

Temporary Cash Advance Policy

Approved by: Northeastern State University Executive Cabinet	History: Revised – May 19, 2015
Responsible Official: Accounts Payable nsuap@nsuok.edu	Related Policies:
	Additional References: Cash Advance and Report Form

PURPOSE

This policy outlines the University's rules and procedures for the proper handling of temporary cash advances authorized to various University departments by the NSU Controller.

DISCLOSURE STATEMENT

[RUSO policy 2.2](#) states: The universities utilize non-appropriated revenues in funding student-related trips. The universities are authorized to advance these funds to a faculty sponsor or sponsoring coaches. The funds must be used only for travel, transportation, food, lodging, and/or other trip-related expenses in the exact amount of the actual and reasonable expenditures that were incurred. The unused portion of the funds advanced for a trip must be returned to the institution upon the trip's completion. A report of expenses incurred during the trip must be prepared by the sponsor within a reasonable time after the completion of the trip.

Policy Section I

Temporary cash advances are used to provide cash to University departments to facilitate student travel. Only University employees (full and part-time) are permitted to handle temporary cash advance funds. Access to the cash advance should be restricted and a custodian must be designated as the responsible party for the advance.

A temporary cash advance may be requested when a department will be paying for business related travel expenses for a student group consisting of two or more individuals and the destination is such that service providers (food, lodging, etc.) do not honor the NSU PCard, or there is no one participating in the travel who has an NSU PCard.

Temporary cash advance funds may also be used in support of Athletic recruiting in provision of food, lodging, and / or travel expenses.

Some cash advances may be used to provide small amounts of cash to each person in a group for meal expenses (such as an athletic team). In such cases signatures of the persons receiving the cash along with the amount received must be obtained at the time the cash is distributed. This list will be returned with the cash advance reconciliation in lieu of receipts.

Temporary cash advance funds may not be used for employee travel expenses. NSU employee travel expenses must be funded, reported and reimbursed as defined in NSU travel policies and procedures.

Policy Section Ii

Temporary cash advances must be reconciled and reported to Accounts Payable within 5 working days of completion of the trip and no later than 30 days after issuance. Departments delaying return of advances will not be allowed further advances without either clearing those in question or receiving approval of the Assistant Vice President for Business and Finance or Director of Business Affairs. Should a pattern of delinquency develop, cash advance privileges for a department or individual custodian can be removed by the Vice President for Business and Finance.

A custodian or department should immediately contact the NSU Controller and University Police if temporary cash advance monies are found to be missing, or if there is suspicion of theft or diversion of funds.

PROCEDURE(S)

Purpose

There are three separate procedures defined that relate to temporary cash advances. The first describes the process to request a cash advance. The second pertains to reconciling, reporting, and closing an advance. The third is the accounting procedure required to close the accounting for the cash advance.

PROCEDURE I

A department may request a temporary cash advance by submitting a completed and authorized Cash Advance and Report Form to the Accounts Payable Supervisor. This request will explain the department's need for a cash advance and indicate the dates of travel, the number of students expected to travel, and the Fund and Organization which will bear the expense. It will also designate an appropriate NSU employee as custodian of the advance. The request must be approved by the Account Sponsor.

This request form should be submitted to the Accounts Payable Supervisor no earlier than 30 days prior to, and no later than 5 working days prior to the event or travel to ensure availability of the advance.

Upon receipt of the request, the Accounts Payable Supervisor will confirm availability of budget and that there are no outstanding prior advances for the department. The Accounts Payable Supervisor will then acquire approval to proceed through signature of the NSU Controller.

A check will be issued to the designated custodian of the temporary cash advance prior to the event or travel. A due date for return of receipts and unused cash will be agreed upon between the custodian and the Accounts Payable Supervisor and indicated on the Cash Advance and Report Form. This generally will be within five working days of completion of the event or travel.

Procedure II

Within 5 working days of completion of the event or travel, the custodian will submit a report of the use of the funds, original receipts, and any unused money to the Accounts Payable Supervisor.

The report of use of funds will include the amount of cash advanced and the total of all receipts for funds paid out. The difference between these represents the unspent cash which should equal the cash submitted for redeposit.

Additionally, the report of use of funds will include a summarization of expenses by account code. This is necessary for the journal entry that will post the transaction to the identified fund and organization.

Upon receipt of these items, the Accounts Payable Supervisor will document the submission by signing and dating the return portion of the Cash Advance and Report Form. A copy of this form will be provided to the custodian for their records.

Procedure III

To settle the temporary cash advance, the Accounts Payable Supervisor will ask Bursar staff to deposit the remainder cash (if any) to the Cash Advance fund and organization. The receipt for the deposit will be retained with the Cash Advance and Report Form in file.

The Accounts Payable Supervisor will provide to the NSU Controller a copy of the Cash Advance and Report Form with the related expense information

summarized by account code. Using the Fund and Organization indicated on the form, the NSU Controller will prepare a journal entry transferring the expenses from the Cash Advance Fund and Organization, to the appropriate department Fund, Organization and Account.

The NSU Controller will review the Cash Advance and Report Form, receipts for expenditure, receipt for redeposit of cash, and journal entry documentation to ensure that the file is complete and may be closed. Upon receiving the signature of the NSU Controller on the form, the Accounts Payable Supervisor will cause the documentation to be imaged for file.