

Policy 3305

Long-Term Activity Expense Advances

Responsible Office	Finance and Administration	Effective Date	11/1/00
Responsible Official	Controller	Last Revision	7/1/06

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Scope

This policy establishes guidelines for long-term activity advances and other expense advances. Expenses funded by grants and contracts may be subject to additional restrictions not specifically covered by this policy.

Policy Statement

Individuals involved in authorized and funded University activities should have the necessary funds available on a timely basis. The University prefers to make direct payments for goods and services, but will provide advance funds for extended out-of-area activities and for certain other expenses when alternate methods of purchasing and payment are not practical or available.

Only employees of the University, its students and Post-Doctoral Fellows (PDFs) may receive expense advances and only one expense advance may be outstanding for an individual at any time.

Individuals receiving expense advances should spend University funds prudently, and should neither gain nor lose personal funds as a result of their activities on Yale's behalf. Advanced funds must be appropriately safeguarded and managed, and expenses must be properly recorded and reported as set forth in this policy. Advances must be cleared within the time periods specified in this policy.

Salary and wage payments for work done in the United States should not be made from expense advances. University employees, individuals performing work in the United States, PDFs and students may not be paid for services from advanced funds. Advances will not be issued for confidential [study subjects payments](#).

Reason for the Policy

The University is occasionally involved in long term research/activities conducted away from the campus. There are operational circumstances in which the preferred procurement methods are not available or cannot be used. In order to make necessary funds available for the conduct of such activities, the University may provide expense advances if appropriate justification is provided.

Definitions

Expense advance

Funds advanced for purchases or payments in a limited number of circumstances where other preferred methods of purchase or payment are not practical or available.

Long-term activity advance

A type of expense advance for approved and funded long-term research projects or other extended activities involving travel and/or other expenses. The duration of travel normally exceeds one month.

Policy Sections

3305.1 Circumstances For Which Long-Term Activity Advances May Be Provided

Long-term activity advances may be provided to University employees, students and post-doctoral fellows who have special expense needs associated with approved and funded activities such as archaeological expeditions, field site assignments, extended performance tours, etc., involving travel that exceeds one (1) month in duration.

A long-term activity advance will be issued in order to make funds available for anticipated operating expenses that cannot be paid through the standard University procurement methods. Such expenses may include costs of operations while on site, such as supplies and equipment, food, lodging, and local travel expenses. For more detailed guidelines regarding airfare, lodging, meals and other travel-related expenses, consult Policy [3301](#) Travel on University Business.

Whenever possible, the University prefers to make payments for goods and services directly to the provider by check, wire transfer, purchasing card or personal credit card. In cases where direct payment is not practical, advanced funds may be used, but careful records must be kept to document such payments.

Advanced funds can be issued in the form of checks, cash or travelers' checks.

3305.2 Banking Arrangements for Long-Term Activity Advances

In the planning stages of long-term activity that will be conducted outside the U.S., the University Cash Manager should be consulted for advice on foreign banking practices, foreign currency and recommended payment methods for certain kinds of anticipated expenses. In countries with less developed banking structures, it may take several months to complete banking arrangements.

Establishing and Closing Bank Accounts

Where activity conducted in a foreign country will continue for an extended period, advanced funds may be deposited in a bank account opened at the location in the name of the individual to whom the funds have been advanced. Advanced funds can be wired to the bank account as provided below.

The individual in whose name the account is opened is responsible for managing, reconciling and closing the account. The account should be drawn down to a zero balance and closed when the project ends.

It is the individual's responsibility to return all unused funds at the end of the project; therefore, the person responsible should request only the amount of funds reasonably needed to cover expenses, so that the account contains only minimal funds as the project draws to a close.

Wire Transfers

Wire transfers must be requested on the [3401 FR.03 Request for Wire Transfers](#) Form and will be sent directly to a bank account only in the name listed on the account.

The cost of wire transfers will be charged to the same account that the transaction is being charged unless prohibited by the terms of a sponsoring agreement, in which case the department must provide alternate charging instructions.

3305.4 Expenses Funded by Grants and Contracts

In addition to the limitations set forth in this policy, special restrictions may apply to expenses funded by grants and contracts. Contact the appropriate Grant and Contract Administration (GCA) office or Grant and Contract Financial Administration (GCFA) office for more information.

3305.5 Other Expense Advances

A request for an expense advance must be made using the 3301 FR.02 [Travel or Advance Request](#) form.

- The advance request must include a business purpose for the advance and an outline of how the advanced funds are to be spent.
- The amount requested should not exceed the costs that are expected to be incurred.
- The request should also include the expected start and end dates for the advance activity.

Funds may be advanced up to the amount of reasonable anticipated expenses that cannot be paid for by other preferred methods. However, to reduce risk and promote proper management of advanced funds, replenishment of initial advanced funds by means of additional advance requests is preferable to issuance of very large lump sum amounts.

3305.6 Authorization of Expense Advances

The department business manager must approve all expense advance requests. Approvers of such advances are responsible for ensuring that funds are available and committed and that advances are fully accounted for in accordance with relevant policies. Expense advances will not be issued for amounts under \$300.

Expense advances greater than \$10,000 must also be approved by the Dean/Chair/Department Head. Expense advances greater than \$25,000 must be further approved by the Controller.

3305.7 Management of Advanced Funds

Original receipts for expenses at or over \$75 or a [Missing Receipt Form](#) that describes the expense, amount, date, place, and reason for missing receipts, must be retained to substantiate all expenses.

3305.8 Clearance of Expense Advances

Expense advances must be cleared by submission of the appropriate form no later than two weeks (10 business days) after the end date of travel, or two weeks (10 business days) after the occurrence of the expense. In the case of long-term activity advances, expenses must be accounted for by submission of the relevant form and receipts.

- Original travel receipts must be attached as specified in Policy [3301](#) Travel on University Business. For receipts in foreign currency, a memo should be prepared and attached, explaining the receipts and the currency exchange rates used.
- Any outstanding advance amount in excess of substantiated expenses
- will be deducted from the employee's next pay check or in the case of students and PDFs should be returned to the University by submitting a personal check.

If the advance is not cleared within the time period specified above, the outstanding amount will be recovered by one or both of the following methods:

- If the individual submits a subsequent expense reimbursement request, the outstanding advance amount will be automatically deducted from the reimbursement. However, if an individual has an outstanding long-term activity advance for an ongoing research project at a remote site, and incurs other business expenses (e.g., attends a professional conference) while the long-term

project is still under way, the outstanding long-term activity advance **will not** be deducted from the individual's travel expense reimbursement.

- Any remaining outstanding advance amount will be deducted from the employee's paycheck. The employee will receive written notification prior to the deduction.

Department business managers are responsible for ensuring the timely clearing of all advances.

Special Situations/Exceptions

Exceptions must be approved by the Controller for staff, and by the Provost for faculty, PostDoctoral Associates (PDAs), PDF's and students.

Related Information

Policy [2815](#) Petty Cash Funds

Policy [3301](#) Travel on University Business

Policy [3302](#) Business Meals, Entertainment and Other Social Events

Procedure [3301 PR.01](#) Making Arrangements for University-Related Travel

[Controller's Office Fact Sheet](#)

Contacts

Subject	Contact	Phone
Advance requests and clearances	Accounts Payable	432-5077
Bank accounts, wire transfers, foreign currency, petty cash	Cash Manager	432-4474
Reservations and travel information	Yale Travel Services	Central: 764-9200 Medical: 688-6538
Expenses funded by grants and contracts	Grant and Contract Administration	Central: 432-2460 Medical: 785-4689
Interpretation of policy	Office of the Controller	432-5524

Roles and Responsibilities

Individual Receiving the Advance

Ensures that expense advance requests and actual expenditures are reasonable and necessary in accordance with University policy. Documents all expenses and retains receipts. Clears expense advances within time periods specified in this policy, with required receipts.

Department Administrator

Reviews departmental expense advance requests for reasonableness, necessity, and adherence to University policy and applicable sponsor terms. Authorizes expense advance requests if appropriate. Ensures the timely clearance of expense advances.

University Cash Manager

Advises the community on expense advance procedure, foreign banking practices, foreign currency and recommended payment methods. Manages wire transfer process. Ensures advances are processed in accordance with University policy.

Treasury Services

Processes expense advance requests for traveler's checks or cash in a timely manner. (up to petty cash limit specified in [Controller's Office Fact Sheet](#)).

Accounts Payable Department

Processes expense advance requests in the form of checks in a timely manner. Ensures advances are processed in accordance with University policy. Advises the community on expense advance procedure.

Dean/Chair/Department Head

Reviews and approves expense advances of greater than \$10,000.

Controller

Reviews and approves exceptions to University expense advance policy with respect to staff members and approves all advances greater than \$25,000

GCFA / GCA

Advises departments and principal investigators as to the terms and conditions of specific awards as they pertain to expense advances, and provides general guidance with respect to activities funded by grants and contracts.

Provost / Associate or Deputy Provost

Reviews and approves exceptions to University expense advance policy with respect to faculty members, PDAs, PDFs and students.

Revision History

First Issued 11/00.

The official version of this information will only be maintained in an on-line web format. Any and all printed copies of this material are dated as of the print date. Please make certain to review the material on-line prior to placing reliance on a dated printed version.
