

Administrative Policy Number: CM-104

Title: Cash Advances Policy

Effective Date: 7/1/2025

Revision Date:

I. Scope

This policy applies to all William & Mary and Virginia Institute of Marine Science (VIMS) employees who request and receive cash advances to support official university business activities. It covers both travel and non-travel cash advances and outlines the approval, reconciliation, and repayment processes.

II. Purpose

The purpose of this policy is to establish clear guidelines for the issuance, management, and reconciliation of cash advances, ensuring compliance with university policies and financial responsibility requirements.

III. Definitions

Cash Advance: A temporary loan issued to an employee to cover out-of-pocket expenses for authorized university business activities.

Travel Cash Advance: An advance provided for individual, or group travel expenses incurred for official university business.

Non-Travel Cash Advance: An advance issued in exceptional cases such as study abroad programs or human subject research.

Delinquent Cash Advance: An outstanding cash advance that has not been reconciled or repaid within the required timeframe.

IV. Policy

The **Director of Accounting & Tax Compliance** oversees the review and approval of all cash advance requests to ensure alignment with university policies. This includes verifying that all required documentation is submitted and confirming that requested funds are necessary for official university business. The Director also ensures proper reconciliation and repayment compliance.

To be eligible for a cash advance, employees must have no outstanding or delinquent advances with the university. Before approval, the Director will confirm the employee's financial standing. Employees with unresolved delinquencies must settle their outstanding balances before receiving future advances.

All cash advances require a signed **Acknowledgment of Financial Responsibility** before disbursement. This ensures employees understand their obligation to use the funds appropriately, adhere to reconciliation deadlines, and accept payroll deductions for non-compliance if necessary.

The minimum cash advance request is \$100.00. Funds must be used strictly for the approved business purpose, and employees must reconcile advances within 60 days of completing the activity. Reconciliation requires submitting an expense report with supporting receipts through Workday – Expenses. Any unspent funds must be returned to the university immediately through the cashier’s office.

Failure to repay a delinquent cash advance or return unused funds will trigger an escalation process. The employee will receive an official notification specifying the amount due and a deadline for repayment at the Cashier’s Office. If the employee does not respond or make the required payment by the due date, the university will initiate payroll deduction, as outlined in the Acknowledgment of Financial Responsibility. Deductions will continue until the outstanding balance is fully recovered.

This will ensure that our policy aligns in accordance with IRS guidelines, cash advances must be reconciled and any unused funds returned within 60 days of the conclusion of the travel. Failure to meet this requirement may result in the advance being classified as taxable income to the employee.

V. Procedures

A. Requesting a Cash Advance

To request a cash advance in Workday, you must first create a Spend Authorization, which serves as the required pre-approval for all advances. Supporting documentation must include a signed **Acknowledgment of Financial Responsibility** form. For travel advances, the request must be submitted at least 10 days prior to departure. For all other advances, the request may be submitted 45 days prior to the event.

B. Reconciliation of Cash Advances

Employees must submit an expense report in Workday Expenses within 60 days of completing a trip or event. If any portion of an advance is unspent, the unused funds must be returned to the university through the Cashier’s Office at Blow Hall. The cashier’s post will then clear the outstanding receivable. This procedure applies to all types of advances, including non-travel advances.

C. Procedures for Non-Compliance

A monthly reconciliation is conducted to identify any outstanding delinquent cash advances. If an advance is determined to be delinquent, the employee will receive one email notification, including a repayment deadline. Should the balance remain unpaid by the deadline, the university will initiate payroll deductions as outlined in the employee's signed Acknowledgment of Financial Responsibility. Employees departing from the university are required to reconcile and repay any outstanding cash advances before their departure.

VI. Approval and Amendment Procedures

This policy was created by the Office of Financial Operations and may be amended or terminated by the EVP Finance and Administration

Questions about the implementation of this policy or its interpretation should be directed to the Chief Financial Officer.