



Policy and Procedure: Non-Travel Advances

Non-Travel Advance Policy

A non-travel advance is money that is issued to a university employee for expenses that will be incurred due to University business. The funds are advanced under limited circumstances so that the employee will not have to use personal funds.

Non-travel employee advances can be used for two basic types of transactions:

- Research subject payment
 - A research subject fee or participant payment can be obtained if a university employee is conducting research or a program and needs to give a certain fee to each subject or participant at the time of the study or event. Nominal fees should not exceed \$50 per subject or participant. Information that needs to be provided includes the number of participants, the length of the study, the amount for parking, and the number of repeat visits per participant per calendar year.
- Phonathons or like circumstances where participants receive a nominal fee

Individuals, as a general rule, should not advance their own funds to purchase supplies and services on behalf of the University. Departments/schools should select vendors who accept University Purchase Orders. Purchases should be made through established purchasing policy and procedures and the University should deal directly with vendors to arrange for the receipt of goods and the payment.

In limited instances the department/school or individual may pay for the item and be reimbursed. If it is necessary that an employee advance funds to purchase supplies or services for University business, the immediate supervisor must first authorize the purchase. The employee should request reimbursement by completing an Expense Report in NUFinancials via the NUPortal.

Occasionally, an individual purchases valuable equipment (e.g., personal computer, camera, or personal calendar systems) and seeks reimbursement for the purchase. This practice is inappropriate and the University makes no guarantee that it will authorize reimbursement. Individuals who take such action must understand that such equipment belongs to the University and should be properly recorded.



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Advance Restrictions

- Advances are only available for university employees. Individuals who are not University employees are not eligible for advances (except for non-employee graduate students as outlined below).
- Advances are not to be used for purchases that can be processed on a purchase order and paid through Accounts Payable.
- Advances cannot be used for reimbursement for expenses already incurred.
- Non-travel advances are not issued for less than \$300. Petty cash should be used for items that require \$300 or less.:
<http://www.northwestern.edu/financial-operations/controller/treasury-operations/depository-services/>
- Advances are only given one week prior to project or event.
- Non-travel advances may not be used for employee travel and entertainment. Depending on approval, may be used to reimburse subject travel. See travel policies and procedures for travel advance information.
- Advances should be reconciled within six weeks of date of issue. If left outstanding over 90 days from end date, unreconciled advances will be charged to the employee's departmental budget, and, as required by federal law, the amount will be reported to the IRS as taxable compensation to the employee.
- Advances will not be issued to an employee who has not fully accounted for an earlier advance except when the new research project or other program begins before a prior program is completed.
- A department supervisor must approve advance requests.
- The University reserves the right to withhold advance privileges from any individual who fails to abide by University policies.

Sponsored Project Advances

Advances charged to a sponsored account must be approved by ASRSP prior to prepay audit approval in Accounts Payable.

Graduate Student Advances

On an exceptional basis, a graduate student may be allowed to obtain an advance if:

- The student is named specifically on a grant, or
- Special circumstances arise and a faculty member or departmental business office will ensure student submits required reconciliation timely



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Non-Travel Advance Procedure

The request for a non-travel check advance is made via the same process as travel advances, via the NUFinancials Travel Authorization/Cash Advance process. The cash advance request must include the business purpose of the advance, the date of the event or expected project end date, and the name of the employee receiving the advance. The cash advance request must be signed by the employee and supervisor and submitted for required approvals via electronic workflow. Advances charged to a sponsored project must first be submitted to ASRSP for approval. The signed cash advance request can be submitted directly to Accounts Payable for non-sponsored chartstrings.

Upon receipt of the request, Accounts Payable performs a final audit, approves the request and initiates the payment. Approved advances are paid via the employee's normal payroll payment method, either direct deposit to the employee's primary payroll bank account or by check. For special situations, an employee may request a check by attaching a Hold for Pickup slip and clearly stating that a check is required rather than a direct deposit advance.

Graduate Study

If a graduate student who is not a University employee is requesting an advance, s/he should complete and submit a Direct Payment Request form, indicating Payment Type of Other and entering 'Non-travel Advance' next to the checkbox. Once approved, the advance will be paid via check.

Reconciling a Non-Travel Advance

After the event is completed or within six weeks from the date the advance was issued, an Expense Report and all documentation of expenditures must to be submitted to Accounts Payable within five days.

Complete a NUFinancials Expense Report and attach all receipts to the Expense Receipts page(s). For instructions regarding applying a cash advance go to <http://www.cafe.northwestern.edu/documents/training/supplychain/807/ApplyingAdvance.pdf>. The Expense Report must indicate that a check advance was received and the amount of the advance. Appropriate documentation on the Expense Receipt page(s) of the Expense Report includes documentation of how the funds were used including a list of research subjects who received payments and their signatures indicating receipt of the payment amount and/or original receipts for materials purchased if applicable.

Unspent advanced funds, identified on the Expense Report as "Due Company", should be returned to Accounts Payable with the Expense Report in the form of a



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personal check made payable to Northwestern University. Expense Report processing is given priority attention to ensure reimbursement is timely.

A non-employee graduate student must reconcile his/her advance by completing and submitting a Visitor's Expense Report with documentation of use of the advance funds. Any unspent funds must be returned with the Expense Report in the form of a personal check made payable to Northwestern University. Expense Report processing is given priority attention to ensure reimbursement is timely.

Accounts Payable Advance Reconciliation Procedure

Accounts Payable will review the Expense Report for completeness. If needed, the original advance will be reduced by the amount of returned unspent funds. If excess funds have been expended, Accounts Payable will initiate a payment for the balance to the employee's normal payroll account.

Unreconciled advances outstanding over 90 days will be charged to the employee's (or non-employee graduate student's) departmental budget, and, as required by federal law, the amount will be reported to the IRS as taxable compensation to the employee (or non-employee graduate student).

Contact Information

Accounts Payable
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