

SEAN SCANLON
STATE COMPTROLLER



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OFFICE *of the* STATE COMPTROLLER
165 Capitol Ave.
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MEMORANDUM NO. 2024-08

April 19, 2024

TO THE HEADS OF ALL STATE AGENCIES

Attention: Agency Heads, Chief Administrative and Fiscal Officers, Business Managers and Trustee/Welfare Account Custodians

Subject: Petty Cash/Trustee Account Creation, Maintenance, and Closing Requests

I. PURPOSE

The purpose of this memorandum is to inform agencies of changes to the CO-1052 (Petty Cash/Trustee Account Request to Open/Close/Transfer) form and the creation of form CO-1053 (Petty Cash/Trustee Account Request for Authorized Balance Adjustment/Expenditures).

II. AUTHORITY

[CT General Statutes Sec. 3-112](#) - **Powers and Duties.** “The Comptroller shall: [...] (4) prescribe the mode of keeping and rendering all public accounts of departments or agencies of the state and of institutions supported by the state or receiving state aid by appropriation from the General Assembly; (5) prepare and issue effective accounting and payroll manuals for use by the various agencies of the state;”

[CT General Statutes Sec 4-52](#) - **Trustee account defined.** “As used in sections 4-53 to 4-55, inclusive, trustee account means any account operated in any state educational institution or welfare or medical agency for the benefit of the employees or students of such institution or agency, including so-called clients' funds in state hospitals,”

[CT General Statutes Sec 4-53](#) - **Establishment of trustee accounts.** “The administrative head of any [...] agency may, with the approval of the Comptroller and in accordance with procedures prescribed by the Comptroller, establish one or more trustee accounts.”

[CT General Statutes Sec. 4-54](#) - **Management of trustee accounts.** "(a) The management of such accounts may be under the control of students or employees other than those adjudged mentally ill but shall be under the supervision of the administrative head of the institution or agency, except that such accounts shall be under the total control of students under conditions hereinafter provided. The person acting as treasurer of any such account shall be bonded in an amount determined by the State Insurance and Risk Management Board."

[State Accounting Manual](#) – **Imprest Petty Cash Funds.** “A petty cash fund is a segregation of an advance of money from a fund to be used for incidental purchases and for explicit purposes explained in section 3.0 below. In Connecticut all petty cash funds are operated as Imprest petty cash funds, i.e. an

amount is advanced from the General Fund (or, if appropriate, from some other fund) to an agency and the agency must at all times account for this advance.”

III. **PROCEDURES**

Sufficient details must be noted in the proper section of the form submitted in order to receive approval. Supporting documentation should be submitted with the form to help prevent delays and follow up questions. Once the form has been filled out appropriately, it must be signed by both the Account Custodian and the Agency Approver (If trustee account, parent agency).

- A. **CO-1052 – Petty Cash/Trustee Account Request to Open/Close/Transfer:** A [CO-1052 form](#) is a request by an agency to either Establish, Close or Transfer Funds from a Petty Cash or Trustee Account.

A CO-1052 form should be completed and submitted electronically to osc.pettycash@ct.gov. Forms should be filled out according to their published instructions. The agency will select the appropriate check box based on the intended purpose. Each of the fields for the selected purpose must be filled out.

1. Approval to Establish a New Petty Cash/Trustee Account
 - a. When an agency opens a new petty cash account an agency policy document should be created.
 - i. It should include agency specific instructions regarding restrictions on use, procedures for staff, auditing and journaling instructions, and provisions for closing the account and how any funds will be returned to appropriate parent accounts.
 - ii. The agency policy should be attached to the CO-1052 and then kept on file within the agency for audit purposes.
 - b. For the detailed description, the agency must provide significant details such as the frequency, estimated amount, and intended use of funds.
 - c. If a physical account is being opened, a filled out CO-929 and TR-01 should be attached. If the Comptroller’s Office approves the account creation these will be forwarded to the Treasurer’s Office for further processing.
2. Closure of An Established Petty Cash/Trustee Account
 - a. For the detailed description, agency must provide significant details such as how funds are to be returned according to the agency policy/procedures document for the account.
 - b. Additionally, the agency should attach the most recent bank statements and journals showing the current funding to be returned.
3. Request to Transfer Funds from One Petty Cash/Trustee Account to Another
 - a. For the detailed description, agency must provide the reason for the transfer of funds.
 - b. Any agreements between trustee custodians, or authorized administrators of both the issuing and receiving funds should be attached for review.
 - c. The form should be signed by the custodian and authorized administrator of the issuing account.

- B. **CO-1053 – Petty Cash/Trustee Account Request for Authorized Balance Adjustment/ Expenditures:** A [CO-1053 form](#) is a request by an agency to adjust an authorized balance or to expend petty cash/trustee account funds for a single expenditure only. The levels of approval for expenditures have changed, please refer to the [State Accounting Manual](#) or [Accounting Procedures Manual for Trustee Accounts](#) for the new levels.

A CO-1053 form should be completed and submitted electronically to osc.pettycash@ct.gov. Forms should be filled out according to their published instructions. The agency will select the appropriate check box based on the intended purpose. Each of the fields under the selected purpose must be filled out.


1. Request to Adjust an Authorized Balance

- a. For the detailed description, agency must provide sufficient details to receive approval such as the type and volume of transactions with applicable reasons why they are occurring in the agency.
2. Approval is Requested to Expend Petty Cash/Trustee Account Funds for a Single Expenditure Only
 - a. For the detailed description, an explanation of the purpose of the single expenditure in relation to the purpose of the fund, how the funds may be offset by any associated revenues if applicable, etc. If there is any supporting documentation for the expenditure, it must be submitted with the form.
- C. **Twelve (12) month period combination of expenditures from Trustee Accounts:** If an agency is looking for approval on a combination of expenditures over a 12-month period from a trustee account, the agency will not fill out a CO-1053. Instead, the agency will submit the documents listed below via email to osc.pettycash@ct.gov. If an agency needs examples or further clarification, please email osc.pettycash@ct.gov for guidance. Petty Cash accounts are not eligible for 12-month approvals.
 - a. A letter/memo addressed to the director of the Office State Comptroller – Central Accounts Payable Division explaining the expenditure request and the reason it is needed.
 - b. A copy of the account's annual budget, include sources of revenue and spending plans.
 - c. Previous year's actual expenditures, "actual usage", and revenues by account.
 - d. Any additional supporting documentation, this may include but is not limited to commission meeting minutes, motions, or applicable budgetary votes.

A copy of any signed form must be kept on file at the agency and made available for audit.

IV. **QUESTIONS**

Please direct any questions concerning this memorandum to the Office of the State Comptroller, Central Accounts Payable Division, osc.pettycash@ct.gov.

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<https://www.osc.ct.gov>