

Payment Processing

- **When should I use the working fund to make payments? What type of payments should 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% net pay) and travel advances may be paid.
- **What types of payments are not permitted to be run through working fund accounts? The following types of payments are NOT permitted:**
 - Payments to vendors may not flow through working fund accounts as the data is not collected for 1099s and the working fund disbursement issuance bypasses the State's liability offset process.
 - Food purchases for normal staff type meetings or social functions
 - Parking fees or other driving violations of employees.
 - Supplies for employee kitchen area.
 - Payment of vendors to avoid the Late Payment Report.
- **May I comingle working fund reimbursements on a transmittal with regularly processed invoices?**
 - No
- **How frequently should I submit for reimbursement of working fund disbursements?**
 - We recommend that submissions occur at least weekly if the disbursements are frequent. Submissions must be made at a minimum on a monthly basis.
- **What documentation is required to be submitted to GAD for replenishment of working fund advance disbursements?**
 - Summary sheet identifying total amount requested 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.

Temporary and Permanent Advances

- **Am I required to have a signature card on file with GAD Administrative Services to request a working fund advance?**
 - Yes
- **Who do I contact to identify who in my agency is authorized to request a working fund advance?**
 - Contact Deputy Director (410.260.7821)
- **What should I do if the authorized requestors on file at GAD are not up-to-date?**
 - Request a new signature card by calling 410.260.7821.
 - Complete a new signature card and mail to:
Comptroller of the Treasury
GAD- Administrative Services
80 Calvert Street
P.O. Box 746
Annapolis, Maryland 21404-0746
- **How should I request a temporary advance?**
 - Request a form from Deputy Director (410.260.7821) or email ckratzen@comp.state.md.us
 - Complete a working fund request form and submit to gad_admin_services@comp.state.md.us. If your agency is a batch agency, please coordinate with your financial agency first.
- **How should I request a new or permanent increase in my working fund advance?**
 - Contact Deputy Director (410.260.7821). For increases to advances, an analysis must be completed showing that bank balances have been at or close to zero for the last several months.
- **What should I do if working fund amounts for my batch agency are to be moved to another batch agency?**
 - Contact the Deputy Director (410.260.7821) or email gad_admin_services@comp.state.md.us as soon as the decision is made to move the funds so appropriate entries may be made by GAD in R*STARS.
- **What should I do if I no longer need a working fund advance or the working fund account has more advance dollars than the agency needs?**
 - Please mail a check to Administrative Services Section or email an EFT payment number with the amount to be returned: email gad_admin_services@comp.state.md.us **and request a reduction.**

Petty Cash

- **What are the reporting requirements for petty cash and receipts that are funded by working fund advances?**
 - Each custodian is required to reconcile their petty cash funds at least annually. The purpose of the reconciliation is to balance the total cash and receipts to ensure that they sum to the total petty cash assigned to the custodian. The supervisor should verify the cash and total receipts and ensure both custodian and supervisor sign the reconciliation. A copy of the reconciliation should be sent to GAD each year with the annual working fund certification.

Treasury

- **What should I do with outstanding checks aged greater than 6 months?**
 - Every year checks that remain unrepresented should be moved to the Unrepresented Fund. Example: Beginning of FY2017, checks issued during FY2014 should be sent to the Unrepresented Fund. The agency should create a list of check numbers, amounts and payees. A check should be issued payable to: Treasurer, State of Maryland and mailed to the Treasurer's Office. Mail the check along with a cover letter and the list of unrepresented checks to the following address:

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

Note: Unrepresented checks remain in the Unrepresented Fund until they are recovered by the agency or re-issued to the vendor.

http://www.treasurer.state.md.us/media/62144/undeliverable_unrepresented_check_funds_policy.pdf

Please call 410.260.7270 if you have any questions.

- **What should I do if checks are returned to the agency (uncashed)?**
 - If the check is returned by the post office as undeliverable, the agency should contact the payee to confirm the mailing address. When a new address is received, the check should be mailed to the payee. If a new address is not available after 30 days, the check should be stamped "VOID." If the payee does not claim the funds within two years, the funds will be moved to the Unrepresented Fund.
 - If the check is returned by the payee because the payee is not due the funds, the check should be stamped "VOID" and agency should follow their internal procedures to remove the check from the agency's records.

- **What should the agency do with interest earned on working fund bank accounts?**
 - The Banking Services Division (BSD) of the Maryland State Treasurer’s Office (STO) is responsible for ensuring that interest earnings credited to agency bank accounts are transferred to the General Fund of the State as required under §6-229 of the State Finance and Procurement Article of the Annotated Code of Maryland.

<http://mgaleg.maryland.gov/webmga/frmStatutesText.aspx?article=gsf§ion=6-229&ext=html&session=2015RS&tab=subject5>

The statute requires interest to be transferred to the General Fund unless one of the following exceptions apply: 1) investment earnings in the account belong to a resident or client of a State institution; 2) compensating balances/earnings credits generated from the account balances are used to offset financial institution charges for banking services; or 3) the investment earnings are otherwise exempted from the requirement by law.

If your bank account is not in one of the categories above, use the following method to transfer interest to the State’s General Fund:

- Interest should be remitted to State Treasury Office (STO) every July for the prior fiscal year.
- The agency should issue a check from the working fund payable to Treasurer, State of Maryland. Mail the check along with a cover letter and copies of the month-end bank statements for the fiscal year noting the interest to the following:

Maryland State Treasurer’s Office
 Attention: Deputy Director, Banking Services
 80 Calvert Street
 Room 414
 Annapolis, MD 21041

Please call 410.260.7270 if you have any questions.

Lost/Stolen/Unrecoverable Funds

- **What should the agency do if we are unable to recover advances to employees?**
 - A loss where a specific debtor can be identified shall be referred to the Central Collection Unit.
- **What should the agency do if money is lost or stolen from a working fund account?**
 - A loss resulting from theft shall be reported to local law enforcement or appropriate “special policy official” assigned to the facility.
 - Claims should be made through the State Treasurer’s Insurance Trust Fund or commercial carrier. State Treasurer’s claims may be made by filing a Notice of Claim form. The form can be found on the Treasurer’s website:

<http://www.treasurer.state.md.us/citizen-services.aspx>

- A loss where a specific debtor can be identified shall be referred to the Central Collection Unit ; and
- Losses, not covered by insurance or transferred to the Central Collection Unit, shall be submitted to the Board of Public Works through the Department of Budget and Management for approval if over \$10,000.
- Written notification of write-off approval, from either the Central Collection Unit or the Department of Budget and Management, will serve as official authorization to support an agency transmittal request to the General Accounting Division to restore the working fund by charging existing appropriations. Under no circumstances should an agency charge its appropriation until the write-off is approved.

Other

- **How frequently should I reconcile the agency working fund advance bank checking or savings account?**
 - We recommend that Working fund accounts be reconciled on a monthly basis.
- **May we comingle working fund advances with funds from other sources?**
 - No, working fund advance funds should not be commingled with funds from other sources.
- **If I am unsure about how to handle a working fund question, who should I contact for assistance?**
 - Please contact Deputy Director (410.260.7821).