Employee Cash Advance Procedures

Employee Cash Advances, for non-travel purposes, are typically used for petty cash, change funds and human subject incentive payments. Employee Cash Advances can only be requested by permanent employees (OPS employees/graduate students are unable to request Employee Cash Advances). The employee requesting the funds is considered the custodian. The custodian is fully responsible for the funds and is required to keep cash advances safe and secure at all times.

All Employee Cash Advances are subject to audit by the Controller's Office. The amount of the cash on hand plus receipts/supporting documentation of funds spent should equal the total amount of the advance at all times. Custodians who fail to follow Employee Cash Advance procedures, including returning funds by the advance due date, are subject to payroll deduction for the amount of the advance.

In the event that a custodian of a permanent cash advance needs to be changed, please contact Accounts Payable (Shelia Washington at srwashington@fsu.edu or 850/645-7180). If a change of custodian is needed for a temporary cash advance, closing the existing advance and opening a cash advance in the new custodian's name would be required.

Types

There are two types of (non-travel) Employee Cash Advances:

1. **Permanent Advance –** used for petty cash funds or change funds. These advances do not have an end date.

   Petty cash funds are used to complete minor business cash transactions as part of the department's daily operations. Petty cash funds may not be used for personal loans, travel expenses, or taxes for which the university is not liable (sales tax, freight taxes, or federal excise taxes.)

   Change funds are used to make change, generally for customers who are using cash to purchase a good or service from the University. No expenditures or disbursement can be made from a change fund. As a result, the balance of a change fund will always remain the same.

2. **Temporary Advance –** used for human subject incentive payments and other temporary cash needs. These advances must be closed out within 6 months from the issue date, or 60 days after the sponsored project ends, whichever comes first.

   All Human Subject Incentive Payments should be processed using a temporary cash advance. If extenuating circumstances arise that do not allow adequate time to process a cash advance, you must contact your Sponsored Research Grants Accounting Coordinator prior to any funds being disbursed. An approved IRB protocol must be in place to receive a cash advance for human subject incentive payments. Non-Resident Aliens must be paid through Payroll. They cannot be paid by an employee cash advance.

Two advances per person per funding source are allowed in order for overlap and ease of burden when closing out prior cash advances. Any advances over two must be justified and approved by exception. Contact your SRA Grants Accounting Coordinator for C&G funds or the Controller's office for non-C&G funds to request an approval.

Documenting Expenditures

The custodian is responsible for ensuring that all expenditures from a cash advance are documented appropriately. Receipts/supporting documentation is required for all expenditures, regardless of the amount of the transaction. If advances are used for Human Subject Incentive Payments, a log of recipients must be provided. If the recipients are confidential per the IRB protocol, a de-identifiable log must be provided with the PI maintaining the "crosswalk" for the recipients' names in their confidential grant file. The Human Subjects Incentive Payment Log template "Human Subject Log" is available for both identifiable and confidential recipients. If gift cards, or other items, are purchased for distribution to subjects, a receipt for the purchase of the items, as well as the recipient log is required.

Process for Requesting Employee Cash Advances

Requests for Employee Advances are processed by Accounts Payable using the OMNI ePRF (electronic Payment Request Form) system.

Establish a new Employee Advance Recipient in OMNI – In order to request an Employee Cash Advance an employee must receive a supplier ID in OMNI (this is different than an employee ID). **This process is only completed the first time an employee receives a non-travel employee advance.** To request a Supplier ID complete the "Cash Advance Custodian Setup Form" and submit electronically. The vendor team in Accounts Payable will notify the department once the employee's supplier ID has been established in OMNI and then the ePRF process can begin.

Open an Employee Cash Advance – All requests for a new advance must include the appropriate Request for Employee Advance form (Temporary or Permanent). Once complete, an ePRF is entered and the form is attached as supporting documentation. The ePRF number generated when opening the advance will be used as the Cash Advance ID number. All activities associated with the cash advance should reference this ID number. The Central Accounts Payable Office needs to be added to workflow for all UBA bill paying sites. SRA must be inserted into the ePRF workflow for advances that are less than one thousand dollars (advances >$1,000 automatically route to SRA). Once the ePRF is fully approved, a check will be generated that is payable to the custodian and the custodian will be notified the check is available for pickup at the Treasury Management office (University Center A; Room 6300). See the "How to Open an ePRF Cash Advance" job aid for detailed instructions on completing the ePRF.

Replenish an Employee Cash Advance – During the life of a cash advance a custodian may replenish the funds that have been expensed to bring the advance back to its full balance. Employees should consider the ability to replenish funds when determining the appropriate amount of cash to request. Supporting documentation for all expenditures must be attached to the ePRF. See the "How to Replenish an ePRF Cash Advance" job aid for detailed instructions on completing the ePRF.

Partial Replenish/Close of an Employee Cash Advance – If a custodian needs to replenish some of the funds that have been expended, but not all of them they can partially replenish/close an advance. The portion of funds not replenished will be reduced from the total amount of the outstanding cash

advance. Additionally, a custodian can submit supporting documentation for some of the funds that have been expended without any funds being replenished and the cash advance can be partially closed (see FAQ for example). Supporting documentation for all expenditures must be attached to the ePRF. See the "How to Reduce and Partially Close an ePRF Cash Advance" job aid for detailed instructions on completing the ePRF.

Close an Employee Cash Advance – Once all funds have been expended (and replenishment is not needed), the cash advance is no longer needed, or the cash advance expires the custodian must close the advance. If there are cash funds remaining on the cash advance, the custodian must complete the Department Expense Refund form (DT118) using the permanent advance (168300) or temporary advance (168400) account code (**DO NOT USE** an expense (7XXXXX) or revenue (6XXXXX) account code to return unspent funds). The deposit form and payment should be taken to the Cashier's Office (University Center A; room 1500). A copy of the receipt provided from the Cashier's Office, along with supporting documentation for all expenditures, must be attached to the ePRF. See the "How to Close an Employee Advance" job aid for detailed instructions on completing the ePRF.

FAQs

Do cash advances encumber on a budget?

No. Cash advances do not encumber funds on a budget, so it is critical that departments account for the outstanding cash on their reconciliation. Cash advances can be viewed on the Departmental Ledger in BI under "Other Assets."

Can I turn in unused gift cards I purchased on a cash advance?

No. The Controller's Office cannot accept gift cards to close out a cash advance. If the PI has future human subject incentive payments to make, a new cash advance can be opened to "buy" the unused gift cards.

For example, if a PI opens a cash advance for $500 and has $100 remaining in gift cards at close out, the PI can return supporting documentation for the $400 disbursed and $100 cash to the Controller's Office. Then open a new cash advance for >$100 and disburse the gift cards as part of the second cash advance. The original $500 receipt for the purchase of the gift cards will need to be included with supporting documentation for both cash advances and the amount applied to each cash advance should be noted.

What types of payments does the university accept to close out employee advances?

Cash, check, or money order

What account code do I use when I return unspent funds to the Controller's Office?

168300 – permanent advances or 168400 – temporary advances

Expense (7XXXXX) or Revenue (6XXXXX) account codes should NEVER be used for unspent funds.

What account code do I use when turning in receipts for a cash advance?

The expense (7XXXXX) account code that most closely associates with the purpose of the cash advance should be used. For example, 740355 is for human subject participant incentive payments.

What if I don't have enough time to request a cash advance for my human subject incentive payments?

Contact your SRA Grants Accounting Coordinator immediately. Repeated failure to follow the cash advance procedures for incentive payments may result in payments being denied and/or the employee not being reimbursed.

How do I determine how much cash I need to request?

The amount of cash requested should be reasonable based on the timeline for disbursing funds. For example, if you plan to disburse $1,000 per month for 6 months, you don't necessarily need $6,000. The first month can be replenished after it is disbursed to reuse for future disbursements. As a general rule, the cash should not exceed your immediate need for disbursement (30-60 days).

Can I request an extension on my cash advance?

On rare occasions a cash advance may be considered for an extension. The custodian must have a detailed plan for how the remaining funds will be spent within 30 days of the expiration date in order for an extension to be considered. Contact your SRA Grants Accounting Coordinator for C&G funds or the Controller's office for non-C&G funds to request an extension.

How often should I turn in receipts for my cash advance?

Cash advances should be reconciled monthly; with funds either being replenished or the cash advance partially closed if additional funds are not needed.

What does it mean to partially replenish/close a cash advance?

If a custodian has disbursed a $500 cash advance and they only want to replenish $300 for their remaining payments, they can partially replenish/close the advance. In this example, the $300.00 would be partially replenished. The $200.00 would be partially closed in a separate voucher. [See "How to Partially Close an ePRF Cash Advance" job aid]. After these vouchers have gone through, the overall advance balance would be reduced from $500.00 to $300.00.

Can a cash advance check be made payable to a supplier? (example Target, Walmart)

Yes, in cases where a check payable directly to the supplier is needed (ex. Target Gift Cards) a cash advance check can be made payable to the Omni Supplier. [See "How to Open a Cash Advance to a Supplier " job aid] Please note the third party check must be signed and picked up by the cash advance custodian only.

Can a cash advance be mailed?

No, every cash advance requires "special handling" when inputting the ePRF to state the name and phone number of the custodian. The assigned custodian or designee will be called by Treasury Management when the check is ready and the custodian must sign and pick up the check in person in the Treasury Management office (University Center A; Room 6300).

What if I have a current cash advance that was not processed through the ePRF system?

Any replenishments, and closings to current (pre-ePRF) cash advances will be replenished and closed using paper PRF forms.