

## Expense Advances

- Authority** This Guide Memo was approved by the Vice President for Business Affairs and Chief Financial Officer.
- Summary** This Guide Memo outlines policy on advancing funds for University activities. Section headings are:
1. FUNDS ADVANCED FOR BUSINESS EXPENSES
  2. REQUESTING AN EXPENSE ADVANCE
  3. ADVANCES REPORTED AS PERSONAL INCOME

### 1. FUNDS ADVANCED FOR BUSINESS EXPENSES

- a. **Purpose of Expense Advances** — Expense advances may be requested for out of pocket expenses that occur prior to travel such as airfare and hotel deposits, and payments to human subjects (see Human Subjects job aid, <http://www.stanford.edu/services/oracle/reimbursements/training.html>). All advances for travel must include supporting documentation such as an air ticket receipt showing proof of payment. Any other advance request, beyond the types implicitly listed above, is considered to be an exception and requires approval, in advance, by the Director of Disbursements. No University funds may be advanced for personal reasons. Advances will not be given for registration fees. Payments can be made for conference registration by submitting an iOU 'Other Checks' request to pay the conference organization directly, or to reimburse the individual by submitting an iOU Reimbursement with a copy of the registration form and proof of payment as supporting documentation. See Guide Memo 36.7, Travel Expenses, [http://adminguide.stanford.edu/36\\_7.pdf](http://adminguide.stanford.edu/36_7.pdf), section 10. For more information, see Quick Steps: Request a Travel Advance in iOU and Quick Steps: Return Unused Advance Funds located at [http://financialgateway.stanford.edu/staff/reimburse/quick\\_steps.html](http://financialgateway.stanford.edu/staff/reimburse/quick_steps.html).
- b. **Authorizing and Issuing Funds** — Expense advances are authorized by departments, and are issued to the individual who will be incurring expenses. Responsibility for the University funds remains with the individual until an accounting is made of expenditures through an Oracle Financials reimbursement request.
- c. **Amount of Expense Advances** — The amount advanced may not exceed the estimated cash required for the activity.
- d. **Commitment of Funds** — Funds authorized for an expense advance are committed against the account specified by the department. However, the account is not charged until expenses are recorded.
- e. **Unused funds** — Funds not used for expenses must be returned to Travel & Reimbursement and a completed iOU reimbursement request submitted, for the amount spent, within 10 working days after completion of the activity. If the business need for an outstanding advance ceases to exist, the funds advanced must be returned immediately.

### 2. REQUESTING AN EXPENSE ADVANCE

- a. **Initiating a Request** — The department initiates a request for an advance online using the iOU application. See the Job Aid entitled "Getting and Clearing an Advance" at the Oracle Financials Learning Center, [http://www.stanford.edu/services/oracle/learningcenter/resources\\_1.html](http://www.stanford.edu/services/oracle/learningcenter/resources_1.html).
- b. **Timing of request** — Expense advances must be received in Travel & Reimbursement at least 10 working days before the date the funds are needed. If a Rush advance is needed, or if pickup at the "Will Call" window is requested, a fee will be charged to cover the extra cost involved in preparing and handling the specially processed check (see paragraph 2.c. below).

- c. **Check Delivery** – Checks for expense advances may be delivered by interdepartmental mail to the department, sent via U.S. Mail deposited directly to the payee's bank account, or picked up at the "Will Call" window in Encina Hall (for which the special handling fee will be charged). If checks to be mailed are requested as Rush, a special handling fee will also be charged.

### 3. **ADVANCES REPORTED AS PERSONAL INCOME**

The Internal Revenue Service requires that advances be accounted for within a reasonable period of time. Advances that are not cleared within a reasonable time will be withheld from subsequent reimbursements until the advance has been fully cleared. If it is not possible to recover the advance through reimbursement withholding, the advance will be expensed to the specified account and will be reported as personal income for the person to whom or on whose behalf the advance was made. If the specified account is for a restricted fund, the department responsible for the restricted account is also responsible for transferring the expense to an allowable account. A report of the personal income will be made to the appropriate Vice President, Dean, or other responsible senior University officer. Failure to properly clear an advance will result in the advance recipient being ineligible to receive any future advances.