

Cash Advance Policy Policy Number: 3405

PURPOSE:

Establish a policy and procedures for the cash advances related to the procurement process for all goods and services for Liberty University and related subsidiaries.

SCOPE:

This policy and procedures document applies to Liberty University and its subsidiaries.

POLICY:

Requests for cash advances related to travel or other University expenses are reviewed by the Procurement Department and may be approved for amounts greater than \$100. Advances for per diem are only authorized for travelers without a Liberty University P-Card and only if the total advance is greater than \$100. Requests under \$100 are not eligible for an advance, but may be approved on a reimbursement basis with a valid expense report.

Reconciliation for advances received should be done no later than 30 days from the initial receipt of cash. If the individual is unable to reconcile within the established timeline, they will be invoiced to repay the advance.

The individual may settle the invoice by submitting the appropriate documentation for the allowable expenses through the reconciliation process or by repaying the cash advance. If the employee does not settle the invoice within 90 days of the invoice date, the amount of the invoice will be included in his/her taxable income or deducted from his/her paycheck. Similarly, if Liberty University pays for an expense which is later determined not to meet the "Accountable Plan" requirements; the amount will be added to the employee's taxable income on Form W-2 or reported on a 1099.

Under "Accountable Plan" IRS guidelines, advances and reimbursements must meet the following rules:

- Faculty, staff, students, or other parties acting on behalf of the University must pay or incur business expenses while performing services as a Liberty University representative; the expenses must not be ones that would have otherwise been paid by the employee.
- All expenses must be substantiated to Liberty University within a reasonable period of time.
- All amounts in excess of substantiated expenses (unused money from advances) must be returned to Liberty University within a reasonable period of time.

RESPONSIBILITY:

Director of Procurement is responsible for the day to day administration of this policy.

Division Leaders are responsible for ensuring compliance within their organizations concerning all aspects of this policy.