

Accounts Payable - Funds Advance Procedure (503f)

Policy Supported:	Accounts Payable Policy 503		
Audience:	Staff and Students (who have been authorised by a relevant officer)		
Related Procedures:	Accounts Payable - Supplier Code Creation/Amendment Procedure (503a) Accounts Payable - Payment by Cheques and Electronic Funds Transfer Procedure (503b) Travel Payment Procedure (1502e)		
Contact Officer:	Team Leader Transaction Processing Manager, Financial Accounting	Phone:	See Campus Directory

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Objectives:

To ensure the payment of a funds advance is in line with Murdoch University's (the University) internal control procedures.

Implementation Steps:

1. Funds Advance

- 1.1.** Requestor to identify the work, research or education related requirement for a funds advance, complete the Funds Advance Request Form (Form 570) and forward to the Finance Support Team (FST).
- 1.2.** Funds advances can only be granted to staff and students and only be issued in Australian currency.
- 1.3.** Once received, the FST is required to verify that the requestor has no previous funds advance not yet acquitted. Additional funds advances will not be processed until all previous funds advances have been acquitted.
- 1.4.** Once verified, the FST is required to complete and arrange authorization of Form 581a – Creditors Payment Authority. The funds advance is to be coded to the uncleared funds advance account (posting code 26554) - with GST code N/A (i.e. GST free) pending the acquittal to the appropriate expenses code.
- 1.5.** Once completed and authorized, the FST is required to forward the completed forms to the Accounts Payable (AP) team for processing.
- 1.6.** The requestor will receive the funds advance when the Team Leader Transaction Processing (TLTP) performs the appropriate payment run.
- 1.7.** If the purpose for the funds advance is postponed or cancelled, the funds are to be returned immediately to the FST or paid back directly into the University bank account. If the funds are received by the FST, arrangements will be made for the funds to be returned to the University via the Central Cashier with the relevant account code.
- 1.8.** Funds that are transferred directly to the University bank account will be allocated to the relevant GL code by the TLTP.

2. Funds Advance Acquittal

- 2.1.** The requestor is required to acquit the funds advance within one month after the completion for the reason for the funds advance. Failure to acquit may result in the relevant recovery action, e.g. salary deduction, debt recovery, etc. In the case of students, the possibility of withholding academic results.
- 2.2.** Fringe Benefit Tax (FBT) will be applied to funds advances not used or that remain outstanding or not acquitted after six months. Any FBT arising from the funds advance will be charged against the area that authorized the funds advance.
- 2.3.** The requestor is required to forward the following acquittal information to the FST; please note all documents are to be marked "Advance Acquittal":
 - 2.3.1. Account code for funds spent (at a minimum the Project, Department and Fund Type codes).
 - 2.3.2. Original invoices/receipts supporting the acquittal (no photocopies unless prior approval is obtained from the FST).
 - 2.3.2.1. *Within Australia*

All purchases exceeding \$82.50 (inclusive of GST) within Australia must be supported by a tax invoice (purchase card receipt is not sufficient. For purchases that cost \$82.50 or less (including GST), supporting payment dockets, receipts or invoices must be presented to support your claims.
 - 2.3.2.2. *Outside Australia*

All purchases outside Australia must be supported by a receipt or invoice appropriately documenting the goods purchased or service delivered. If the receipt is in a foreign language, a brief description in English must be provided.
 - 2.3.2.3. *Lost receipt (Statutory declaration)*

On the "rare" occasion where invoices/receipts are lost, a Statutory Declaration (Form 576) may be used to accompany a claim from if the individual invoice amount claimed is less than \$100 (exclusive of GST). (**Note:** additional expense is incurred when this method is used as the GST that may have been applicable is not claimable.) Where receipts are lost, every effort should be made to obtain a duplicate tax invoice from the supplier.
 - 2.3.3. Entertainment Expense Declaration (Form 571) - completion of this form is required only if the expenses relate to meals/entertainment/gifts.
 - 2.3.4. Other appropriate forms necessary to complete the acquittal (e.g. Statutory Declaration).
 - 2.3.5. Any unspent funds; unspent funds must be returned in Australian currency.
- 2.4.** Once received, the FST is required to:
 - 2.4.1. Ensure all relevant acquittal information has been submitted and comply with Murdoch University Policy;
 - 2.4.2. The form(s) are completed correctly;
 - 2.4.3. Process and approve the relevant general journals to the appropriate expense codes;
 - 2.4.4. If the funds advance, or part thereof, is in relation to travel, confirm the Travel Diary from the travel management system has been completed and submitted (this is only a requirement if the requestor is a staff member. Please refer to Fringe Benefits Tax-Travel Diary Declaration Policy (542) for further information.
 - 2.4.5. Return any unspent funds (in Australian currency) to the University via central cashier with relevant account code details;

- 2.4.6. Forward all acquittal documentation (including the receipt from central cashier) to the TLTP for filing and updating the funds advance register.
- 2.5.** The TLTP maintains the Funds Advance Register which is available to all Finance Officers for monitoring.
- 2.6.** The Funds Advance Register is reviewed by the Senior Financial Accountant on a monthly basis.

Performance Indicators:

There are no performance indicators.

Definitions:

There are no key terms for this procedure.

Related Documents:

There are no related documents.

References:

There are no references

Approval and Implementation:

Approval Authority:	Associate Director Financial Services
Responsible Officer(s):	Manager, Financial Accounting

Revision History:

Version	Date Approved	Effective Date (if later than 'Date Approved')	Next Review Date	Resolution No. (if applicable)
Administrative amendment to attach Form 570	13/02/2019		01/03/2021	
1	01/03/2018		01/03/2021	