

STARS MANUAL..... 1

CHANGE FUND..... 1

CHANGE FUND – WHAT IS IT? 1

CHANGE FUND – UNDERSTANDING THE BASICS..... 1

USE OF A CHANGE FUND..... 2

CHANGE FUND AND ROTARY ACCOUNT..... 2

TO ESTABLISH OR INCREASE A CHANGE FUND FROM A ROTARY ACCOUNT: 2

CLOSING THE CHANGE FUND TO A ROTARY ACCOUNT:..... 2

CHANGE FUND AND OPERATING FUND..... 3

TO ESTABLISH OR INCREASE A CHANGE FUND FROM AN OPERATING FUND..... 3

CLOSING THE CHANGE FUND TO AN OPERATING FUND..... 3

STARS MANUAL

CHANGE FUND

CHANGE FUND – WHAT IS IT?

Change fund is an amount of cash withdrawn from either your agency's rotary fund or from your agency's operating fund to be used for making appropriate change for the agency's customers. A change fund may be established for an agency from either an authorized rotary account or an agency operating fund.

A change fund is generally a small amount and must be reconciled daily to the established amount and also periodically verified by an independent person. A change fund is not used for making purchases of any sort.

A change fund is established in one of two ways:

1. Writing a sight draft on your agency's rotary fund made payable to a disbursing officer.
2. Writing a state warrant on your agency's operating fund made payable to a disbursing officer.

Regardless of how it is established, the disbursing officer is responsible for the change fund.

CHANGE FUND – UNDERSTANDING THE BASICS

To summarize the [Change Fund](#) policy in the Statewide Fiscal Policy Advisory Committee (FPAC) manual:

Change funds shall be established at the discretion and approval of the agency management, in an amount deemed necessary to effect operational efficiency. A change fund may be established from either the agency's rotary account or operating fund. A change fund shall not be established from incoming cash receipts.

The rotary account disbursing officer or the officer's delegate shall be held responsible and accountable for all change fund activity, for the money transferred from the rotary account to change funds, and for money transferred from the agency operating fund to a change fund.

If the agency establishes the change fund from its operating fund and has no rotary account disbursing officer, a change fund disbursing officer must be assigned. The change fund disbursing officer or the officer's delegate shall be held responsible and accountable for the money transferred from the agency operating fund to a change fund.

USE OF A CHANGE FUND

The change fund should only be used in the agency's normal course of business to make change for customers and should be kept in a secure location.

The change fund must be reconciled to the established amount each day using the following general guidelines:

1. Change fund amount never changes from day to day.
2. Separate authorized change fund amount from the day's receipts.
3. Record day's receipts to appropriate revenue coding – including any overage or shortage.

Under no circumstances should a Change Fund be used for any of the following reasons:

1. Purchase materials, supplies or services that could be paid for by state warrant or by P-Card.
2. Cash personal checks.
3. Purchase personal items for employees.
4. Extend cash advances to employees.
5. Any other non-state business purposes.

CHANGE FUND AND ROTARY ACCOUNT

TO ESTABLISH OR INCREASE A CHANGE FUND FROM A ROTARY ACCOUNT:

1. Draw a rotary account sight draft on the agency's rotary account, payable to the change fund disbursing officer.
2. Sight drafts payable to "change fund" or "cash" will not be honored by the State Treasurer.
3. The disbursing officer cashes the sight draft.

CLOSING THE CHANGE FUND TO A ROTARY ACCOUNT:

1. Reconcile to the established amount.
2. Deposit the cash in the originating rotary fund.

CHANGE FUND AND OPERATING FUND

TO ESTABLISH OR INCREASE A CHANGE FUND FROM AN OPERATING FUND

1. Notify SCO to establish or increase a change fund from an operating fund. Identify a subsidiary number to track the amount of the change fund within the operating fund. Use TC 726 with a Subsidiary Number to create change fund.
2. TC 726 creates a state warrant. This state warrant should be drawn on the agency's operating fund, payable to the petty cash disbursing officer. SCO is required to release the batch containing the TC 726.
3. Sight drafts payable to "change fund" or "cash" will not be honored by the State Treasurer.
4. The disbursing officer cashes the state warrant.

CLOSING THE CHANGE FUND TO AN OPERATING FUND

1. Reconcile to the established amount.
2. Deposit all cash into the originating operating fund in a J batch, using TC 727 and the original subsidiary number.
3. Notify STO to release the J batch.