



TUSKEGEE UNIVERSITY

Tuskegee University Cash Advance Policy

Policy Number: _____
Approving Officer: VPBFA/CFO
Responsible Office: Business and Fiscal Affairs
Effective date: February 1, 2025

Purpose of Policy

Tuskegee University's Cash Advance Policy is designed to provide guidelines for acquiring and managing a travel cash advance. This applies to restricted (federal/state/local/private/university) and unrestricted funds. Furthermore, this policy will provide the guiding principles for advancing university funds to faculty and staff.

Travel Cash Advance Considerations

As a best practice, expenses should be paid by the traveler with out-of-pocket funds and reimbursed. Instead of cash advances, please consider these alternative options:

1. Travelers should provide the university procurement department with a **30-day notice** or more requesting that rental vehicles, lodging, and flight(s) be reserved for them. The required paperwork must be submitted.
2. Departments that have a purchasing card may use it to pay conference/registration fees, rental vehicles, lodging, and airfare on behalf of the traveler. The traveler may only request a cash advance for food per diem. No per diem is allowed for travel when meals are provided and/or included in conference/registration fees.

Please exhaust the above alternatives before requesting cash advances. Cash advances should only be used when absolutely necessary for travel-related expenses and must not include meeting/entertainment expenses. Travelers should consider the impact and implications of cash advances before using that option.

- The amount requested should not exceed a reasonable estimate of the out-of-pocket expenses needed for the trip.
- A travel cash advance can only be issued within 30 days of the first day of business travel to satisfy IRS regulations and to meet the University's cash management objectives.



TUSKEGEE UNIVERSITY

- A traveler may only have one outstanding cash advance per trip and must clear any previous advances before another advance is issued.
- A reconciliation using the university-approved expense report must occur, and unused funds must be returned to the university within 15 days. **NO EXCEPTIONS !!!!!**
- Cash advances can only be used by the traveler requesting the funds. They cannot be given to any other individual.
- If a traveler does not submit an expense report showing how the advance was spent on travel expenses and/or fails to return any unused cash advance amounts within 15 calendar days of the end of a trip, the University is obligated under IRS regulations to consider such amounts as taxable income to the employee. Cash advances not fully reconciled within 15 calendar days by the traveler will be reported to the Payroll Department and deducted from your earnings in accordance with IRS Accountable Plan requirements. (see page 4) Travelers who are taxed for travel advances will no longer be allowed to receive any future cash advances.

Cash Advance Procedures

Travelers may receive a cash advance to pay for travel expenses such as entrance fees, per diem (only when meals are not included per the conference agenda and/or registration fees), parking, ground transportation (taxi/Uber), luggage fees, and other related costs. Advances must be requested on Tuskegee University's ***Check Request Form*** with the appropriate signatures and supporting documentation to include conference agendas, flyers, email, etc. Supporting documentation must include the approved travel request form (with the exception of Admissions, Athletics, SGA (student activities), and Cooperative Extension (County Programs)). Cash advances must be submitted with all appropriate signatures and documentation to Accounts Payable at least fifteen (15) business days before travel to avoid delays. There will be no exceptions.

Grants – All grants related cash advance requests must be submitted to the grants department for review and approval before submission to the accounts payable department. If the request is submitted to the AP department before the grants department, it will be returned to the requester (traveler). This may delay your request.

Upon processing, cash advance funds will be deposited directly into the traveler's personal checking account. Please obtain a direct deposit form from the Procurement Office. Complete and return it prior to requesting a cash advance. Please note that the employee must be a signer on the account where funds are deposited. This account cannot be a business account.



TUSKEGEE UNIVERSITY

Cash Advance Authorizer Approver Hierarchy

Staff	Faculty
Less than \$500 - Department Manager	Less than \$500 - Department Chair
\$500 to Less than \$5,000 - Deans / Assistant VPs	\$500 to Less than \$5,000 - Deans / Assistant VPs
\$5,000 and Over – VP & CFO	\$5,000 and Over - Provost & CFO

Special arrangements that follow the intent of these procedures may be required for athletic team travel and other group activities. The athletics department must provide a schedule at least 30 days prior to the start of the team season. Cash advances, if applicable, will be provided based on the athletic team schedule. If a department has been issued a P-Card (purchasing card) for travel related expenses, no cash advances will be granted.

Unspent funds must be returned to the Cashier's Office in the form of cash, check, or money order and credited back to the general ledger account used to obtain the funds. The Cashier's Office receipt and all original receipts must be submitted with the official Tuskegee University ***Expense Report Form*** to Accounts Payable no later than 15 calendar days after the completion of travel.

An expense report from the traveler must be submitted and approved by the traveler's supervisor and the Accounts Payable Department staff before a cash advance is considered closed.

Grants – All grants related cash advance ***Expense Report Forms*** must be submitted to the grants department for review and approval before submission to the accounts payable department. If the ***Expense Report Form*** and supporting documentation are submitted to the AP department before the grants department, it will be returned to the requester (traveler). This may put you in violation of this policy for not reporting timely.

Cash advances not fully reconciled within 15 calendar days by the traveler will be reported to the Payroll Department and deducted from your earnings in accordance with IRS Accountable Plan requirements.

Travelers who are taxed for travel advances will no longer be allowed to receive any future cash advances.

- Expenses for personal items, room service, and/or alcohol purchases will not be approved.
- If per diem is claimed, receipts for food will not be approved. Food receipts can only be claimed with special approval from the CFO in Fiscal and Business Affairs.
- If a rental vehicle is used, mileage will not be approved unless it is mileage obtained in the traveler's personal vehicle (pick-up and/or drop-off of rental vehicle).



TUSKEGEE UNIVERSITY

- Fuel purchases with receipts are allowable when using a rental vehicle but will not be approved if claiming mileage.

If an expense cannot be substantiated with receipts, a bank statement or credit card statement must be provided. If a valid receipt is not provided, a bank statement and/or credit card statement must be provided and attached to all required documents and must be a reasonable expense for reimbursement. In addition to the bank statement and/or credit card statement, an approved ***Lost Receipt Affidavit Form*** must be completed, signed, dated, notarized, and attached to all other supporting documents required to reconcile and close out the cash advance fully.

This policy must be attached to each cash advance requested with the appropriate documentation as listed in this policy, the check request policy and the university travel policy. This includes all university policies and procedures related to cash advances and travel. The traveler's supervisor, or his/her designee, must approve the cash advance request by signature and date on each request and shall be responsible along with the traveler for ensuring that this policy is adhered to. All grant-related requests must be reviewed and approved by the grants department.

This procedure pertains to all advances made by direct deposit, check, or cash for travel or other business expenses. It establishes maximum advance amounts and requires timely accounting by employees. Unreturned advances will be subject to collection through payroll withholding if necessary.

1. Internal Revenue Service Regulations (Sec. 1.62-2) requires that cash advances and expense reimbursements must be reported as income on an employee's Form W-2 subject to income tax withholding UNLESS paid under an "Accountable Plan." An Accountable Plan is one that satisfies three requirements:

- a. Has a business connection - Advances must be limited to reasonable job-related expenses expected to be incurred by the employee, and the expense type may be allowable as a tax deduction.
- b. Substantiated - The employee must supply the employer with detailed expense records as would be required if he/she had to substantiate a business expense deduction on his/her own personal tax return. In the case of business meals, date, place, amount, applicable receipts, names of persons accompanying employee, and business purpose must be documented.
- c. Unspent Advance Must Be Returned - Employees are required to return to the employer, within a reasonable period (per Tuskegee University policy, not to exceed 15 days after travel is completed), any amount advanced that is in excess of the substantiated expenses.



TUSKEGEE UNIVERSITY

Tuskegee University will avoid income tax withholding on cash advances and expense reimbursements by meeting all requirements for an Accountable Plan and insisting that all employees comply with these requirements.

This policy SUPERSEDES all other policies and procedures.

By signing this document, I acknowledge that I have read this document in its entirety, understand, and agree to abide by the terms of the policy. Travelers who do not comply with this policy may be subject to disciplinary action as defined in the faculty and staff handbook.

Traveler's signature

Date

Traveler's Supervisor's Signature

Date