Cash Advance

Dena Dalton
What is a Cash Advance

- A cash advance is a short term (usually 90 days) or less 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 cannot be used. All gift card purchases are processed through the cash advance system.

- 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. These expenses will appear after the receipts are turned in and the JE is prepared by Contract & Grant.
Cash Advance Approval Process

- Complete Cash Advance Request Form - This form needs to be typewritten not handwritten -
  (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 a detailed description of how you intend to use the funds. Explanation should equal amount requested. State in your opinion why the amount being requested is necessary).
  - Email Address
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. Then 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)
• Check will be written 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

- There is a one-time 30-45 minute session that all Custodians must complete before any cash advances will be given.
- The cash advance check will be mailed to the Custodian in his/her respective department and should arrive no later than 2 days after the check is written.
- The Custodian will cash the check and keep the funds under lock and key until they are disbursed. We suggest the Wells Fargo on Assembly Street for cashing the check although any Wells Fargo would be fine. If there are any problems with the cashing of the check, the Custodian may call Becky O’Connell at 777-5046. Becky is in the Controller’s Office and works closely with Wells Fargo on a daily basis.
- All receipts and/or cash must be turned in on or before the end date of the cash advance period. If it is not possible to meet this date deadline, a formal detailed request for extension explaining why the deadline was not met and the reasoning behind needing the extension must be made and approved before further cash can be expended. Please make requests for extension prior to the advance end date. No further advances can be made until the current advance is cleared.
Cash Advance Closeout

Custodian’s Responsibilities

• Cover Memo, grand totaled, with Custodian’s signature requesting the closing of the cash advance listing all expenses grouped by Object Class. Please turn in receipts at least every 2 weeks to clear portion of advance especially if the advance is for the full 90 days.

• ORIGINAL Receipts and Invoices Grouped by Object Class. An identifying number should be listed for 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 participant receipt should show gift card number (if applicable), amount received, social security or identifying number, name, and signature. Be sure to notate the appropriate gift card number next to the participant that received that particular gift card. 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 Advance Closeout

- All excess cash will need to be returned to USC by taking the cash to the Cashier in Financial Services, 516 South Main Street, using the USC Deposit Transmittal. The form can be accessed using the following link. ([http://uts.sc.edu/forms/USC-Dep-tran.pdf](http://uts.sc.edu/forms/USC-Dep-tran.pdf)) The Custodian will be given a receipt indicating that the cash has been deposited and this needs to be turned in to Contract & Grant with all of the other original receipts. Please use object code 10203 (Funds F-L) and 10204 (Any Other Funds) on the transmittal.

**Contract & Grant Accounting Responsibilities**

- Verify that there is a cover memo requesting either total or partial close-out and that all receipts 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.

• 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.
Important Things to Know

• 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. Also, all receipts and/or excess cash must be turned in to Contract & Grant on or before the end date of the advance period.

• Expenditures for wages or loans may never be made from the advance.

• Cash advance custodianships are given to USC EMPLOYEES only.

• If you are buying gift cards with the advance, we encourage you to 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 fund. Also, please remember that the cash advance does not cover any fees associated with the gift cards.

• If need for the advance ceases to exist, please turn in receipts and excess cash and request at another time.
Important Things to Know

• 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.

• 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.
Important Things to Know

• 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.

• 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. If access to the Accounting Intranet is available, you may check the Accounting Calendar for check write dates. Custodians can expect to receive the cash advance check in their department no later than 2 days after the check is written.