Project Advance and Imprest Funds Procedures

**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.

**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 (Ronnie Laster 413-3079, rlaster@gsu.edu). 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 for 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 approved by the Unit Head must accompany the Form.

4. The Custodian (or designee) obtains appropriate signatures on the form. For sponsor-funded projects, required approvals are the Principal Investigator/Project Director, the Associate Director of Research Financial Services, and the Director of Accounting Services. For other projects, required approvals include the unit head and the Director of Accounting Services.

5. 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.

6. 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.

7. The Custodian should keep a copy of the approved 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.

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**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 receipts for the cash signed by participants or a form with multiple participants’ 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 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 forms are available and can be printed for use at the URSA and Specrum+ websites.
5. Proper cash handling procedures must also be observed.
6. For audit purposes, the department should keep a copy of all receipts.

**Replenishment of Imprest Funds**

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

**Replenishment at the University Cashier**

In order to receive your replenishment via **cash**, the following procedures must be followed:

1. (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 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 *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).

**Replenishment at the Office of Accounting Services**

In order to receive your replenishment via **EFT**, the following procedures must be followed:

1. (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 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 Imprest Fund Request Form.

2. The Custodian should keep a copy of all receipts.

3. The Custodian’s department will enter a voucher into Spectrum for the amount of the requested replenishment to record the expenditures to the speedtype indicated on the approved Imprest Fund Request Form, using the appropriate expense code. This voucher ID must be indicated on the Replenishment 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 (Cash)**

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. Custodians are 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, RFS 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 Research Financial Services. Approval by the 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.

7. Imprest Fund accounts funded out of fiscal year state funds (e.g., URSA, college, or department internal grants) must be closed out 2 weeks before the end of 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.

**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.
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.