

Expense Advances

Authority Approved by the Vice President for Business Affairs and Chief Financial Officer.

Summary This Guide Memo outlines policy on advancing funds for University activities.

Section headings:

1. FUNDS ADVANCED FOR BUSINESS EXPENSES
2. REQUESTING AN EXPENSE ADVANCE

1. FUNDS ADVANCED FOR BUSINESS EXPENSES

- a. Purpose of Expense Advances** — Under certain circumstances it may be appropriate to request a cash advance to pay for travel (e.g., airfare or pre-paid lodging) for students or staff members who travel infrequently on University business, or to pay human subjects. All advances for travel must include supporting documentation such as an air ticket receipt showing proof of payment. Any other advance request not implicitly listed above, is considered an exception and requires advance approval by the Director of Strategic Payment Services in Procurement (or designee). The University does not allow expense advances for personal reasons or registration fees. See Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf, section 10.

As a preferred alternative to an expense advance, the University has a travel card program described in section 2 of Guide Memo 36.7, Travel Expenses, http://adminguide.stanford.edu/36_7.pdf.

- b. Authorizing and Issuing Funds** — Expense advances are authorized by departments, and are issued to the individual who will be incurring expenses. Responsibility for the University funds remains with the individual until an accounting is made of expenditures through an Oracle Financials iOU expense report (reimbursement request).
- c. Amount of Expense Advances** — The amount advanced may not exceed the estimated cash required for the activity.
- d. Commitment of Funds** — Funds authorized for an expense advance are committed against the account specified by the department. However, the account is charged after expenses are recorded.
- e. Expense Reports** — An iOU expense report covering the full amount of the advance must be submitted in a timely manner. Absent exceptional circumstances, expenses submitted more than 60 days after the date of completion will be reported as taxable income to the individual, in accordance with Internal Revenue Service guidance.
- f. Return of Unused Funds** — If the business need for an outstanding advance ceases to exist, the funds advanced must be returned immediately. Funds not used for expenses must be returned to the University. See Quick Steps: Return Unused Advance Funds at http://www.stanford.edu/group/fms/fingate/staff/reimburse/quick_steps/return_unused_adv.html.

Advances not cleared within a reasonable time will be withheld from subsequent reimbursements until the advance has been fully cleared. If it is not possible to recover the advance through reimbursement withholding and it has not been repaid within 120 days, the advance will be reported as taxable income to the individual to whom the advance was intended, in accordance with Internal Revenue Service guidance.

Any advance reported as personal income will be expensed to the specified guarantee account. If the specified account is for a restricted fund, the department responsible for the restricted account is also responsible for transferring the expense to an unrestricted account.

The advance recipient will not be eligible to receive any future advances if the advance was not properly cleared.

2. REQUESTING AN EXPENSE ADVANCE

- a. **Initiating a Request** — The department initiates a request for an advance online using the Oracle Financials iOU module. See Quick Steps: Request a Travel Advance at http://www.stanford.edu/group/fms/fingate/staff/travel/quick_steps/request_advance_iOU.html.
- b. **Timing of request** — Approved expense advances must be received by the Travel & Reimbursement department of Strategic Payment Services at least 10 working days before the date the funds are needed. If a Rush advance is needed, or if pickup at the “Will Call” window is requested, a fee will be charged to cover the extra cost involved in preparing and handling the specially processed check (see paragraph 2.c).
- c. **Check Delivery** — Checks for expense advances may be delivered by interdepartmental mail to the department, sent via U.S. Mail, deposited directly to the payee’s bank account, or picked up at the Payroll & Payments Services “Will Call” window on the second floor or Tressider Memorial Union (459 Lagunita Drive, Suite 7). A special handling fee will be charged for all pickups at Tressider and rush requests sent via U.S. Mail.