Published on *University of Colorado* (https://www.cu.edu)

PSC Procedural Statement: Cash Advances [1]

Effective Date: January 15, 2025 (updated clarification on training requirements for approvers)

Introduction

This PSC Procedural Statement sets forth the rules and requirements under which employees may obtain cash advances to support University travel.

This Procedural Statement is divided into the following sections:

A. Criteria for Cash Advances
B. Requesting Cash Advances
C. Special Considerations: Payments for Services
D. Reconciling Cash Advances

Terms Used in This Statement

- **Cash Advance –** An amount of money approved by the organizational unit and the PSC (and by the International Tax team, if appropriate), and issued to an employee to cover designated out-of-pocket expenses related to an official university business trip. Such expenses are typically related to group travel, extended stay, and/or remote location.
- **Group Travel –** Travel by three (3) or more employees/non-employees to the same location for the same official University business.
- **Extended Stay –** Official university business trip in excess of 14 days.
- **Remote Location –** Location where access to banking institutions/automatic teller machines is not readily available.

Procedural Statement

The University may issue a cash advance to an employee to cover specific situations, as described in Criteria for Cash Advances, below.

Cash advances may only be issued to University employees. Non-employees (including affiliate fiscal staff, associates, and students) are not eligible to receive advanced funds.

A. Criteria for Cash Advances

Anticipated expenses that may justify issuance of a cash advance are typically related to the following situations.

- **Group Travel:** An employee is part of a group of three or more employees/non-employees traveling to the same location for the same official University business. During the trip, this employee will cover expenses (e.g., per diem, lodging, transportation) for the group, including but not limited to distributing cash so group

members can cover their meal expenses individually.

- **Extended Stay:** An employee (or an employee leading a group, as discussed in Group Travel above) is conducting official university business that requires a stay of more than 14 days. This may or may not be associated with the situations/expenses described under Remote Location, below.
- **Remote Location:** An employee (or an employee leading a group, as discussed in Group Travel above) is conducting official university business that requires a stay in a remote location without ready access to banking institutions/automatic teller machines. During the trip, this employee will need to cover per diem, lodging (including non-traditional lodging), and transportation, along with specific additional items and/or services (e.g., supplies, communication, security, guides, translators, study/research subjects) when normal procurement methods are not viable as determined by the PSC (see University of Colorado Procurement Rules [2]).

B. Requesting Cash Advances

Cash advances are requested and reconciled through the Concur Travel & Expense System. In order to receive a cash advance, the employee must first be set up as eligible for cash advance processing in Concur.

- **Step 1** *(this step is done only once)* - To be set up as eligible to request cash advances in Concur, the employee submits the completed/approved Cash Advance Setup form [3], including complying with any training requirements identified on the form.?The approver listed on the Cash Advance Setup form must also have completed the required training listed on the form.
- **Step 2** *(this step is repeated whenever a cash advance is needed)* - To request a specific cash advance, the employee logs in to Concur and requests the advance amount according to the Step-by-Step Guide Requesting Cash Advances [4]. (The employee's expense delegate can create a cash advance request on behalf of the employee, but the employee will need to submit it.) Each advance request must include a detailed budget (attachment uploaded in Concur). If the budget includes payments to individuals for professional services, see Section C – Special Considerations, below. The advance request must be approved by the employee's designated cash advance approver prior to review and processing by the PSC. Approved advances are direct deposited to the employee's bank account used for direct deposit of reimbursements. (For information on how cash advances and reimbursements are disbursed, refer to Employee Services' instructions on Direct Deposit [5].)

Dollar Thresholds

- The minimum cash advance amount that may be requested is $500.
- For group travel, the cash advance is limited to $1,500 times the total number of travelers in the group. (This dollar limit does not apply if the group travel is associated with an extended stay or a remote location.) The individuals traveling in the group should be identified as part of the cash advance request. The advance should be issued to the most senior employee member of the group.
- An advance request of $10,000 or more requires approval by the campus controller: this approval is accomplished in Concur.

C. Special Considerations - Payments for Services

Payment to individuals for services should generally be accomplished by normal methods of procurement, for example, honoraria and professional services should be handled through CU Marketplace.

Study subject payments that are associated exclusively with a specific trip may be considered as part of the cash advance request. (For additional guidance on study subject payments, see the PSC Procedural Statement Study Subject Payments [6].)

Payments to Non-U.S. Persons

Payments of services for which the beneficial owner is a non-U.S. person require review by the Employee Services' International Tax team to ensure that the payments are compliant with the rules that govern payments to nonresident alien individuals and entities. International Tax review and approval is accomplished outside of Concur, with the approval documentation (email, etc.) uploaded in Concur prior to submitting the cash advance request.

Failure to follow appropriate procedures may result in IRS assessment of fines or penalties to CU for under-withholding. Fines or penalties assessed due to the department's failure to comply with the requirements above will be charged directly to the department. For detailed information and instructions on how to proceed, contact Intltax@cu.edu [7].

D. Reconciling Cash Advances

Upon trip completion, the employee receiving the cash advance reconciles the advanced funds along with the trip expenses. Each expense entry should include an explaination of the business purpose. If, upon final reconciliation, the employee owes money to CU, the employee must reimburse the University and attach the validated Cash Receipt form to the expense report. The calculation of money owed to the University and the preparation of the deposit should not be done until the expense report has been fully prepared and all out-of-pocket expenses and Travel Card transactions have been reconciled.

Amounts owed back to the University from the originally advanced amount should be added to the report with Expense Type "Return of Cash Advance" and deposited to account code 100109 in the same SpeedType as the expense entry.

The employee should finalize the expense report and cash advance reconciliation/reimbursement to CU within 30 days of trip end.

If an advance is not reconciled on an expense report – and if the employee has not reimbursed the University as appropriate – within the timeframes identified above, the advance amount may be deducted from the advance recipient's paycheck.

Exceptions

Unless approved by the Associate Vice President & Chief Procurement Officer, there are no exceptions to this procedural statement.

Related Information

Related Administrative Policy Statements (APS), PSC Procedural Statements (PPS), and Other Policies and Procedures

- PPS Travel [8]

Related Forms and Systems

- Cash Advance Setup form [3]
- Cash Receipt form [9]
- Concur Travel & Expense System
- Direct Deposit Instructions [5]

Groups audience:
Procurement Service Center

Source URL:https://www.cu.edu/psc/procedures/cash-advances

Links
[1] https://www.cu.edu/psc/procedures/cash-advances [2] https://www.cu.edu/psc/procurement-rules [3] https://www.cu.edu/psc/forms/cash-advance-setup-cas [4] https://pschelp.cu.edu/s/article/Concur-Travel-Requesting-Cash-Advances-for-Travel [5] https://www.cu.edu/employee-services/payroll/self-service/direct-deposit [6] https://www.cu.edu/psc/policies/psc-procedural-statement-study-subject-payments [7] mailto:Intltax@cu.edu?subject=Payments%20to%20Non-US%20Persons%20(attn%3A%20Kendra%20Zafiratos) [8] https://www.cu.edu/psc/psc-procedural-statement-travel [9] https://www.cu.edu/controller/forms/cash-receipt