



WORKING FUNDS GUIDELINES & FAQs

Working Fund References

The Comptroller's General Accounting Division (**GAD**) is authorized by *State Finance and Procurement Article* sections 7-216, 7-218 and 7-220 to warrant advances, known as Working Funds, to State agencies. Working Funds are generally *held indefinitely* by the State agency in State Treasurer's Office (**STO**)-approved bank accounts. GAD is required to review all Working Funds accounts annually.

The GAD's *Accounting Procedures Manual (APM)* covers Working Fund policies and may be found on the Comptroller of MD's website: <https://www.marylandtaxes.gov/state-agency-accounting/index.php>

See below for a summary of GAD's policies on:

- **acceptable uses of Working Funds**
- **reimbursement policies**
- **monthly and annual reconciliations**
- **how to request an increase to your advance**
- **and more!**

Working Fund Payments – FAQs

Should Working Funds be comingled with other sources of funds?

Other sources of funds (grants, patient or student funds, appropriated funds, etc.) shall not be comingled or deposited into your Working Fund bank account.

What type of payments may be made with Working Funds?

- Working Funds should be used for nominal purchases only in cases of emergency and where use of a corporate purchasing card (CPC) is not feasible. Emergency temporary salary advances (60% gross pay) and travel advances may be paid. However, salary advances will not be reimbursed by GAD (see below for more information).
- Salary advances may be paid but must be reimbursed via Central Payroll Bureau (**CPB**) and will not be reimbursed by GAD.
- Salary Advance forms are on CPB's website under "Salary Advance Recovery": <https://www.marylandtaxes.gov/statepayroll/payroll-officers.php>
- More information on acceptable payments may be found in the *APM*, sections 3.1.10, 3.12-3.13 (see link, above).

Contact the GAD Working Funds administrator with any questions:

GAD_Working_Fund@marylandtaxes.gov



WORKING FUNDS GUIDELINES & FAQs

What types of payments should **NOT** be paid from our Working Funds?

- Payments to vendors may not be paid through Working Fund accounts as 1099 tax data is not collected and the payments would bypass the State's liability offset process.
- Food purchases for staff meetings, social functions, or kitchen supplies are not permitted.
- Parking fees or other payments for employee driving violations are not permitted. The employee must repay the agency or may be referred to the Central Collection Unit (CCU), if the agency's effort to collect the debt have failed.
- More information on acceptable payments may be found in the *APM*, sections 3.1.10, 3.12-3.13 (see link, above).

How frequently should my agency submit transmittals in RSTARS/eBooks to reimburse our Working Fund?

GAD recommends agencies submit reimbursement transmittals in RSTARS/eBooks at least weekly or as often as you use the Working Fund (including service charges).

Submit a summary sheet identifying total amount to be reimbursed along with supporting documentation. The summary list must itemize each expenditure by date, name of payee, description of expenditure, accounting charges and amount paid.

[Working Fund Reconciliations – FAQs](#)

How frequently will GAD review my agency's Working Fund?

GAD is required to fully review agencies' Working Fund accounts, including petty cash, on an annual basis. Agencies are required to submit their December reconciliation and all supporting documentation to GAD by **March 15th** :

- Reconciliations as of 12/31/xx are due to GAD by March 15th of the following year. Agencies should reconcile Working Funds monthly, but GAD only requires agencies to submit their December reconciliation (i.e., account status as of 12/31/xx).
- GAD will email reminders, **instructions, templates, and other forms to agency contacts** in December of each year.
- Agencies should submit GAD's Cash & Coin (petty cash) template or similar internal

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WORKING FUNDS GUIDELINES & FAQs

template and control questions for each petty cash account (i.e., cash not held in the Working Fund bank account). The petty cash custodian and supervisor must sign their respective Cash & Coin (petty cash) reconciliation(s).

- Update GAD with any changes to your Working Fund administrator(s)/contacts.

TIP! Use **document #'s or ARN #'s** to reference Working Fund reimbursements on the annual reconciliation. No need to re-submit the transmittal documentation (receipts, copies of checks, etc.) –GAD already has it!

How frequently should my agency reconcile our Working Fund bank account?

GAD expects agencies to reconcile and review their Working Fund accounts monthly. However, GAD will only review the December reconciliation each year.

TIP! Use GAD's annual reconciliation template and instructions (distributed in December) for your agency's monthly reconciliations, too.

What do we do with our stale (uncashed/unpresented) checks?

Any outstanding checks should be included as part of your monthly reconciliations. Checks that have been unpresented (uncashed) for at least two years should be moved to **STO's Unpresented Fund**. For example: Once FY2023 ends, checks issued during FY2021 should be sent to the Unpresented Fund.

Process a check from your Working Fund account for the total of the unpresented checks and payable to: **Treasurer, State of Maryland**. Mail the check along with a cover letter and the list of unpresented checks, payees, and amounts to:

Maryland State Treasurer's Office
Attn: Director, Treasury Management
80 Calvert Street
Room 414
Annapolis, MD 21041

Unpresented checks remain in the Unpresented Fund until they are recovered by the agency or re-issued to the vendor. Contact STO for any questions regarding the Unpresented Fund.

What should we do with interest earned on Working Fund bank accounts?

Most STO-approved Working Fund bank accounts automatically sweep interest to the General Fund. If interest is not automatically swept, reach out to STO's Banking Services Division to determine if your agency should remit the total interest to STO each fiscal year.

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WORKING FUNDS GUIDELINES & FAQs

What should we do if we are unable to recover advances paid to former employees?

A loss where a specific debtor can be identified shall be referred to CCU. Reimbursement requests for salary advances or any debts (e.g., parking or speeding tickets, travel advance overpayments, etc.) where the debtor is an employee or former employee shall not be submitted for reimbursement.

What should we do if money is lost or stolen from our Working Fund?

A loss where a specific debtor can be identified and efforts to collect have failed shall be referred to CCU.

A loss resulting from theft shall first be reported to local law enforcement or appropriate police officials assigned to your agency. Next, contact **STO** to determine if STO's Insurance Trust Fund or commercial carrier may pay the claim: <https://treasurer.state.md.us/insurance>.

Losses over \$10,000 not covered by insurance or transferred to CCU shall be submitted to the Board of Public Works through the Department of Budget and Management (**DBM**) for approval to be written off by charging your agency's existing appropriations.

For losses < \$10,000, if all other recovery methods have failed and/or a debtor cannot be identified, the agency's chief fiscal officer may submit a memo to the GAD Director to request a write-off. The memo and documentation must demonstrate efforts to identify the debtor and/or recover the loss (e.g., police and/or CCU reports and insurance claim). The agency must also include an explanation of how agency procedures and internal controls have been updated to mitigate future losses.

Written notification of write-off approval from either CCU, DBM, or GAD will serve as official authorization for an agency to submit a transmittal to GAD to restore funds by charging existing appropriations. Under no circumstances should an agency charge its appropriation until the write-off is approved.

Increasing or Decreasing Working Fund Advances – FAQs

How do we request an increase to our Working Fund advance amount?

E-mail GAD_Working_Fund@marylandtaxes.gov for an advance request form and instructions. Specify if your agency is seeking a temporary or a permanent advance of funds.

What supporting documentation do we submit to increase to our Working Fund?

For temporary advances, the agency must submit a memo to the GAD Director and support

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WORKING FUNDS GUIDELINES & FAQs

showing a pending need for the exact amount of the advance request. Requests based on 'anticipated needs' will be denied. At minimum, an agency must have up-to-date annual reconciliations (including all follow-up requests from GAD) and have a history of timely repayment of temporary advances and timely submissions of reimbursement requests.

For permanent advance increases, the request form outlines required documentation including support showing the agency's efforts to collect outstanding advances to employees or refer the employee to CCU, the prior six months of bank statements showing a low balance, etc.

What if my agency is unable to provide a salary advance(s) because we do not have enough money in our Working Fund bank account?

If pending reimbursements will not cover the requested advance amount, GAD requires signed **CPB** paperwork for each employee [see link to CPB paperwork, above, under *Working Fund Payments*].

NOTE: once GAD receives the CPB paperwork for each employee, allow at least 3-5 **business** days for GAD to process the request and make the payment. Once GAD makes the payment, it may take another 1-3 business days for the funds to post to your Working Fund bank account.

What if my agency no longer needs all or part of our Working Fund advance?

We will happily take the funds back! For specific instructions on how to return funds so that your agency is properly credited, email GAD_Working_Fund@marylandtaxes.gov.

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