

NUMBER: BUSF 2.19  
SECTION: Business and Finance  
  
SUBJECT: Cash Advance - University Accounts  
  
DATE: October 18, 2006  
  
Policy for: All Campuses  
Procedure for: All Campuses  
Authorized by: Rick Kelly  
Issued by: Controller's Office

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## I. Policy

The University provides cash advance funds from University accounts to offices to cover large numbers of nominal disbursements when a direct expenditure voucher (DEV) or purchase order is impractical. The cash advance will be made for a specific purpose and there will be a single cash advance for that purpose. This will not be a revolving fund. The purchase of gift cards for periodic distribution as prizes or awards will also be treated as a cash advance.

## II. Procedure

### A. Establishment

#### 1. Request

- a. If the request is for a cash advance from "E" funds, a supervisory official makes a written request to the Accounts Payable Manager in the Controller's Office. (see request form at <http://web.admin.sc.edu/ap/forms.php>)
- b. If the request is for restricted funds ("F" through "L" funds), a supervisory official shall submit a written request to the Director of Contract and Grant or appointed designee (see request form at <http://www.cga.sc.edu/cashadv.php>)

The request should state the following:

- the purpose for the cash advance or gift card.
  - why standard purchasing procedures cannot be utilized.
  - the amount of funding required and why it is necessary.
  - the begin date and an end date.
2. When approved by the Accounts Payable Manager or the Director of Contract & Grant Accounting, a Direct Expenditure Voucher (DEV) will be processed and recorded on the General Ledger, the custodian's name is recorded in the Controller's Office or the Contract & Grant Accounting department.

3. The established amount of the advance is limited to the requirements of a short period of time (A period normally not to exceed ninety (90) days. No period will be allowed to exceed one year).
4. If the need for the advance ceases to exist, or if the fund is handled improperly or not in accordance to the written policies and procedures, it will be rescinded.

#### B. Custodian

1. The custodian's supervisor will ensure that the custodian understand the written procedures for processing cash advance transactions and knows that he/she is responsible for the amount of the cash advance and/or gift cards.
2. The custodian's other regular duties may not include the receipt or disbursement of cash nor the recording of charges or credits to customer's or vendor's accounts.
3. The custodian must keep the cash advance and/or gift cards under lock and key at all times with the key in his/her possession.
4. The advance may never be split between two or more people without written authorization from the Controller or the Director of Contract and Grant Accounting. The custodian is solely responsible for the full amount of the advance.
5. To change custodians, send a letter to the Controller's Office or Contract and Grant Accounting Office. This letter must include:
  - a. authorization from the supervisory official requesting a change and appointing a new custodian with an effective date.
  - b. signed acceptance by the new custodian of the cash advance and/or gift card on hand, plus paid receipts, amounting to the total of the cash advance and/or gift card.

#### C. Operation

1. At all times, cash and/or gift cards on hand plus paid receipts must equal the original amount of the advance.
2. The advance is subject to a random audit at all times by either a representative of the University's Internal Audit office, an auditor of the State of South Carolina or an independent auditor.
3. No expenditures for wages or loans or unauthorized commodities may ever be made with proceeds from the cash advance.
4. Disbursements
  - a. To account for all of the cash advance and/or gift card disbursement, the department must prepare a voucher with account number and provide documentation of the expenses along with a summary sheet. The summary sheet should include the participant(s) or payee's name, amount disbursed, and signature of the payee(s).
5. Clearing/Closing the Cash Advance.

- a. Submit through regular channels a memorandum requesting the closing of the advance accompanied by the documentary evidence of the expense including the advance summary sheet, paid receipts, and other supporting documentation.
  - b. The fund will be cleared/closed when the activity for which the advance was requested is completed (a period not to exceed 1 year). All monies advanced must be accounted for with the submission of cash vouchers or return of the cash on hand (see 4a).
  - c. Any unused gift card(s) remaining at the end of the advance period must be accounted for as described above. Remaining cards may be transferred to another department/fund with the approval of Controller's Office or Contract and Grant (for grant funds). The request form must be completed and the custodian on record will be updated. If the cards cannot be transferred, the department will work with Contract and Grant and Controller's office to manage the remaining cards.
6. If a fund is stolen, immediately notify the University Police Department (7-4215) and the supervisory official.

III. Reason for the Policy Change

Update information required for requesting and disbursing a cash advance, gift cards and links to required forms.

Send Comments to [Pat Lardner](#)