

Research and Sponsored Projects Manual (RSP)

RSP 503–02: Sponsored Project Spend Authorizations

Effective: 11/1/1996

Revised: 11/1/2021

Purpose

To provide sponsored [principal investigators \(PIs\)](#) and their departments with the necessary guidelines to:

1. establish a spend authorization-cash advance for sponsored project activities
 2. allow for out-of-pocket expenses related to sponsored projects
 3. safeguard sponsored cash advance funds and related documents
- and
4. maintain satisfactory accounting controls.

Sources

Financial Services

Office for Research and Sponsored Projects Administration (ORSPA)

Knowledge Enterprise (KE) (Finance)

University policy

Background

The efficient operation of a sponsored project sometimes requires availability of funds in advance. The university uses Spend Authorization - Cash Advances as the only method authorized by the university for a cash advance of funds.

- I. For establishing and managing cash advances on sponsored and non-sponsored accounts, see the *Financial Services Policy and Procedures Manual*—[FIN 403](#), “Spend Authorization-Cash Advance.”
- II. Travel advances for individual travel of ASU staff and students are authorized through Travel Reimbursements. For details, see the policies under [FIN 501](#), “ASU Travel Policy.”

Policy

Establishing a Sponsored Project Spend Authorization

Spend authorizations via cash advances for a sponsored project may be utilized for approved project purposes. All advances must comply with allowable project costs and adhere to university policies.

For additional information see the following:

- for detailed instructions of how to establish, use, secure and repay a cash advance the *Financial Services Policy and Procedures Manual*—[FIN 403](#), “Spend Authorization-Cash Advance” for a description of prohibited purchases, the *Financial Services Policy and Procedures Manual*—[FIN 401–03](#), “Prohibited Transactions”

Cash advance requests for sponsored projects are approved by the Grant Manager and, if over \$500 or equal to or over 365 days, by the Dean/VP. Following approval, spend authorizations are issued by the Student Business Services division of Financial Services. Spend authorizations are initiated and approved in Workday FMS.

A sponsored project cash advance should be limited to:

1. The shortest period possible to effectively utilize the cash advance. Typical duration is up to three months. Under no circumstances can the cash advance be used past the grant end date. The cash advance should be closed within 30 days of the spend authorization end date.
2. The smallest possible amount necessary that permits efficient use of the cash advance funds as excessive balances lead to unnecessary risks of loss. Each cash advance is kept by a fund custodian who has sole responsibility for the security of the cash and related documents.

Using Cash Advances while Traveling

Expense Documentation When Traveling

While traveling, the cash advance custodian should obtain receipts for all expenses paid from the cash advance. Some form of documentation will be required to support every expenditure. However, a per diem rate may be claimed for meals if this meets the sponsor allowability requirements. Generally, it is a good idea for the traveler to take along a blank receipt book in case vendors do not have their own receipts. The description of the payment and the date should be entered on the blank receipt and the vendor should sign the receipt.

Many faculty conduct research in rural or remote locations, often times in foreign countries where local custom may dictate the way negotiations related to commerce take place. For example, the faculty may need to procure an item such as a shed for material storage while in the field and the negotiation may involve bartering rather than payment in cash. These situations are governed by the customs of the local community. In extenuating circumstances, when acquiring hand written receipts is not possible, the PI shall maintain a log of incidental expenses. The log should provide the date, approximate time, amount paid, item description, and a brief justification of the purchase and will serve as a substitute for receipts in these instances.

Please refer to the U.S. State Department Web site (<http://travel.state.gov/content/passports/english/country.html>) for U.S. embassy contact information and additional information about traveling to specific foreign countries.

Payment for Services When Traveling

Payments to individuals for services should be made through ASU Purchasing and/or Accounts Payable whenever feasible (see the *Financial Services Policy and Procedures Manual*—[FIN 421-01](#), “Guest Lecturers, Consultants, and Other Independent Contractors”). If circumstances dictate that payments be made for services outside the U.S., for example to hire interpreters or guides, the following guidelines apply:

- payments may be made to non-U. S. citizens working outside the U.S.
- only under unusual circumstances may payments be made to U.S. citizens working outside the U.S.
and
- payments cannot be made to ASU employees (including the sponsored cash advance custodian).

Using Cash Advances for Human Subject Payments

Cash advances on sponsored projects may be used to pay individuals participating as human subjects in authorized research. Documentation of subject payments made from sponsored cash advances may include logs signed by the recipients, canceled checks, or similar documentation as permitted by the Human Subject Institutional Review Board. For research studies subject to confidentiality requirements, only reportable payment information must be reported; all

confidential documentation must be retained at the project level. Additional accommodation to confidentiality requirements should be discussed with the Tax Unit of Financial Services.

For full details and reporting requirements for human subject payments, including the cumulative payment maximum of \$600 per calendar year from all research projects, see the *Financial Services Policy and Procedures Manual* —[FIN 421-05](#), “Human Subject Payments.” For additional guidance, see the “KE’s Office of Research Integrity and Assurance (ORIA’s) Web site.

Cross-References

For more information on how RSP policies are implemented during each phase of a project, see the ORSPA website, researchadmin.asu.edu.

For more information on human subjects in research, see:

1. [RSP 201-01](#), “Human Subjects in Research”

and

2. the *Financial Services Policies and Procedures Manual*—[FIN 421-05](#), “Human Subject Payments”

For more information on cash handling, payments to individuals for services, petty cash funds, and prohibited transactions, see the *Financial Services Policies and Procedures Manual*:

1. [FIN 305](#), “Deposits at University Cashiering Services”
2. [FIN 421-01](#), “Guest Lecturers, Consultants, and Other Independent Contractors”
3. [FIN 403](#), “Petty Cash Funds for State and Local Accounts”

and

4. [FIN 401-03](#), “Prohibited Transactions”

For more information about travel on sponsored projects, see:

1. [RSP 504](#), “Travel”
2. the *Financial Services Policies and Procedures Manual*:
 - a. [FIN 300](#), “Deposit of University Funds”

and

- b. [FIN 501](#), “ASU Travel Policy”

Additional Information

For additional information on cash handling, see the “Cash and Check Receipting Procedures” on the [Financial Services Best Practices Web page](#).