Changing Custodians

A. Should a change in custodian be required due to termination or a change in job assignments, a new Custodian and Working Fund Authorization (Form 2-2) must be completed and signed by the Department Chairman or Director.

B. Notate "Change of Custodian" on the top of the form. The new custodian should immediately verify that the receipts plus the cash equal the amount of the working fund and then sign the Authorization. It is at this time that the new custodian assumes responsibility for the working fund.

C. Forward the form to Accounting Services. The Associate Vice President for Business Affairs must approve the change of custodian.

VI. Security

Access to the fund should be limited to the custodian and any approved back up personnel noted on the Working Fund Authorization.

A. The custodian is responsible for ensuring the security of the fund.

B. Use the most secure container available. Use a safe, if available. If not, use a cash box and keep the cash box in a locked cabinet or locked desk.
C. Always keep the cash fund in a secure place. Keep it locked up overnight and when not being used.

D. Strictly control access to keys and safe combinations.

E. Never co-mingle personal fund with the cash fund.

F. Report all thefts or attempted thefts to the University Police.

G. Do not resist a robbery of the cash fund at the risk of bodily harm.

VII. Purchases from a Cash Fund

Make purchases from the cash fund only if authorized by the Vice President for Business Affairs and Controller. Purchases must also be made in compliance with University Purchasing policies.

A. Purchases from the cash fund are limited to an amount of not more than $50.00 per purchase or receipt.

B. Whenever cash is removed from the fund to make a purchase, make a record of the amount removed and the date. Indicate the purpose of the removal and have the individual taking the money sign the record.

C. When making a purchase, present a Texas Sales and Use Tax Exemption Certification (Form 2-5) to the vendor so sales tax is not assessed and obtain a receipt. Add any notes required to the receipt that clarifies the object or service purchased and the purchaser's name.

D. After making the purchase, return the receipt and any change to the fund immediately. Remove the piece of paper prepared above.

VIII. Replenishing a Working Fund

Prepare a departmental voucher payable to the custodian for the amount to be reimbursed. Attach original receipts to the voucher and have the voucher signed by the Department Chairman or Director.

A. Take prepared voucher and receipts to the Bursar’s Office to be cashed.

B. The fund should be replenished at least once a month to insure that all receipts are processed in a timely manner.

C. The receipts plus cash should always equal the amount of the working fund. Working funds are not to be used to reimburse employees for purchases. Employee reimbursements must go through Procurement Services. See Reimbursements and Payments Other Than for Travel and Purchase Orders (Procedure 4-26).
IX. **Closing a Working Fund**

Notify Accounting Services by letter of the intent to close the working fund. The Department Chairman or Director should sign the letter.

A. Cash out all the receipts and deposit the cash that represents the total of the fund at the Bursars Office, identifying the deposit as closing the working fund by using general ledger account 10010 and the fund cost center. Keep a copy of the letter and the Bursar’s receipt for departmental records and send a copy of the receipt to Accounting Services.

B. Do not deposit the cash fund without identifying it as a cash fund. For example, do not deposit the fund along with other monies collected.

X. **Guidelines**

A. Do not create or increase a cash fund by failing to deposit collected cash.

B. Do not use personal money to create a university cash fund.

C. Do not co-mingle personal money with the cash fund.

D. Do not use the cash fund for purposes other than those listed in the Custodial and Working Fund Authorization form unless prior approval has been obtained from the Vice President for Business Affairs and Controller.

E. Do not use a university cash fund personal business.

F. Do not open a bank account for the cash fund.

G. Do not deposit a portion of the fund without notifying Accounting Services of the decrease in the fund.

H. Do not use general ledger acct 10010 to replenish the working fund. Use only when opening, closing, increasing or decreasing a working fund.

I. Do not remove money from the fund for a purchase without documenting the amount removed.

J. Do not purchase items that are not necessary for conducting university business.

K. Do not cash personal checks or paychecks from a working fund.

L. Do not make loans or advance pay from a working fund.

M. Do not reimburse employees for purchases from a working fund.
N. Do not allow a stranger to "audit" your cash fund without presenting proper identification.

O. Do not reimburse travel expenses from a working fund.

P. Do not pay for services from a working fund.

XI. Guidelines for Working Funds Used to Pay Research Participants

A. Working funds approved for the payment of research participants may only be used for such payments.

B. All requests for this type of working fund will be reviewed and approved by Grant and Contract Services, in addition to the Associate Vice President for Business Affairs.

C. All payments to individuals made from a working fund are considered taxable income to the recipient. As such, these payments must be reported to the Payroll Office using Request for Taxpayer Identification Number and Certification (Form 1-18). The W-9 UTA Research Participant Form must be completed by the participant and returned to the custodian or authorized departmental personnel prior to payment.

D. All completed W-9 UTA Research Participant Forms must be attached to the reimbursement voucher and will serve as a valid receipt. In addition to the Participant Forms, attach a list of the participants including each participant name, current address, and amount paid. Reimbursement vouchers must be submitted at least once a month. After review of the reimbursement voucher, Accounting Services will forward the list of participants along with the W-9 UTA Research Participant Forms to the Office of Payroll Services.

E. If a participant's cumulative earnings, in a calendar year, from the University of Texas at Arlington is equal to or exceeds $600, a Form 1099 will be sent to the participant.

F. If the participant is an active employee of the university, the amount paid will be added to the employee's annual W-2 taxable earnings.

G. Due to possible visa restrictions, nonresident aliens may only participate in research on a voluntary basis. Nonresident aliens who choose to participate in research may not be paid and must be informed prior to participation that they will not receive a payment. Expenditures should be coded to Maintenance & Operation general ledger accounts (For sponsored projects, use general ledger account 67606 - Fees, others).

Related Procedures

- Reimbursements and Payments Other Than for Travel and Purchase Orders (Procedure 4-26)
Related Forms

- Request for Taxpayer Identification Number and Certification (Form 1-18)
- Custodian and Working Fund Authorization (Form 2-2)
- Texas Sales and Use Tax Exemption Certification (Form 2-5)