

NUMBER: FINA 2.19 (formerly BUSF 2.19)
SECTION: Administration and Finance
SUBJECT: Cash Advance - University Accounts
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Policy for: All Campuses
Procedure for: All Campuses
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Issued by: University Finance - Controller's Office

I. Policy

The University provides cash advance funds from University accounts to offices to replace large numbers of nominal disbursements requiring multiple direct expenditure voucher (DEV) forms or purchase requisitions. A cash advance requires one direct expenditure voucher with the appropriate application. The cash advance will be made for a specific purpose and 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. Application

1. Request

- a. If the request is for a cash advance from unrestricted funds, a supervisory official submits a "Request for Cash Advance/Gift Cards" 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 a supervisory official submits a "Request for Cash Advance/Gift Cards" to the Director of Contract and Grant Accounting or appointed designee (see request form at <http://www.cga.sc.edu/cashadv.php>)

The request should state the following:

- amount of funding required,
- begin date and an end date,

- purpose for the cash advance or gift card and why standard purchasing procedures cannot be utilized, and
 - responsible person (i.e., custodian), who must be a permanent employee of the University of South Carolina.
2. Upon approval by the Accounts Payable Manager or the Director of Contract & Grant Accounting, the request will be processed and recorded on the General Ledger and the custodian's name will be 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to exist, or if the fund is handled improperly or not in accordance to the written policies and procedures, it will be rescinded and the custodian will be required to return all funds immediately along with any appropriate documentation for expenses incurred to date.
 5. If proper documentation for the disbursement of funds is not provided as requested or within thirty (30) days after the end date, the amount of the advance will be deducted from the custodian's paycheck as agreed per the signed request.

B. Custodian

1. The custodian's supervisor will ensure that the custodian understands the written procedures for processing cash advance transactions; that he/she is responsible for the amount of the cash advance and/or gift cards and assumes all liability for any discrepancies.
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 and assumes all liability for any discrepancies.
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 cash advance is stolen, the custodian is responsible for immediately notifying the University Police Department (7-4215), the supervisory official, and the Controller.

III. Reason for Revision

Policy revised due to departmental reorganization, departmental name changes, and to comply with changes on state approval procedures.