



*Section 500: Award Management*

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## OSR Policy 500.14 — Cash Advances

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**Responsible Officer:** Director  
**Responsible Unit:** Award Management  
**Effective date:** July 1, 2008  
**Last revised on:** September 4, 2009

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### Policy Statement

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The University generally does not advance cash for work performed on sponsored projects. However, cash advances may be permitted in the following circumstances: nominal study subject payments, extended field trips to remote locations, certain other travel, and other exceptional activities. Advances are strictly limited to those circumstances requiring cash payments of dollar amounts that are too small to justify the use of an imprest bank account and are intended for a one time purpose and short periods of time. The expenditure object code 8511 is designated for these types of advances.

Compensation for human subjects of sponsored research is generally defined in the initial [mandatory consent form](#) and can be distributed by various means.

Documentation of disbursements to study subjects is essential to ensure that the University meets federal requirements, including those of the IRS. In addition, PIs are required to supervise the maintenance of all records regarding study subjects, including the subject's name and/or Social Security number. By December 31<sup>st</sup> of each year, the PI is required to provide [Accounting Services](#) the name, tax ID, and home address of anyone receiving such compensation..

#### I. Cash Advance

A cash advance is the payment method for the circumstances described above. The advance is made payable to the principal investigator or study coordinator and is considered a loan for which he/she is responsible for managing. The advance should be reconciled within 60 days, but no less than every three months.

The use of gift cards offers a convenient and safe way to provide compensation. Since gift cards are considered compensation to the study subject, reporting is required (receipts, etc., as mentioned above). They must be reconciled within 60 days, or no less than every three months. There can be no more than two outstanding advances at one time. **IF NOT reconciled in a timely manner, the employee to whom check is made “payable to” will be subject to having the outstanding amount drafted from the employee’s salary.**



## II. Wire Transfer

A cash advance requesting a wire transfer of funds should be for no more than two months of operating cash (unless accompanied by supporting documentation). This type of cash advance should be reconciled within 60 days, but not less every three months. The department will provide OSR with expenditure documentation, including original detailed signed receipts, study subject identification numbers, etc. for proper review and entry into accounting records. Requests for replenishment will not be approved without proper reconciliation.

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## Reason for Policy

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This policy explains the various methods by which cash payments may be made on sponsored research accounts.

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## Exclusions/Exceptions

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None.

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## Procedures and Related Policies

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[Accounting Services](#), which is a part of UNC-CH's [Finance Division](#), is the primary source for addressing questions about accounting details for establishing, monitoring and payment of study subjects through imprest bank accounts, gift cards and the like. Inquiries of this nature should be addressed directly to this division.

Account Services: [Policy 29 Imprest Bank Accounts](#)

Account Services: [Procedure 5 Imprest Bank Accounts](#)

The following procedure addresses how to make requests for cash advances, wire transfers, or gift cards.

- [Policy 500.14, Pro-1](#) [Cash Advance Request & Reconciliation](#)

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## OSR Research Tool Kits

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None.

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## Contacts

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Questions and concerns can be submitted online at [Ask OSR](#) or by using the [OSR staff directory](#). Within [RAMSeS](#), the “*Speak to Someone*” option assists in locating the staff member best suited to address project-specific issues.

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## References

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 [Research Administration Glossary at Carolina](#)

1. The University Business Manual, Accounting Services.

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## Revision History

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**Prior Revisions:**      **9/4/2009** Changed title of policy from *Compensation for Study Subjects* to *Cash Advances* to reflect additional types of requests for advances.

The policies in the *Office of Sponsored Research Policies & Procedures Manual* supersede any OSR policies, procedures and appendices previously included in the *University Business Manual*, a publication of UNC Chapel Hill’s [Division of Finance](#).

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