

Project Advance Funds and Imprest Funds PROCEDURES

Project Advance Funds are available for sponsor-funded and non-sponsor-funded activities that are non-recurring in nature, but only for expenses of a certain type that require cash payments. Typical expenses would be cash payments or gift cards to (1) individuals who are “human subjects” or (2) participant support (see definitions below). These funds should not be used for a travel advance or for items that can be purchased through the disbursements process at the university. They are obtained on a one-time basis and should be closed within 30 days.

Imprest Funds are available for sponsor-funded and non-sponsor funded activities that are recurring in nature and are required for more than 30 days. Typical expenses would be cash payments or gift cards to (1) individuals who are “human subjects” or (2) participant support. No other types of expenses should be paid through the Imprest Fund mechanism.

A Fund Custodian is the person responsible for setting up the Fund and taking personal responsibility for managing all things related to the Fund. Each Project Advance Account and Imprest Fund Account must have a Custodian. The Custodian must be the PI, or PI’s designee. A GRA may not serve as a Fund Custodian, if a GRA is in charge of the study, the faculty PI must serve as the Custodian.

A Fund Custodian is required to sign a Fund Agreement, taking personal responsibility for the Fund including, among other things, the responsibility to use it only for approved Project purposes, for keeping accurate records that meet all requirements, for keeping the funds and records in the approved location listed on the Form, for being able to account for all sums/documentation at all times, and for ensuring that there are adequate funds in the project budget to cover expenses.

Setting up a Project Advance or Imprest Fund Account

1. The person who will serve as Account Custodian must contact the Manager of Accounting Services (Yvonne Bell – 404-413-3072/ysawyer@gsu.edu) and will be required to describe the nature and purpose of the Project activities, the anticipated Project expenses, and the Project timeline so Accounting Services can confirm that use of the Fund is appropriate for the purposes intended.
2. Once the Manager of Accounting Services provides verbal approval to proceed with setting up a Fund, the Custodian may complete sections One and Two of the *Project Advance/ Imprest Fund Request Form* (“Form”). For an Imprest Fund, the “*Requested Amount of Fund*” in Section One is the amount that will equal the initial advance and is also the maximum sum that may be obtained with any individual replenishment request (i.e. it is not the total amount that will be disbursed from Imprest Fund and spent over the life of the Project). Section Two on the Form consists of a Funds Agreement that must be signed by the Custodian.
3. The PI or Custodian must obtain the signatures required on the Form. For sponsor-funded projects, required approvals are the PI Principal Investigator/Project Director, the Associate Director of Research Financial Services, and the Manager of Accounting Services. For other projects, required approvals include the unit head and the Manager of Accounting Services.

4. When all signatures are obtained, the Manager of Accounting Services will submit a request to Disbursements to have an electronic funds transfer (EFT) made to the Custodian's personal banking account in the amount requested on the Form.
5. Disbursements will contact the Custodian when the EFT is made.
6. Stringent controls on disbursement of cash and gift cards by the Fund Custodian are required. All disbursements must be made in the presence of a Georgia State employee who shall serve as a witness to the disbursement. All persons to whom money or gift cards are disbursed must sign a receipt/receipt log at the time of the disbursement acknowledging receipt of the actual disbursed amount. The Georgia State employee who witnessed the disbursement must sign the receipt/receipt log as witness to both the disbursement and signing of the receipt/receipt log. The Custodian processing the disbursement may not serve as the witness. The disbursement and signing of the receipt/receipt log must take place as one transaction and having the disbursement or signing of the receipt at different times is not permitted.

Note: If your project requires the anonymity of the human subjects involved, your Form must indicate as much at the time of requesting the Fund and must be supported by a memo signed by the PI and Unit Head, detailing the reasons for needing anonymity.

7. The Custodian should keep a copy of the approved Form.
8. Fund disbursements should never exceed the "*Requested Amount of Fund*" listed in Section one of the Form.

Required Documentation for Expenditures

1. Proper receipts must be obtained to show that the funds were used for allowable expenditures.
2. Some examples of acceptable receipts for dispersing cash or gift cards to individuals include receipts for the cash signed by participants or a form with multiple participants' signatures acknowledging receipt of funds. For research that was approved for anonymous participation, individuals can acknowledge receipt with an x next to their assigned subject identification number. The assigned subject identification number must be linked to some form of documentation that the individual participated in the research project (e.g., data generated by that subject).
3. A GSU employee must sign the receipt/form as having witnessed that the participant(s) received payment. If this is not possible, a memo explaining the reason why the receipt was not witnessed should accompany the receipts when turned into the Cashier (see below).
4. Acceptable forms are available and can be printed for use at the URSA and Spectrum+ websites.
5. Proper cash handling procedures must also be observed.
6. For audit purposes, the department should keep a copy of all receipts.

Replenishment of Imprest Funds

Imprest Funds can be replenished by securing cash from the University Cashier procedure or receiving an EFT through the Office of Accounting Services procedure as detailed below:

Replenishment at the University Cashier

In order to receive your replenishment via **cash**, the following procedures must be followed:

1. E-mail the Cashier's Office (universitycashier@gsu.edu) 2 business days prior to your intended replenishment date. The e-mail should contain your intended replenishment date, panther id number, speedtype, amount of replenishment request and the cash denominations needed.
2. (1) A completed and approved *Replenishment Form*, with the appropriate account codes (783120 for Participant Support-Services, 783110 for Participant Support-reimbursement of expenses, and 727140 for Human Subjects Payments) indicating the total amount of receipts for each type of expense with original, dated signatures; (2) a copy of the original approved *Imprest Fund Request Form*; and (3) witnessed receipts from all expenditures from the previous installment of funds. The amount replenished will be no more than the amount spent as shown by the receipts. This must also be equal to or less than the *Requested Amount of Fund* in Section One on the approved *Imprest Fund Request Form*.
3. The Custodian should keep a copy of all receipts.
4. The Cashier will record the expenditures to the speedtype indicated on the approved *Imprest Fund Request Form*.
5. To change Custodian, the Imprest Fund should be closed and a new fund (with the new Custodian) opened (see below).

Replenishment at the Office of Accounting Services

In order to receive your replenishment via EFT, the following procedures must be followed:

1. (1) A completed and approved *Replenishment Form*, with the appropriate account codes (783120 for Participant Support-Services, 783110 for Participant Support-reimbursement of expenses, and 727140 for Human Subjects Payments) indicating the total amount of receipts for each type of expense with original, dated signatures; (2) a copy of the original approved *Imprest Fund Request Form*; and (3) witnessed receipts from all expenditures from the previous installment of funds. The amount replenished will be no more than the amount spent as shown by the receipts. This must also be equal to or less than the *Requested Amount of Fund* in Section One on the approved *Imprest Fund Request Form*.
2. The Custodian should keep a copy of all receipts.
3. The Custodian's department will enter a voucher into Spectrum for the amount of the requested replenishment to record the expenditures to the speedtype indicated on the approved *Imprest Fund Request Form*, using the appropriate expense code. This voucher ID must be indicated on the *Replenishment Form*.
4. To change Custodian, the Imprest Fund should be closed and a new fund (with the new Custodian) opened (see below).

Closing out a Project Advance Fund or Imprest Funds (Cash)

1. To close either a Project Advance or Imprest Fund, the Custodian must submit (1) all unspent cash, (2) all receipts from expenditures (since the last replenishment for Imprest Funds), (3) a completed and approved *Closing Form*, and (4) a copy of the original approved *Project Advance /Imprest Fund Request Form*.
2. The Cashier will give the Custodian a receipt for the cash, record the expenditures to the speedtype indicated on the approved Request Form, and close the fund.
3. After an account is closed, the Custodian may no longer advance funds on it.
4. Custodians are responsible for making sure that Project Advance or Imprest Funds in their name are closed out. The Custodian will be liable for any amount that is outstanding in these accounts.
5. Project Advance Funds must be closed out by the end of the 30-day approval period unless, because of exceptional circumstances, RFS has approved additional time to complete the transactions. Such approval should be obtained through an email request (with a justification) to the Associate Director of Research Financial Services. Approval by the Associate Director should be included in the paperwork submitted for closing the fund.
6. Imprest Funds must be closed out by the end date of the project from which they are drawn.
7. Imprest Fund accounts funded out of fiscal year state funds (e.g., URSA, college, or department internal grants) must be closed out 2 weeks before the end of June to meet the University's Fiscal Year close-out requirements.

Definitions

Human Subject Payments (also known as participant incentives and respondent fees) are small payments made to individuals who are participating in a research project as a "human subject." These costs should be expensed to account code 727140.

Participant support is stipends, subsistence allowances, registration fees, supplies, and manuals paid to or on behalf of for their attendance at meetings, conferences, symposia, training activities and workshops. These costs should be expensed to either account code 783120-*Participant Support Services* for stipends or subsistence allowances or account code 783110- *Participant*

Support reimbursement of expenses. When paying participant support from a sponsored project, such expenses must be part of the approved sponsored project budget and budgeted separately.

Cash payments and Gift Cards are reportable to the IRS. The majority of these transactions are de minimus (generally less than \$25 per transaction). Current IRS regulations require reporting of earnings of \$600 or more received from a single source within a calendar year. The vast majority of these transactions distributed to a single individual, from GSU, will never reach that threshold. However, if the total per person exceeds the \$600 threshold, within the calendar year, Disbursements will need to be notified so that a 1099 is created.