

# Texas A&M AgriLife Extension Service Procedures

21.01.11.X0.01 | Working Funds

Revised: January 17, 2018

Next Scheduled Review: January 17, 2023

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## PROCEDURE STATEMENT

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A working fund functions as a petty cash fund for off-campus units and is used to make small but necessary purchases for the on-going operation of the unit. Requests for establishing or increasing working funds shall be made to the Director, Texas A&M AgriLife Extension Service (AgriLife Extension) through the AgriLife Extension Chief Financial Officer (CFO). The request should indicate the dollar amount desired and the specific purpose for which the money will be used. The establishment of such a fund or an increase to the fund, requires approval through the agency and The Texas A&M University System (A&M System).

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## REASON FOR PROCEDURE

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This procedure provides AgriLife Extension units with guidelines for managing working funds.

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## PROCEDURES AND RESPONSIBILITIES

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### 1.0 GENERAL

- 1.1 Working funds will be used only for transacting official AgriLife Extension business and must be approved by the AgriLife Extension CFO. The working fund may be reimbursed from all funds except state and federal appropriations. Personal funds should never be used to increase or carry a working fund due to an insufficient balance.
- 1.2 Any foreseeable excessive drains to the funds can be avoided by requesting an emergency transfer through the AgriLife Extension CFO. This transfer can be requested by phone and followed up with a confirmation memorandum to the CFO.
- 1.3 Working funds are to be kept in a bank account separate from any other funds. Under no circumstances should a check be written from a working fund when the checkbook balance is insufficient to cover the amount.
- 1.4 The unit head is responsible for the working fund and is authorized to sign the working fund checks. It is recommended that another professional staff member be authorized to sign checks in the absence of the unit head. Internal control considerations require that the bookkeeper not be authorized to sign checks.
- 1.5 All working fund checks should be pre-printed and pre-numbered. The working fund check and the subvoucher confirming the receipt of the check should have the same identification numbers.

### 2.0 WORKING FUND USES

Working funds may be used:

- 2.1 For payment of salary or wages in the event payroll checks are not received on time—The amount paid in such a circumstance may not exceed net pay due the employee on that date. Working funds will not be advanced for personal loans.

- 2.2 To pay temporary or wage employees for services already performed if the employees are unable to wait for payrolls to be processed.
- 2.3 To pay for contract labor if the contractor cannot wait for payment by voucher—Payment to agricultural labor contractors is authorized only under a completed and signed AgriLife Extension Independent Contractor Agreement.
- 2.4 For purchases and services in which the most competitive vendor is unable to wait for payment by voucher—All spot and emergency purchase requirements will apply to working fund expenditures.

### 3.0 WORKING FUND REIMBURSEMENT

- 3.1 Reimbursement to the working fund should be made monthly or more often—if needed— to avoid depleting the fund. Original subvouchers and/or other receipts must be attached to the reimbursement voucher.
- 3.2 Working fund purchases with sales tax charged must have the sales tax deducted before reimbursement is requested.

### 4.0 WORKING FUND RECONCILIATION

Each month, the working fund shall be reconciled upon receipt of the bank statement. Working fund bank accounts should be set up on a calendar month basis to ensure that the bank statement covers one full month only and does not overlap any calendar months. Outstanding checks and reimbursable subvouchers should be itemized on the reconciliation sheet by number and corresponding amount. The reconciliation shall not be done by a person authorized to sign working fund checks. The working fund should be reconciled and the reconciliation sheet submitted to AgriLife Banking and Receivables within two weeks after receiving the bank statement.

### 5.0 YEAR-END REPORTING

A copy of the bank statement is to be enclosed with the August reconciliation of each year. To meet year-end reporting requirements, it is necessary to have all expenditures vouchered for reimbursement as of August 31. These vouchers will receive special handling so as to have all working funds fully reimbursed at fiscal year-end.

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## **RELATED STATUTES, POLICIES, OR REQUIREMENTS**

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[A&M System Policy 21.01](#), *Financial Policies, Systems and Procedures*

[A&M System Regulation 21.01.11](#), *Working Funds*

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## **CONTACT OFFICE**

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For questions on working funds, contact AgriLife Banking and Receivables at 979-845-7879.

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## **REVISION HISTORY**

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*Approved: January 22, 2013*

*Revised: April 29, 2016*

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