

Cash Advance Policy

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I. Title

Cash Advance Policy

II. Policy

A. Purpose

This Policy sets forth the requirements for the request, distribution and reconciliation of the issuance of the Cash Advance of Texas Wesleyan University funds to ensure compliance with the reporting obligations of the University's Expense Reimbursement/IRS Accountable Plan.

B. Requests, Disbursement & Accountability

1. Cash Advances may be requested for occasional business needs when funds are needed in advance to pay for future expenses. Cash Advances are governed by tax rules and internal control requirements. This Policy and its related procedures must be followed and communicated to those involved before the request or disbursement of any Cash Advance. When Cash Advances are disbursed, they must be disbursed in accordance with the guidelines set forth in this Policy.
2. Cash Advances will be disbursed via check or ACH electronic payment by the Business Services Office. Disbursement should be no more than \$5,000 and made no more than 10 days in advance of

the expected expenditure unless a special exception is approved by the VP of Finance and Administration in advance of the request (see [Section II. F](#) of this Policy).

3. Reporting/Accounting of the actual expenditures made from the Cash Advance funds should be made by submitting the Employee Travel and Expense Reimbursement Form to the Business Services office no later than 10 days after the purpose of the Cash Advance is complete.
4. The Business Services Office will be responsible for maintaining and ensuring proper documentation has been submitted according to the Cash Advance Procedures document.

C. Allowable Uses

Cash Advances may only be requested and distributed for the following purposes:

- a. Travel expenses and meal (see Travel Policy).
- b. Auto expenses like gas or mileage (see Travel Policy).
- c. Minor equipment supplies and other misc. expenses (See Expense Policy).

D. Prohibitions

Cash Advances may not be requested for, or disbursed to, the following - no exceptions permitted:

- a. Non-Employees of the University.
- b. To pay/compensate student employees, independent contractors, volunteers, or other individuals for services/work performed.
- c. Holiday or other gifts to students, faculty, staff or volunteers.
- d. To pay for any expenditure that is improper or unauthorized by the University's policy and practices.

E. Cash Advances to Non-Employees

Cash Advances cannot be issued to or used for payment in exchange for vendor services. The University tracks all compensation received by such individuals & organizations by way of their social security number or company EIN. If a company or individual receives other awards or payments during the calendar year in excess of \$600, Business Services must report

the entire amount on Form 1099-NEC or 1099-MISC.

F. Exceptions to this Policy

All requests for exceptions to this policy must be in writing and approved by the requestor's department head or appropriate supervisor and receive final approval of the Vice President of Finance and Administration, prior to the issuance of the Cash Advance. Each request must include a detailed justification for the exception and the benefit to the University if the exception is granted. The Vice President of Finance and Administration will review each request on an individual basis.

III. Definitions

Custodian: The faculty or staff member in the department receiving the Cash Advance that is responsible for the documentation, internal control, and other requirements of this policy.

Cash Advance: Funds paid to a faculty or staff member in advance of a University function, event or trip to be used for the expenses of that particular function, event or trip.

Travel-Cash-Advance Form: A form to request the disbursement of a Cash Advance required by the Office of Finance and Administration.

Reimbursement-Employee-Travel-and-Expense-Form: A form to record the actual expenditures Cash Advance funds were used for. This will be completed and returned to the Business Office with receipts and supporting documentation of each expense in accordance with the Universities Expense Reimbursement/IRS Accountable plan.

Accountable Plan: A policy established by the IRS that allows for the reimbursement of expenses incurred by employees provided the expenses are related to the business and are properly receipted and documented within a reasonable period of time. Without such "accountability" the expense becomes the personal responsibility of the employee.

IV. Relevant Federal and State Statutes

<https://www.irs.gov/forms-pubs/about-publication-463>

<https://www.irs.gov/pub/irs-pdf/p5137.pdf>

<https://www.bench.co/blog/tax-tips/irs-accountable-plan>

V. Relevant TXWES Policies, Procedures, and Forms

TXWES Cash Advance Procedure

TXWES Travel-Cash-Advance-Form

TXWES Employee Travel and Expense *Reimbursement Form*

TXWES Expense Policy

TXWES Travel Policy

VI. Who Should Know

All employees requesting and receiving Cash Advances.

VII. TXWES Office(s) Responsible for Policy

Responsible Officer: Vice President of Finance and Administration

Sponsoring Department: Business Services

VIII. Dates Approved or Amended

Approved by President's Cabinet on March 3, 2025

IX. Contact Information

All questions regarding this policy should be directed to Office of Finance & Administration: oofa@txwes.edu