**Research Cash Advances UPPS No. 02.02.06**

**Issue No. 4**

**Effective Date: 01/12/2023**

**Next Review Date: 11/01/2027 (E4Y)**

**Sr. Reviewer: Assistant Vice President for Research and Federal Relations**

**POLICY STATEMENT**

*Texas State University is committed to providing and maintaining research cash advances to support funded research activities.*

1. **SCOPE**

01.01 The purpose of this policy is to establish guidelines for cash advances for funded research activities that require expenditures for activities for which it is impossible or impractical to use the normal Texas State University procurement or reimbursement processes. This policy also includes guidelines for incentive payments to human subjects participating in funded research projects (see [Procedures for Paying Human Subjects](https://gato-docs.its.txstate.edu/jcr:fdb51798-62e8-4ba6-b5f7-39d7bf1bb89a/Paying%20Human%20Subjects.docx)).

01.02 Research cash advances can only be issued to principal investigators (PIs). PIs receiving research cash advances are personally responsible for ensuring the expenditures incurred under the research cash advance are allowable under Texas State policy and federal, state, local, or grantor guidelines, as applicable.

01.03 Ultimately, requests for research cash advances are approved by the assistant vice president for Research and Federal Relations (AVPR), but approvals by the appropriate chair and dean are also required for advances equaling or exceeding $2,500 and $10,000, respectively. The Office of Research and Sponsored Programs (ORSP) will approve any research cash advance related to an externally-funded sponsored program.

01.04 Institutional Review Board (IRB) approval is required before the research cash advance is issued if incentive payments will be made to human subjects. The IRB approval letter is a required attachment when requesting a research cash advance.

1. **DEFINITIONS**

02.01 Confidential Information – information about behavior that occurs in a context in which an individual can reasonably expect that no observation or recording is taking place, and information which has been provided for specific purposes by an individual and which the individual can reasonably expect will not be made public (e.g., a medical record). Confidential information must be individually identifiable (e.g., the identity of the subject is or may readily be ascertained by the investigator or associated with the information) in order for obtaining the information to constitute research involving human subjects.

02.02 Human Subject – a living individual about whom an investigator (whether professional or student) conducting research obtains:

a. data through intervention or interaction with the individual; or

b. identifiable private information.

02.03 Independent Contractor – a foreign individual who is compensated for performing a service for Texas State and who does not have an employee relationship with Texas State. Payment for contractor services is not allowed within the United States.

02.04 Institutional Review Board (IRB) – a board whose members are appointed by the provost and vice president for Academic Affairs with recommendation by the AVPR. The board is responsible, in conjunction with research compliance administrative staff of Texas State, for ensuring that Texas State personnel and student researchers comply with applicable federal regulations and guidelines.

02.05 Interaction – any procedures by which data are gathered from the human subject or the human’s subject's environment that are performed for research purposes. Interaction includes communication or any interpersonal contact between investigator and subject.

02.06 Investigator – an individual who is working under the direction of the principal investigator.

02.07 IRB Approval – the determination of the IRB that the proposed research activity has been reviewed and may be conducted within the constraints set forth by the Texas State IRB.

02.08 Past Due – a research cash advance reconciliation that has not been submitted electronically within 30 days after use of funds end date.

02.09 Principal Investigator (PI) – the individual responsible for the research or other activity described in the proposal for a sponsored program.

02.10 Research – for the purposes of this policy, is broadly defined as an activity within any academic discipline at Texas State directed toward fuller knowledge, understanding, scholarship or creative expression.

02.11 Research Cash Advances – funds provided to a faculty or research staff member prior to initiation of research activities to facilitate expenditures for the activity that are impossible or impractical to make through the normal Texas State procurement or reimbursement processes. The expenditures from the research cash advance must be substantiated after completion of the research activities and any unsubstantiated amount must be repaid to Texas State. These projects may be internally or externally funded.

Research cash advances may be used to cover allowable expenses approved by the sponsor, and may include, but are not limited to:

* + 1. postage and shipping;
    2. research related supplies, materials, permits, or fees;
    3. non-capital equipment purchase, rental, or repair;
    4. foreign contract (e.g., labor or guide);
    5. human subject incentives (see [Procedures for Paying Human Subjects](https://gato-docs.its.txstate.edu/jcr:fdb51798-62e8-4ba6-b5f7-39d7bf1bb89a/Paying%20Human%20Subjects.docx)); and
    6. communication costs (phone, cell phone, or internet).

02.12 Substantiated Expense or Substantiated Funds – expenses that are documented by the human subject logs, adequate receipts, invoices, or other acceptable supporting evidence of the amount, project period, and business purpose of expenses paid from a research cash advance.

02.13 Unsubstantiated Expense or Unsubstantiated Funds – research cash advance funds that are not allowed or supported on the research cash advance reconciliation with proper documentation or for which a research cash advance reconciliation was not submitted within the required time frame.

02.14 Use of Funds Start and End Date – the time during which the research cash advance funds are needed to support the research activity. The time frame is limited to the immediate needs of the project and will generally not exceed a four-month period. If use of the funds project is longer than four months, a complete substantiation or reconciliation of the expenditures and unused cash must be completed and unused cash returned to Texas State prior to issuance of a new research cash advance request. The use of funds start and end dates may not necessarily coincide with the grant or project period as defined by the sponsor. Use of funds start and end dates cannot fall outside the available funding period.

1. **GENERAL INFORMATION**

03.01 Research cash advances will be provided only for research activities for which processing on-campus payments are impossible or impractical. Justification to support this determination should be included on the request.

03.02 PIs are allowed to request research cash advances for themselves, field personnel, research and creative staff, and students. PIs will be accountable for all funds provided by any research cash advance. PIs cannot use personal funds for human subject payments and then seek reimbursement without following the research cash advance process.

03.03 Only PIs can submit a research cash advance request. Co-PIs or students are not eligible to request cash advances.

03.04 A research cash advance is issued as a one-time cash advance. Research cash advances will be issued and monitored by the Accounts Payable Office at the direction of the director of Accounting, or designee, using the electronic research cash advance process.

03.05 Research cash advances are not designed to cover PI’s routine travel expenses. Routine travel advances and expenses should be reimbursed under Texas State travel policies and procedures.

03.06 The [Uniform Guidance](https://www.grants.gov/web/grants/learn-grants/grant-policies/omb-uniform-guidance-2014.html), as published by the U.S. Office of Management and Budget, defines the cost standard for sponsored agreements. Any unallowable expenditures on a sponsored agreement may be charged to another appropriate funding source with the approval of the account manager.

03.07 Unallowable expenditures under Texas State policies may require the PI to repay the research cash advance from personal funds.

03.08 The use of state appropriated funds for any research cash advance is prohibited. This is due to state comptroller requirements for a complete vendor record for any payment made to a third-party using state appropriated funds. This also prohibits any e-IDT or internal journal entry to transfer the payments for human subjects from a local fund to a state appropriated fund.

03.09 The PI cannot be issued a research cash advance while on the Texas Payee Information System (state hold).

03.10 The PI will substantiate expenses incurred and deposit cash equaling the unsubstantiated portion of the research cash advance within 30 days after the use of funds end date of the research activities or reconciliation will be considered past due.

03.11 PIs in past due status are not eligible for another research cash advance until all outstanding research cash advances are reconciled.

03.12 IRS reporting and payroll tax withholding regulations will be followed by the Texas State Payroll and Tax Compliance Office. Accordingly, research advances become reportable as income on the PI’s W-2 when expenses are not substantiated, or any unsubstantiated amounts are not reimbursed within 120 days from the research end date. The electronic research cash advance system will monitor the due dates of the outstanding research cash advances. That system will automatically begin sending past due notices once the reconciliation is 31 days past due and will continue to send notices until the reconciliation has been completed.

1. **PROCEDURES FOR REQUESTING AND RECONCILING CASH ADVANCES**
   1. A PI must submit an electronic Research Cash Advance Request according to the [Research Cash Advance Request Instructions](https://era.research.txstate.edu/cashadvance/). If the PI is a department chair and director or dean, approval from a supervisor at least one level higher is required.
   2. Ten working days should be allowed from the date when the electronic Research Cash Advance Request was submitted for processing of the request. The date the research cash advance funds are needed is required on the request. The PI should not request the funds earlier than needed, as that can impact the four-month timeframe for the research cash advance.
   3. If the research cash advance is funded by a grant, in part or in whole, the request will be routed to Post-Award Support Services for allowable cost verification prior to approval by the AVPR.
   4. Upon approval from the AVPR, the completed request form will route to Accounts Payable to process the payment.
   5. Accounts Payable will process an encumbrance against the account from which the research cash advance will be charged upon reconciliation. The funds will be issued according to the date on the research cash advance request.
   6. Funding must be available for any research cash advance to be awarded.

Funding of research cash advances is considered to be made from Texas State funds and not the sponsor’s funds even though the encumbrance is made on a sponsored program account. Expenditures made from research cash advances are not considered the sponsor’s responsibility until the reconciliation is complete and the reconciling transaction is recorded.

* 1. Within 30 days of completion of the project period (see Section 02.14) as defined in the approved research cash advance request, the PI will complete an electronic Research Cash Advance Reconciliation according to the [Research Cash Advance Reconciliation Instructions](https://era.research.txstate.edu/cashadvance/). It will then electronically route for approvals. The receipts or other acceptable supporting documentation to account for the research cash advance funds must be attached.
     1. The PI will repay any unsubstantiated research cash advance funds to Texas State. Repayment can be made at the Student Business Services Office and is required prior to submission of the Research Cash Advance Reconciliation. The PI may also use the [Research Advance Returned Funds](https://secure.touchnet.com/C24322_ustores/web/product_detail.jsp?PRODUCTID=2538&SINGLESTORE=true) website to repay any unused funds. Regardless of the method used, the PI will provide a deposit receipt as a part of the documentation to support the electronic reconciliation.
     2. If the reconciliation is related to a grant, Post-Award Support Services will approve the expenditures as allowable and in compliance with federal, state, local, or grantor guidelines, policies, and procedures. The PI must provide supporting documentation to address any and all extraordinary expenditures which in normal routine business would not be payable but are allowable in a research capacity.
     3. Accounts Payable will review the expenditures in accordance with Texas State policies and procedures. Accounts Payable will clear the research cash advance funds and record the expenses.
     4. Electronic Research Cash Advance Reconciliations that are not submitted within 30 days of the project period end date will receive past due notifications which may escalate, depending on past due aging status.

1. **REVIEWERS OF THIS UPPS**

05.01 Reviewers of this UPPS include the following:

Position Date

Assistant Vice President for Nov 1 E4Y

Research and Federal

Relations

Director of Accounting Nov 1 E4Y

Director of Post-Award Nov 1 E4Y

Support Services

1. **CERTIFICATION STATEMENT**

This UPPS has been reviewed by the following individuals in their official capacities and represent Texas State policy and procedure from the date of this document until superseded.

Assistant Vice President for Research and Federal Relations; senior reviewer of this UPPS

Associate Vice President for Research and Federal Relations

Provost and Vice President for Academic Affairs

President