I. PURPOSE AND SCOPE

This document defines a mechanism whereby university programs whose educational, research, or community service mission requires them to make operational expenditures in a remote location and/or for a short-term project or event (i.e., theatre production), may obtain the needed funds.

This document does not apply to advances made for individual or group travel.

This document does not apply to petty cash or change funds; the policy and procedures related to obtaining a petty cash or change fund may be found in MAPP 03.07.01 on Cash Handling.

II. POLICY STATEMENT

In limited circumstances, the university may advance funds to institutional programs demonstrating the need to make operational expenditures related to their function in a location remote from the Texas Southern University campus and/or for a special short-term purpose for which no other practical institutional mechanism is available. All such cases will require:

- Clear documentation of need and advance approval of Accounts Payable Department
- Designation of a fund custodian; and
- Careful monitoring and accountability for the funds disbursed, according to the prescribed procedures.

III. DEFINITIONS

A. **Cash**: For the purposes of this document, institutional bank drafts (checks) or dollars and cents (currency).

B. **Fund custodian**: The departmental employee specifically authorized to manage monies in a cash fund. The fund custodian is responsible for the fund’s safekeeping and ensuring that monies are properly expended and accounted for.
C. **Operational cash advance**: A funding advance, made through a university check to the fund custodian, to provide for needed operational expenditures related to the mission of the university program incurred at a remote location and/or for a specific project or event. An operational advance is not to be used as a substitute for a travel advance or to pay travel costs.

D. **Operational expenditures**: University expenditures for goods or services related to conducting research, teaching, community service, student service, special projects or events, or administrative operations. These expenditures may include site rental, equipment rental, local transportation, and other local operation expenses, the individual cost of which is $2,000 or less. Such expenditures do not include salaries or personal expenditures unrelated to the departmental function. They may, in certain circumstances, include human subject payments.

E. **Remote location**: Location sufficiently removed from the Texas Southern University campus to demonstrate impracticality of functioning through normal departmental operating procedures.

F. **Short-term**: For a period not to exceed the time it takes to complete the special project or event including the prescribed seven (7) days for preparing a final accounting of fund activities and returning any remaining cash upon return to campus or thirty (30) calendar days, whichever is shorter.

**IV. REQUEST FOR AND DISBURSEMENT OF THE FUNDS**

A. Accounts Payable may approve a written request for an operational cash advance submitted by a university program when a legitimate need is demonstrated. Request approval and the timing and distribution of the funds will be based upon the facts and circumstances of each case.

B. Under normal circumstances, a written request must be made a minimum of ten (10) working days in advance of anticipated need to Accounts Payable. A purchase voucher for the amount requested that is approved by the authorized signatory must be attached to Addendum A, Operational Cash Advance Application and should contain the following information:

1. Purpose of advance
2. Date needed
3. Expected dates of remote/short-term operation
4. Person responsible for funds (fund custodian)
5. Security to be provided for funds
6. Address and telephone number of operation at remote site
7. Approval of the college/division administrator
8. Approval of the principal investigator, where sponsored project funds are involved.
C. A minimum of five (5) working days should be allowed for check processing.

D. The fund custodian will be responsible for the safekeeping of the funds disbursed and for ensuring funds are expended for the approved purpose in accordance with the guidelines outlined in this document and applicable provisions of MAPP 03.07.01 on Cash Handling.

V. MANAGEMENT OF THE FUNDS

A. Responsibilities of Accounts Payable:

1. Accounts Payable will review and approve operational cash advance applications.

2. A reconciliation of the operational advance account will be prepared each month by Accounts Payable.

3. The outstanding advances for each department will be separated and sent to the appropriate college/division business manager.

4. Past due advances not accounted for over 120 days will be reported by Accounts Payable to Payroll as taxable income in accordance with IRS regulations. Operational advances must still be accounted for, even if they are reported as income to the fund custodians.

B. Responsibilities of the Fund Custodian:

The Fund Custodian will have the following responsibilities:

1. Safe and secure storage of the fund at all times

2. Disbursement as necessary

3. Ensuring separateness of the fund from any other funds

4. Ensuring that each transaction is for the established fund purpose

5. Maintaining proper documentation (copies of each transaction, an expenditure log, receipts, etc.)

6. Notifying Accounts Payable of changes in custodian, location of fund, cost center, change(s) in the physical security of the fund, or any shortages/overages.

7. Preparing a final accounting of fund activities and returning any remaining cash to the University within seven (7) days of return to campus or from the end of the special project or event.

Under no circumstances, may personal loans be made out of the operational cash advance. Operational cash advances may not be used to make personal (non-university) expenditures.

C. Overage and Shortages: At all times the sum of cash on hand plus the receipts on hand must equal the amount disbursed. Shortages or overages of $20 or more must be reported in writing in accordance with MAPP 03.07.01 on Cash Handling.
VI. REVIEW AND RESPONSIBILITY

Responsible Party: Executive Director of Business Affairs

Review: Every three years, on or before January 1

VII. APPROVAL

Jim McShan
Chief Financial Officer

Date of President’s Approval: 11/23/09
Addendum A
Operational Cash Advance Application

Operating Unit: ____________________________________________________________

Department Name: _______________________________________________________

Amount: __________________________________________________________________

Purpose of Advance: ______________________________________________________ 

Date Needed: ______________________________________________________________

Dates of Project:

Begin Date ___________       End Date ___________

Address/Phone of Fund Custodian:

Address: __________________________________________________________________

Phone: ____________________________________________________________________

Security Provided for Funds: ______________________________________________________________________________________

__________________________________________________________

Default FOPAL: __________________________________________________________

Requested by:

Principal Investigator (if research grant)

Name: ________________________     Signature: ___________      Date: __________

Fund Responsibilities

per MAPP 03.07.02 acknowledged by:

Fund Custodian

Name: ________________________     Signature: ___________      Date: __________

Approved by:

College/Division Business Administrator

Name: ________________________     Signature: ___________      Date: __________

Accounts Payable

Name: ________________________     Signature: ___________      Date: __________

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