



Accounts Payable
1600 Holloway Avenue - Adm351
San Francisco, CA 94132

CASH ADVANCE POLICY FOR PROJECTS, GRANTS AND CONTRACTS

Background:

In order to facilitate smooth functioning of project and grant activities, it is sometimes necessary to obtain cash funds to pay project study participants for their participation. Under these circumstances, the Principal Investigator or lead for the project or study may request a cash advance.

Policy:

Reason for Cash Advance

A cash advance may be requested for cash incentives or for cash to purchase non-negotiable gift cards for study participants. Cash advances will not be approved for any other reason.

60-Day Reconciliation Limit

The recipient of the cash advance must reconcile all cash advance activity within 60 days from the date of the advance. This includes listing all participants who received an incentive by name, or in the case of confidential studies, the participant number must be documented. The initials of the participant is required, or an explanation as to why this is not feasible. All cash must be accounted for, and any cash not disbursed must be returned to Accounts Payable as part of the reconciliation.

Late Reconciliations

If the recipient of the cash advance fails to submit a full and complete reconciliation within the prescribed 60-day limit, a warning notice will be issued, with a copy of the warning notice being sent to ORSP and the recipient's Dean or Department Chair. No further cash advance will be considered, until the reconciliation has been submitted and audited.

If full reconciliation has not been submitted by 90-days from the date of the cash advance, the recipient will be ineligible for any future advances for a period of six (6) months. Any further violation of this cash advance reconciliation requirement will result in the recipient being permanently ineligible to receive a cash advance.



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In addition, any portion of the cash advance that has not been accounted for or returned will be reported to the IRS as income and may be referred to SFSU Payroll for deduction from the recipient's paycheck. Once the amount has been reported as income, the reporting cannot be reversed, even if the amount is ultimately repaid to the university or a total reconciliation has been submitted and approved.

Exceptions to Policy

A fully documented written explanation of why an exception to this policy is being sought must accompany the original cash advance request and must be signed by the PI or Grant Administrator. An exception to this policy must be approved and signed by the AVP for ORSP and by the AVP for Fiscal Affairs. Such exceptions may not exempt the employee from our reporting the delinquent cash advance amount to the IRS as income.