

## OCCIDENTAL COLLEGE CASH ADVANCE POLICY

### PURPOSE

This policy establishes Occidental College's cash advance policy for payment of Occidental College business expenses.

### CASH ADVANCE POLICY

- Only EMPLOYEES of the College may be given a cash advance. A student in Work-Study Program (i.e. a student worker) is NOT an employee. NO cash advances will be given to any student.
- The individual to whom the check will be paid must sign his or her own Cash Advance Request Form. An advance request made on behalf of another employee(s) will not be processed. If the requestor cannot sign the request form due to being physically away from the College, s/he may email Arlyne Lariosa in Business Office(arlynem@oxy.edu) that s/he will have a designated individual in his department submit the completed form for him/her. The email must include the amount to be requested.
- The person other than the one requesting the cash advance with appropriate signature authority over the fund's budget must approve cash advance requests. If this is an operating budget, the advance requestor's supervisor with appropriate signature authority must approve.
- Cash Advance Request Form must be used for all cash advance requests. This form must include all pertinent information required on the form such as employee's name, department, Fund and Organization code numbers, business purpose, and expected clearing date of the cash advance. (See Cash Advance Request Form.)
- Approved cash advance request forms must be sent to Accounts Payable ("A/P"). Checks will be processed according to A/P's check processing schedule. That is, requests submitted by noon on Tuesday will be ready by Friday. Please pick up your cash advance check from the Assistant Controller-General Ledger office located in Coons 115, on the 1<sup>st</sup> floor of the Coons Administration Building.
- Cash advance request must be for anticipated expenses over \$25. These expenses should be estimated accurately and completely
- IRS regulations require that:
  - An advance **not** be given more than 30 days prior to the time the employee has the expense. For example, if an employee will be traveling on June 30<sup>th</sup>, the advance shall not be given prior to May 30<sup>th</sup>.
  - Employees adequately account for their expenses within 60 days after the expenses are paid or incurred. For instance, if you travel for college business from June 30<sup>th</sup> to July 2<sup>nd</sup>, you should account for these travel expenses, i.e. clear your advance, by September 2<sup>nd</sup>.

**NOTE: The Business Office strongly recommends that advances be cleared 30 days of completion of event. In our experience, we have found that the longer an advance is outstanding, the more likely that receipts will be lost, and therefore, funds will need to be returned to the College.**

- Advances should not be used for department's petty cash needs. If your department requires petty cash, you should request the establishment of a revolving petty cash fund from the Business Office. Refer to the Departmental Petty Cash Policy for more details.

- Clearing a cash advance means submitting an Employee Expense Reimbursement Form (obtained through A/P office) with appropriate original expense receipts attached and a Banner Cashiering receipt from the Business Office for any amount left unspent to A/P. Do not return unspent cash to A/P.
- If your cash advance is for travel, **please save your boarding passes and the airline ticket receipts** in order to clear your cash advance upon your return to the College.
- Employees with outstanding cash advances will receive a courtesy email reminder from the Business Office on the 2<sup>nd</sup> month from the date their cash advance was issued.
- Per IRS regulations, outstanding advances over 60 days from the date expenses are paid or incurred are subject to income tax withholding and payment of social security, Medicare, and FUTA taxes for the first payroll period following the end of the 60 day period. The outstanding advances will be charged to the employee's departmental budget as salary expense accordingly.
- An employee may have only one cash advance outstanding per person and per event. Under an extraordinary circumstance where a second cash advance is needed by the same employee, an approval signature from Controller or VP Finance is required in addition to employee's department head.
- The College reserves the right to withhold advance privileges from any employee who fails to abide by College policy.
- Department heads should encourage employees to use the American Express Corporate Card to eliminate the need for cash advances.
- Employees who utilize the cash advance should note, that by signing the Cash Advance Request form, they understand the amount of the advance will be reported to the IRS on their W-2 as taxable compensation, if the advance is not settled as outlined above.

## **CONTACT INFORMATION**

For questions regarding cash advances, please contact Shirley Wang at x2953.

For status of payment, please call Jane Sia, A/P specialist, at x2848