5.4.1 EXPENSE ADVANCES

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This Guide Memo outlines policy on advancing funds for University activities. It should be used in conjunction with resources and procedural information on the Gateway to Financial Activities website, including Guidelines for Advances and the How-To listing in the Reimbursement section.

Authority:
Approved by the Senior Associate Vice President for Finance.

1. Funds Advanced for Business Expenses

a. Purpose of Expense Advances

Advances may be appropriate to further University business under certain circumstances including:

- Paying for travel (e.g., airfare or pre-paid lodging) for students, staff, and faculty who travel infrequently on University business,
- Paying for visitor airfare, or
- Funding incentives for Human Subjects

As a preferred alternative to an expense advance, the University has a travel card program described in section 2 of Guide Memo 5.4.2: Travel Expenses. Any other advance request not implicitly listed above is considered an exception and requires prior approval by the Business Expense Manager in the Travel and Reimbursement department within Procurement. The University does not allow expense advances for personal reasons.

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 expense report in the Expense Requests system.

c. Amount of Expense Advances

The amount advanced may not exceed the estimated cash required for the activity. All advances for travel must include supporting documentation detailing the estimated travel expenses.

Human Subject incentives greater than $200 per subject cannot be advanced and must be processed as a direct non-purchase order payment in the Expense Requests system.
2. Requesting an Expense Advance

a. Initiating a Request
The department initiates a request for an advance online using the Expense Requests system. See How To: Create Advance Request [5].

b. Timing of Request
Approved expense advances must be received by the Travel and Reimbursement department at least 10 working days before the date the funds are needed. Fees will be charged for expedited (“Rush”) delivery of funds or if pickup at the "Will Call" window is requested.

c. Delivery of Funds
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 designated “Will Call” locations.

3. Expense Reporting

a. Expense Reporting
An expense report must be submitted in the Expense Requests system no later than 60 days after the completion of the activity (e.g., trip) in order to clear advances. Absent exceptional circumstances, expenses submitted more than 60 days after the date of completion will be reported as taxable income to the individual. See How To: Clear an Advance [6].

b. Returning Unused Funds
Unused funds, and funds that are no longer needed, must be returned to the University.

If an advance is outstanding more than 60 days past the expected clearing date, the advance may be reported as taxable income to the individual to whom the advance was intended. Any advance reported as personal income will be expensed to the account specified in the advance request. If the specified account is for a restricted fund, the department responsible for the restricted account is also responsible for transferring the expense (related to the funds now considered taxable income) to an unrestricted account. The advance recipient will not be eligible to receive any future advances if the advance was not properly cleared.

See How To: Return Unused Advance Funds [7].


Links