

Project Advance and Imprest Funds Procedures for Sponsored Projects

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. Gift cards CANNOT be purchased with state funds (i.e., fund code 10.)

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.

Setting up a Project Advance or Imprest Fund Account

1. The PI or Custodian (see #4 below) of the account should contact the Director of Accounting Services. The Director of Accounting Services will assure the proposed activities are appropriate for the Fund by asking about the nature of the proposed activities, the anticipated expenses (including amount and type), and anticipated timeline of those activities.
2. After verbal approval by the Director of Accounting Services, the Custodian (or designee) completes sections 1 and 2 on the *Project Advance/ Imprest Fund Request Form*. For the Imprest Fund, the “*Requested Amount of Fund*” is the maximum that can be obtained with each replenishment request, not the total amount that will be spent over the life of the Imprest Fund.
3. Stringent controls on disbursement of cash and gift cards need to be in place. The standard way this occurs is by having individuals sign a receipt that is witnessed by a GSU employee. However, there are times when anonymity of human subjects must be preserved. Such occasions must be indicated on the *Project Advance/ Imprest Fund Request Form*. In addition, a memo detailing the reasons for anonymity signed by the Principal Investigator (PI) and Unit Head must accompany the *Form*.
4. The Custodian (or designee) obtains appropriate signatures on the form. For **externally funded projects**, required approvals are the Principal Investigator/Project Director/Unit Head, the Associate Director of the Office of Sponsored Proposals and Awards (OSPA), and the Director of Accounting Services. For **internally funded projects**, required approvals are the Principal Investigator/Project Director/Unit Head, the Associate Director of Special Research Initiatives in URSA, and the Director of Accounting Services.
5. The Custodian should keep a copy of the approved form.
6. **The person who signs as Custodian of the account is liable for the Fund and for ensuring that they have adequate funds in the project’s budget to cover any expenses.**
7. When all signatures are obtained, the Director 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.
8. Disbursements will contact the Custodian when the EFT is made.

9. Expenditures 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 individual receipts for the cash signed by participants or a form with multiple participants’ signatures acknowledging receipt of cash. 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 receipt forms are available and can be printed for use at the URSA and Spectrum+ websites.
5. Proper cash handling procedures must also be observed, which require that cash (or gift cards) be kept in a locked, secure location until disbursed to participants or human subjects. A fireproof safe is highly recommended for this purpose, especially when handling large amounts of cash.
6. For audit purposes, the department should keep a copy of all receipts.

Replenishment of Imprest Funds

1. Imprest Funds can be replenished by bringing the following to the University Cashier: (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; (2) a copy of the original approved *Imprest Fund Request Form*; and (3) receipts from all expenditures from the previous installment of funds. The Cashier will issue 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 Cashier will record the expenditures to the speedtype indicated on the approved *Imprest Fund Request 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

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. Custodian is 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, OSPA (externally funded projects) or URSA (internally funded projects) 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 OSPA or URSA. Written approval by the appropriate 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, or before June 16th if the Imprest Fund is funded out of Fund code 10 state funds (e.g., URSA, college, or department internal grants) 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 are 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.

NOTE: 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.