

Cash Advance

Dena Dalton

Cash Advance

What is a Cash Advance Fund?

A cash advance is a short term (usually 90 days) advance of cash funds on University accounts to departments to cover large numbers of nominal disbursements. It is only given when a DEV (Direct Expenditure Voucher), PO (Purchase Order), or credit card is inadequate.

Advances will be made for specific purposes only, and there will be a single cash advance established for that purpose. This is NOT a revolving fund.

All receipts constitute an expense that will be applied to the department fund account from which the funds were received.

Gift Cards and the Cash Advance Process

- All gift card purchases are now processed through the cash advance system and will be regulated in the same manner as cash advances have been in the past.
- Purchase only the amount of gift cards needed as they are not returnable and the Custodian will be required to purchase these extra cards with their own personal funds.
- Check will be made out to the Custodian unless the Gift Card/Cash Advance Request states that the Custodian wishes the check to be made out to the Retail Store (i.e., Target, Wal-Mart, Kmart). Even though the check written to the Retail Store, the Custodian is still responsible for the funds.

Cash Advance Approval Process

- Complete Cash Advance Request Form - (<http://www.cga.sc.edu/cashadv.php>)

Date

Department Name

Department/Fund Number

Amount Requested

Period Needed

Purpose for Cash Advance - (Please be very specific when completing this section. Give name of grant/contract, reason why standard purchasing procedures cannot be utilized as well as how you intend to use the funds. Explanation should equal amount requested. State in your opinion why the amount being requested is necessary).

Cash Advance Approval Process

- Attach copy of contract/grant that provides for this activity (if applicable).
- Custodian and Department Head or Dean must sign the request. In the cash advance/gift card approval process Business Manager signature is not acceptable.
- Send Completed Form to:
 - Dena Dalton – 777-2130 – Contract & Grant Accounting
(Restricted Funds F through L)
 - Judith Nevergoll – 777-2121 - Controller's Office
(All Other Funds)

Cash Advance Closeout

Departmental Responsibilities

- Cover Memo, grand totaled, with Custodian's signature requesting the closing of the cash advance listing all expenses grouped by Object Class.
- Calculator tape verifying expenses.
- **ORIGINAL** Receipts and Invoices Grouped by Object Class. Social Security Numbers listed if funds disbursed to individuals. In the case of gift cards, original receipts of purchase of gift cards as well as original receipts of original signature of participants receiving the gift cards is required. The Cash Advance Receipt Form should be used whenever possible. Please feel free to use the following link to access this form. (<http://www.cga.sc.edu/cadvexpense.pdf>)
- Cash Receipt from Financial Services (If Excess Cash was returned)

Cash Advance Closeout

Contract & Grant Accounting Responsibilities

- Verify that all receipts, memo, and tapes are for allowable expenses, and that receipts are dated after cash advance was given.
- Prepare JE (Journal Entry) to charge department/fund with expenses, and clear cash advance from object class 10203.

Important Things to Know

- Only one cash advance per custodian can be open at one time. All excess funds must be returned and the cash advance cleared before another can be requested. Once a cash advance is processed, it may not be increased.
- The Custodian will keep the cash under lock and key at all times with the key in his/her possession.
- The advance may never be split between two or more people without written authorization from Contract & Grant Accounting (F through L funds) or the Controller's Office (other funds). Each person will sign a receipt for his/her portion of the advance. The custodian will be solely responsible for the full amount of the advance.

Important Things to Know

- Custodianship can be changed after authorization by the supervisory official and signed acceptance by the new custodian of cash on hand plus paid receipts amounting to the total of the advance by sending a written request to Contract & Grant or the Controller.
- Spending cannot occur until the cash advance is received. Receipts turned in at clearing dated prior to receipt of the cash advance will not be processed, and it will be the responsibility of the custodian to reimburse the University for these funds.
- Expenditures for wages or loans may never be made from the advance.

Important Things to Know

- Cash advance custodianships are only given to **USC EMPLOYEES** only.
- If need for the advance ceases to exist or if the fund is handled improperly or not in accordance with written University policies and procedures, it will be removed.
- The cash advance fund is subject to **SURPRISE AUDIT** at any time by either a representative of the University's Internal Auditor's Office, the SC State Auditor's Office, or independent auditors. Cash on hand plus paid receipts must equal the original amount of the advance.

Important Things to Know

- In a circumstance where a fund is stolen, notify the University's Police Department immediately at 777-4215 so that proper documentation can be made of the loss. A copy of the police report will need to be provided to Contract & Grant Accounting. Notify Contract & Grant for further instructions.
- Funds **must not** be deposited into any personal checking or savings accounts or personal credit cards.
- Since personal accounts should never be used for these funds, depositing excess cash with Financial Services for clearing the cash advance fund need to be made in cash. A personal check is **NOT** acceptable.

Important Things to Know

- If the cash advance is used to buy gift cards, make sure that original receipts for the purchase of the gift cards as well as original receipts signed by the person that the gift card is disbursed to is provided to Contract & Grant upon completion of the advance period.
- Normal University check-write days are on Monday and Wednesday nights. Requests should be in Contract & Grant Accounting or the Controller's Office no later than 2-3 days before the check-write day so that the approval process can run smoothly. Custodians can expect to receive the cash advance check in their department no later than 2 days after the check is written.