

# Georgia State University

## Project Advance and Imprest Fund Procedures



*(Updated February 28, 2019)*

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**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 individuals who are “human subjects” (see definitions section below)
- Cash payments for participant support (see definitions section below)

These funds 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 individuals who are “human subjects” (see definitions section below)
- Cash payment for participant support (see definitions section below)

The authorized amount of Imprest Funds will be limited to two months’ expenditures and may be replenished as often as needed, but no less frequently than every 60 days.

Project Advance funds and Imprest funds may **NOT** be used for the following type of transactions:

- travel expenses
- salaries and wages
- transactions that have reportable services rendered
- prizes and awards and gifts
- memberships
- food, beverages or catering
- refunds of tuition or class fees
- making loans
- cashing checks or personal reasons
- departmental coffee supplies and bottled water
- items covered by State or University contracts
- expenses that can be paid through normal GSU purchasing procedures
- any other item prohibited by University Policy.

**Exceptions for food and travel are made on a limited basis and must be obtained from the Assistant Comptroller or Comptroller in the Office of Accounting Services in advance of the fund establishment. If an exception is needed, a detailed explanation of the types of expenses and why these expenses could not be paid by other means must be sent to the**

**Assistant Comptroller for review and approval prior to submission of the Project Advance Imprest Fund Request Form.**

**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 should serve as the Custodian.

A Fund Custodian is required to sign a Fund Agreement, taking personal responsibility for the Fund. The responsibilities include:

- use of the funds only for allowable and approved project purposes
- maintenance of accurate records that meet all requirements
- security of the funds and records in the approved location listed on the Form
- accountability for all sums and documentation at all times
- ensuring the availability of funds in the funding source budget to cover expenses

Custodians have the following options for securing Advance and Imprest Funds:

- the Custodian's bank account,
- a third-party service provider (e.g. Amazon Turk, Cash App etc.)
- locked office safe, file safe, or reinforced lockable file or desk with a lock that secures all drawers at all times.

Passwords to accounts, keys of office safes or files should be kept in the Custodian's possession. At no time, should funds be left in unlocked desk drawers or cabinets.

Funds are advanced to the custodian and are not expensed to the funding source until documentation is provided to show the funds were spent on allowable expenses.

**If incomplete or invalid receipts are presented the Custodian will be personally responsible for returning the funds related to those expenses to the university via cash, personal check or money order.**

**Establishing a Project Advance or Imprest Fund Account**

1. The Custodian must 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 the Imprest Fund and spent over the life of the project). This amount should be no more than the amount needed to cover 60 days of expenditures. Section Two on the Form consists of a Funds Agreement that must be signed by the Custodian.
2. The PI or Custodian must obtain the signatures required on the Form. Section Three must have the approval signature of the Director, Department Head or Dean's Office Official that has authority to sign for expenses against the funding source budget. For research

involving human subjects, the Form must be accompanied by the Institutional Review Board (IRB) protocol approval letter and the IRB approved informed consent. For sponsor-funded projects, Section Four must have the approval signature of the appropriate Assistant/Associate Director in the Office of Sponsored Programs and Awards (OSPA). For internal grant projects funded by the Office of the Vice President for Research, Section Four requires the approval signature of the Associate Director of Special Research Initiatives (in URSA).

3. After Sections One – Four are completed the form should be sent to the Office of Accounting Services via interoffice mail to box 4030 or scanned and sent via e-mail to [advanceimprestfund@gsu.edu](mailto:advanceimprestfund@gsu.edu) (if e-mailed the Section Three approver must be copied on the email). Please allow 3-5 business days for the request to be approved and processed by the Office of Accounting Services.
4. Section Five requires the approval signature of the Assistant Comptroller in the Office of Accounting Services. In the Assistant Comptroller's absence, a Manager, Director or the Comptroller in the Office of Accounting Services may approve the request.
5. Once the request is approved the Office of Accounting Services will send an e-mail to the Custodian and the Office of Disbursements to arrange a direct deposit into the Custodian's bank account.
6. Disbursements will contact the Custodian when the EFT is made.
7. The following controls on disbursement of cash and gift cards by the Fund Custodian must be followed:
  - 1) All disbursements must be made in the presence of a Georgia State employee who must sign the receipt/receipt log as witness to both the disbursement and signing of the receipt/receipt log.
  - 2) 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.
  - 3) The Custodian processing the disbursement may not serve as the witness. Student Employees may serve as witnesses.
  - 4) The disbursement and signing of the receipt/receipt log must take place as one transaction. The disbursement may not take place at a different time from the signing of the receipt log.

**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 Request Form Section Three approver, detailing the reasons for needing anonymity.**

8. The Custodian should keep a copy of the approved Form.
9. 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 disbursing cash or gift cards to individuals include receipts for the cash signed by subjects, participants or vendors or a form with multiple subject or participant 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 indicates the individual participated in the research project (e.g., data generated by that subject).
3. A GSU employee must sign the receipt or receipt log as having witnessed that the participant(s) received payment. If it is not possible for a GSU employee other than the Custodian to witness transactions, a memo explaining the reason why the receipt was not witnessed should accompany the receipts when turned into the Cashier or Office of Accounting Services (see #5 below).
4. Acceptable receipts for disbursing cash to vendors that do not or cannot produce receipts must contain the name of the vendor, the date of the transaction, an itemization of the products or services purchased, the dated signature of the person receiving payment and the dated signature of a GSU employee witness to the transaction.
5. Any expenditure that does not have a receipt that meets the requirements of these procedures will be considered undocumented and will require approval via memorandum from the Department Head or Administration of the College or VP Unit to be considered allowable (Dean, Assistant Dean, College Finance Officer, College Administrative Officer, Assistant/Associate VP or VP). See link to memo requirements in the Forms and Links section below.
6. Proper cash handling procedures must also be observed.
7. The Custodian/department must keep a copy of all receipts for at least 5 years from the date of replenishment or fund closure.

## Replenishment of Imprest Funds

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

### Replenishment at the University Cashier

To receive your replenishment via **cash**, the following procedures must be followed:

1. E-mail a completed Currency Request Form to the Cashier’s Office (cashier@gsu.edu) 2 business days prior to your intended replenishment date.

2. Bring the following documents to the Cashier's Office in person:
  - (1) a completed and approved Imprest Fund Replenishment Form, with the appropriate account codes indicating the total amount of receipts for each type of expense with original, dated signatures. Frequently used account codes include: 783120 for participant support for services, 783110 for participant support for reimbursement of expenses and 727140 for human subjects
  - (1) a copy of the original approved *Project Advance Imprest Fund Request Form*
  - (2) witnessed receipts from all expenditures from the previous installment of funds.

If it is not possible for a GSU employee other than the Custodian to witness transactions, a memo explaining the reason why the receipt was not witnessed should accompany the receipts. The memo must be signed by Department Head or Administration of the College or VP Unit (Dean, Assistant Dean, College Finance Officer, College Administrative Officer, Assistant/Associate VP or VP)

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 Project Advance Imprest Fund Request Form.

3. If receipts are older than 60 days from the date of replenishment a memo signed by the Department Head or Administration of the College or VP Unit explaining the reason the receipts are being turned in late must accompany the receipts.
4. The Cashier will record the expenditures to the speedtype indicated on the approved Project Advance Imprest Fund Request Form and provide a receipt which must be kept, along with all receipts, by the Custodian for at least 5 years from the date of replenishment.

#### Replenishment at the Office of Accounting Services

To receive your replenishment via EFT, the following procedures must be followed:

1. Submit the following documents to the Office of Accounting Services via interoffice mail box 4030 or in person at 75 Piedmont Ave, Suite 1200:
  - (1) a completed and approved Imprest Fund Replenishment Form, with the appropriate account codes indicating the total amount of receipts for each type of expense with original, dated signatures. Frequently used account codes include: 783120 for participant support for services, 783110 for participant support for reimbursement of expenses and 727140 for human subjects
  - (2) a copy of the original approved *Project Advance Imprest Fund Request Form*
  - (3) witnessed receipts from all expenditures from the previous installment of funds.

If it is not possible for a GSU employee other than the Custodian to witness transactions, a memo explaining the reason why the receipt was not witnessed should accompany the receipts. The memo must be signed by Department Head or Administration of the College or VP Unit (Dean, Assistant Dean, College Finance Officer, College Administrative Officer, Assistant/Associate VP or VP)

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 Project Advance Imprest Fund Request Form.

2. If receipts are older than 60 days from the date of replenishment a memo signed by the Department Head or Administration of the College or VP Unit explaining the reason the receipts are being turned in late must accompany the receipts.
3. Accounting Services will send an e-mail to the Custodian and the Office of Disbursements to arrange a direct deposit into the Custodian's bank account.
4. The Custodian must keep a copy of the e-mail, along with all receipts, for at least 5 years from the date of replenishment.

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

1. To close either a Project Advance or Imprest Fund, the Custodian must submit
  - a. all unspent cash,
  - b. all receipts from expenditures (since the last replenishment for Imprest Funds),
  - c. a completed and approved Project Advance Imprest Fund Closing Form,
  - d. any memos needed for approval of unwitnessed, incomplete or missing receipts
  - e. a copy of the original approved Project Advance Imprest Fund Request Form to the Cashier's Office in person.

**Note: gift cards are not accepted for closure of Project Advances or Imprest Funds only cash, checks or money orders made payable to Georgia State University are accepted. Any remaining gift cards are the financial responsibility of the Fund Custodian.**

2. Custodians that have received approval to pay foreign travel related expenditures from Imprest Funds must submit their closure documentation to the Office of Accounting Services. In addition to the items listed in #1 above, provide an expenditure summary that catalogs each receipt by date and its USD amount based on the currency exchange rate on that day and daily exchange rates for the period of travel must also be submitted. The Custodian can choose to attach a print out from an exchange rate site to each receipt or provide a spreadsheet downloaded from an exchange rate site with daily exchange rates for the entire travel period (see forms and other links section for links to exchange rate sites).
3. The Cashier will record the expenditures to the speedtype indicated on the approved Request Form, close the fund and provide a receipt which must be kept, along with all receipts, by the Custodian for at least 5 years after fund closure.

4. After an account is closed, the Custodian may no longer advance funds on it.
5. Custodians are responsible for making sure that Project Advance or Imprest Funds in their name are closed out. The Custodian will be personally liable for any amount that is outstanding in these accounts and will be required to pay out of pocket for any expenses that do not have acceptable documentation (this includes remaining gift cards) or if they fail to close the fund prior to the budget end date of the funding source (speedtype) listed on the approved request form.
6. Project Advance Funds must be closed out by the end of the 30-day approval period.
7. Imprest Funds must be closed out by the end date listed on the approved Request Form. The end date may not exceed the funding source budget end date listed in Spectrum.
8. Imprest Fund accounts funded out of fiscal year state funds (e.g., URSA, college, or department internal grants or anything in fund codes 10xxx) must be closed out by 4 pm on the last business day in 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. Human subjects are individuals that provide something to the research project such as data or information.

**Participant support** includes stipends, subsistence allowances, registration fees, supplies, and manuals paid to or on behalf of individuals who typically get something from the project (not acting as subjects from which data or information is collected). Participants may be attendees at meetings, conferences, symposia, training activities and workshops that are directly related to the research project or program. 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. Participant support costs are not charged F&A (indirect cost) recovery.

### **IRS Reporting Requirements**

Current IRS regulations require reporting of earnings of \$600 or more received from a single source within a calendar year; this includes cash payments and gift cards. Since the majority of Project Advance and Imprest Funds transactions are de minimus (generally less than \$25 per transaction) the vast majority of these transactions distributed to a single individual, from GSU, will never reach that threshold and not require reporting. 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.

## **Forms and Other Links**

- [Project Advance Imprest Fund Request Form](#)
- [Currency Request Form](#)
- [Imprest Fund Replenishment Form](#)
- [Project Advance Imprest Fund Closure Form](#)
- [International Monetary Fund \(historical exchange rates downloadable in xls or csv\)](#)
- [XE.com \(daily and historical exchange rates in chart or graph\)](#)
- [Oanda.com \(daily and historical exchange rates in chart or graph\)](#)
- [Missing Documentation Memo requirements](#)
- [Sample Expenditure Summary \(use if attaching exchange rate print out to each receipt\)](#)
- [Sample Expenditure Summary \(use with xls or csv exchange rate download\)](#)

Fillable PDF versions of the forms can be found by searching the Finance and Administration Forms site: <https://finance.gsu.edu/forms/>.