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**Handbook of Business Procedures**

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**Date published:** Nov. 17, 2011
**Last revised:** August 30, 2018
**Issued by:** [Travel Services](http://transforming.utexas.edu/content/travel-services)

**11.4. CASH ADVANCE FOR TRAVEL**

**A. Introduction**

The [Internal Revenue Service](http://www.irs.gov/) (IRS) requires The University of Texas at Austin to issue cash advances within the requirements published in IRS Publication 463, Travel, Entertainment, Gift, and Car Expenses. For specific information about cash advances, see IRS Publication 463, Section 6, Reimbursements: [Accountable Plans](http://www.irs.gov/publications/p463/ch06.html%22%20%5Cl%20%22en_US_2010_publink100034114).

The IRS allows issuance of a cash advance for travel expenses within thirty days of the travel expense. In order to ensure compliance with the IRS restrictions, the university has developed procedures for the issuance and reconciliation of a cash advance issued for travel purposes.

**B. Justification**

When an employee requests a cash advance, the Cash Advance Section in Payment Services determines whether a cash advance is justified based on the specific circumstances of the travel. An employee may be eligible for a cash advance if any of the following are true:

* The cash advance requested is a minimum of $100.00.
* The destination is in an isolated area or region with limited access to suppliers or services that accept credit cards.
* Travel is for an extended period of time.
* The employee does not qualify for the university-facilitated [Citibank Individual Liability Travel Credit Card](https://travel.utexas.edu/travelplanning/creditcards/citi-individual-liability-travel-card).
* The employee’s university-sponsored [Citibank Individual Liability Travel Credit Card](https://travel.utexas.edu/travelplanning/creditcards/citi-individual-liability-travel-card) is lost or stolen.
* A faculty member takes a group of students overseas for educational purposes, such as for a study abroad program.
* It would be a financial hardship for the employee to pay the travel expenses out of pocket.

**Important**: All funds required for travel should be requested on the Cash Advance Request form [Travel Cash Advance Request Form](https://utexas.app.box.com/v/travel-cash-adv-request-form).\*DEFINE VP5s for reimbursement are not to be issued after travel is completed. Expenses in excess of the original cash advance amount will be reimbursed by the Cash Advance Desk via a \*DEFINE VP2 payment voucher. However, if the travel cash advance has been cleared by the Cash Advance Desk and additional receipts of travel expenses are discovered later, then at that point the department may process a VP5 document with added notes that the cash advance cleared and additional travel expenses were discovered and need to be reimbursed.

**C. How to Request a Travel Cash Advance**

Travel cash advance requests must be submitted to the Cash Advance Section in Payment Services **at least seven business days prior to the date funds are needed**. To request a travel cash advance, take the following steps:

1. Complete the [Travel Cash Advance Request Form](https://utexas.app.box.com/v/travel-cash-adv-request-form). **Note**: The Departmental Reviewer is listed on this form when the business officer does not personally review and sign the Travel Reconciliation Summary Form. This person can be anyone authorized by the business officer.
2. Print the completed form on departmental letterhead. The form must be signed by two people:
	1. The [CSU Business Officer](https://utdirect.utexas.edu/ohs/contacts/list-contacts/index.WBX)
	2. An authorized signer on the account (See GB1 screen of \*DEFINE.) (**Note**: The traveler may not sign the request form.)
3. Assemble a packet that includes the following items:
	1. Completed Travel Cash Advance Request Form **Note**: All funds required for travel should be requested on the Cash Advance Request form. \*DEFINE VP5s for reimbursement are not to be issued after travel is completed. Expenses in excess of the original cash advance amount will be reimbursed by the Cash Advance Desk via a \*DEFINE VP2 payment voucher
	2. A copy of the \*DEFINE Request for Travel Authorization (VE5 document) for the traveler
	3. All required authorization documents listed in section D. Required Documentation
4. Then send documents as a PDF via email to oa.cashadvances@austin.utexas.edu.

**D. Documentation Required Prior to Travel**

To request a cash advance for travel expenses, complete the [Travel Cash Advance Request Form](https://utexas.app.box.com/v/travel-cash-adv-request-form) and include the traveler’s budget, along with expected types and amounts of expenses during travel:

**1. Travel**

If the traveler expects to use the cash advance to pay expenses for any additional university employee or student, the \*DEFINE Request for Travel Authorization (VE5 document) ID number for each additional person must be included, along with the expected types and amounts of travel expenses to be incurred by these additional travelers.

**2. Professional services**

If the traveler expects to use the cash advance to pay for any nonemployee non-US citizen professional services, e.g., guides, field workers, participants in studies, transcribers, or travel costs, e.g., meals, hotels, bus, airfare, while traveling abroad, then add this information to the [Travel Cash Advance Request Form](https://utexas.app.box.com/v/travel-cash-adv-request-form). If any services are expected to be long-term or continuous then a business contract might be warranted instead of using a travel cash advance thus contact the [Business Contract Office](https://afm.utexas.edu/hbp/part-11/4-cash-advance-for-travel) for assistance.

**3. Entertainment**

If the traveler expects to use the cash advance to pay entertainment or business meeting expenses, a completed [Official Occasion Expense Form](https://utexas.box.com/v/official-occasion-expense) must be included for each planned event.

**4. Program expenses**

Include a list of staff and students traveling with the program, such as a study abroad program, and the details of planned program expenses (the cost of the students’ travel and excursion trips, museum fees, etc.), which must be itemized, including types, locations, and amounts. The planned program expenses must be separated from the employee’s personal expenses

**E. Promissory Note**

If the travel cash advance is approved by Cash Advance Section in Payment Services, a promissory note ([view sample promissory note](https://utexas.box.com/v/example-prom-note-travel%22%20%5Ct%20%22_blank)) is prepared by Cash Advance Section and must be signed by the university employee before the cash advance direct deposit or check is released. The promissory note indicates the traveler’s acceptance of the travel cash advance terms, which include providing the following documentation in a timely manner to the Cash Advance Section upon completion of travel:

* a complete reconciliation of the funds used
* required receipts for all expenses incurred, according to travel rules
* repayment of unused funds upon the completion of the trip

If promissory note terms are not met, the traveler will be subject to refusal for future travel cash advances.

1. **Direct Deposit**

 Travel cash advances are issued via direct deposit to the personal account of the cash advance recipient that is set up to receive non-payroll deposits. The Cash Advance Section in Payment Services will send a promissory note by DocuSign to the traveler. The traveler must sign the promissory note via DocuSign **at least three business days prior to the date the funds are to be deposited** in the traveler’s bank account.
2. **Cash Advance Checks**

Cash advance checks are held for pick-up in MAI 4 in Administration Services, where the promissory note is signed by the traveler and is exchanged for the cash advance check, if promissory note not signed prior to issuance of cash advance.

**F. Reconciliation**

**1. Reconciliation Due Date**

Reconciliations are due from the traveler to the department within two weeks after the end date of the travel period authorized by the travel cash advance request. The department is required to submit the fully approved reconciliation, along with all required receipts and any unused funds, to the [Travel Section](http://transforming.utexas.edu/content/travel-services) Cash Advance Desk within thirty days after the end travel date. **Note**: If the traveler does not routinely turn in reconciliations to the department within the two week period after the dates of travel, the traveler may be subject to refusal for future travel cash advances.

**2. Documentation Required After Travel is Completed**

When the traveler returns, a reconciliation of the travel cash advance is required to identify how the funds were used, and to determine the amount of excess money to be returned by the traveler or the amount of the excess expenses to be refunded to the traveler. The expenses are identified by category (type of expense), date, and amount for each unique destination. The traveler must complete one of two Travel Cash Advance Reconciliation Forms: [less than a week](https://utexas.box.com/v/travel-cash-advance-recon) (view [sample](https://utexas.box.com/v/less-than-week-sample%22%20%5Ct%20%22_blank)) or [more than a week](https://utexas.box.com/v/travel-cash-adv-recon-extended) (view [sample](https://utexas.box.com/v/more-than-week-sample%22%20%5Ct%20%22_blank)) or complete his or her department’s standard form and submit it with the receipts, following these guidelines:

* All receipts must be provided, by category of expense, in date order. All four edges of each receipt must be taped to letter-sized paper (8.5” x 11”) so the receipts are ready for imaging.
* For trips that last more than one week, the following guidelines apply if the reconciliation summary does not fit on one page:
	+ All receipts must be numbered.
	+ The documentation submitted must include an Excel spreadsheet summarizing each expense category: description of the expense, the receipt number, and the date and amount of each receipt within that category. **Note**: In lieu of an Excel spreadsheet, an adding machine tape may be submitted for each expense category. Each line item on the tape must be numbered with the number on the corresponding receipt, and a description of each item on the receipt must be provided.
* Receipts in foreign languages must be translated to English.
* One rate of conversion must be chosen for the entire cash advance. Add the total of all foreign receipts and then convert the foreign total to U.S. dollars.  Use the [OANDA Currency Converter](http://www.oanda.com/currency/converter/) to choose a conversion rate. Include printed documentation of the currency conversion rate used and the rationale for determining the rate. Options for choosing the rate of conversion include:
	+ Actual credit card rate of conversion
	+ Actual bank rate of conversion
		- The date the currency was actually exchanged in the foreign country
		- The date the currency was deposited into a foreign bank account
	+ The period average rate calculated in the OANDA Historical Exchange Rates table
	+ Any date in OANDA that falls within the trip begin and end dates

**Note**: A daily conversion rate may be used if the department provides justification. Some reasons for justification include:

* + Conversion rates fluctuate wildly
	+ Actual conversions were performed several times
	+ Daily conversion rate is required by the department
* The following people must review and sign the Travel Cash Advance Reconciliation Form:
	+ the traveler
	+ Business Officer or departmental reviewer
	+ PDF copies of reconciliations should be sent via email to Cash Advances Desk at oa.cashadvances@austin.utexas.edu.

**G. Returning Unused Funds**

When turning in a reconciliation that includes unused funds, the department or individual should deliver the unused funds via check or money to Administrative Services located in MAI 4 between 9:30AM and 3:30PM and no appointment is necessary. Additionally an e-mail must be sent to the Cash Advances Desk at oa.cashadvances@austin.utexas.edu and the e-mail should include:

* The approximate time the unused funds check or money order was delivered to MAI 4
* Attach a PDF copy of the completed and signed travel cash advance reconciliation documentation Attach a PDF copy of the original cash advance request memo

**Note**: If the original cash advance memo is not available, the e-mail should also include the following information:

* Cash advance payment voucher document ID, if known
* Recipient’s name
* Destination
* Dates of travel
* Amount of the cash advance

Administrative Services will issue a receipt of payment to document the return of funds.

If delivery of the unused funds to MAI 4 is not possible, please send a check or money order payable to University of Texas at Austin for the amount of the unused cash advances via US Mail to:

The University of Texas at Austin

Atten: Cash Advance Desk

PO Box 7159

Austin, Texas 78713-7159

**Do not send documentation, checks, or cash via campus mail.** Cash Advance Section in Payment Services is not responsible for documents, checks, or cash placed in campus mail.

**H. Contact Information**

For more information, contact the [Cash Advance Section in Payment Services](https://purchasing.utexas.edu/travel/travel-services).