





<b>Policy &amp; title</b>	FND_Advances_PAY006
<b>Effective date</b>	1 January 2008
<b>Objective</b>	<p>The purpose of the policy is to:</p> <ul style="list-style-type: none"><li>• clearly define the procedures related to obtaining and clearing advances;</li><li>• set out the conditions and authorisation required to obtain advances; and</li><li>• clarify the various related processes and responsibilities.</li></ul>
<b>Scope</b>	<p>Includes all monies paid from UCT funds in advance of receipt of the correct supporting documentation. (This covers sundry, fieldwork and travel advances.)</p>
	<p> <b>Note</b></p> <p>For purposes of this policy, “fieldwork” includes class trips.</p>
<b>Applicable to</b>	<p>All UCT staff, student organisations, committee members and Joint Medical Staff on PAWC conditions of service, applying for an advance.</p>
<b>Additional Information</b>	<ul style="list-style-type: none"><li>• There are no tax implications if an advance is cleared with correct supporting documentation within<ul style="list-style-type: none"><li>- 14 days of receipt of money (sundry purposes)</li><li>- 14 days from date of return (fieldwork), or</li><li>- 28 days from date of return (travel advance).</li></ul></li></ul>
	<p> <b>Caution</b></p> <p>Should the advance not be cleared within stated time limit, the advance will be converted into an allowance. Allowances are fully taxable and will be reflected on the staff member’s IRP5. Tax will be deducted at the marginal rate from the next salary payment. Where the advance is to a student, the fund holder will only be given a new advance once the student’s advance is cleared.</p>
	<ul style="list-style-type: none"><li>• Related policies:<ul style="list-style-type: none"><li>- Subsistence &amp; Travel (S&amp;T) <a href="#">[PAY002]</a></li><li>- Mileage claims <a href="#">[PAY004]</a></li><li>- Reimbursements <a href="#">[PAY005]</a></li><li>- Asset register <a href="#">[AST001]</a></li><li>- Purchasing Card (PCard) <a href="#">[PUR002]</a></li></ul></li></ul>
	<p> <b>Note</b></p> <p>Due to efficiencies and cost saving, the use of a UCT PCard is recommended instead of an advance.</p>
<b>Policy</b>	<ul style="list-style-type: none"><li>• Monies provided for as an advance may only be used for official and approved university business.</li><li>• No further advances will be paid where previous advances have not been cleared.</li><li>• Supporting documents in the form of original receipts are required to clear the advance.</li><li>• All advances, except travel, must be cleared within 14 days.</li></ul>
	<p> <b>Note</b></p> <p>If not cleared these amounts will be reported as taxable income.</p> <ul style="list-style-type: none"><li>• In order to request an advance, a staff member must have a staff vendor number.</li><li>• Advances will be paid directly into the UCT staff member’s/student’s bank account.</li><li>• Cash advances will only be made on production of a UCT staff/student card, and are subject to a limit of R5 000.</li><li>• Cash advances <i>greater than R5 000</i> require motivation from the Faculty/PASS finance manager and <b>approval</b> from the Manager, Treasury &amp; Banking, Finance Department, via e-mail, specifying the exact date the cash is required. The e-mail approval must be attached to the advance documentation.</li></ul>


 **Note**

The UCT staff/student member is responsible for the cash collected and should take reasonable precautions to mitigate this risk.

- Where bank charges are material in relation to the advance, these can be claimed based on supporting documentation.

**A Sundry advances**

- Common examples of advances for sundry purposes include items on special offer, where credit facilities are not available (supporting documentation: written quote), cash collected on behalf of third parties (supporting documentation: letter signed by the HOD, stating the reason for the payment).
- If final supporting documentation has been issued, e.g. an invoice, the payment should be processed through the normal creditor payment system.

 **Caution**

Advances should not be seen as a route to effect cash payments to vendors.

**B Fieldwork advances**

- Advances for fieldwork must be allocated in accordance with faculty fieldwork policies or guidelines.

**C Travel advances**

- Travel advances will **not** be paid in cash, unless under exceptional circumstances. In this instance, application for exception must be made to the Manager, Treasury & Banking, Finance Department, BEFORE proceeding to UCT Cashiers Office, Kramer Building, Middle Campus, UCT. (Refer [PAY002](#)).
- Travel advances must be cleared within 28 days after the return date of the trip.

 **Note**

If not cleared, these amounts will be reported as taxable income.

- No further advances will be paid where previous advances have not been cleared.
- Before the trip, the full amount of funding received will be treated as an advance, if the applicant requests more than the allowed daily rate (refer [PAY002](#), Sections D [Local Travel] & E [Foreign Travel])
- After the trip, if actual expenditure exceeds the *allowance* received and the staff member wants to claim the difference, the total amount (allowance plus additions) will be treated as an advance.
- Foreign travel payment will normally be made using the exchange rate used by the applicant at the time of completing the application form. If the exchange rate at the time of processing the form is substantially different, then the prevailing rate will be used and the applicant informed.

**Procedure**

**A [To obtain an advance](#)**

**B [To clear an advance](#)**

**A To obtain an advance**

**1. Sundry/Fieldwork advances**

- Complete form [FM031](#).
- Obtain signature of fund holder, line manager and Faculty/PASS finance manager.
- Process the purchase order (PO) and goods receipt (GR) on SAP.
- Keep a copy of the form to clear the advance.
- Once all the documentation is completed (form SIGNED by ALL relevant parties, and purchase order RECEIPTED), there are **two** options,



**EITHER** (preferred option for safety) forward all documentation to:  
Creditors section, Finance Department, 2 Rhodes Avenue, UCT  
The advance will be deposited in the staff member/student's bank account;  
**OR**  
If a **cash** advance required, take all documentation to  
UCT Cashiers Office, Level 3, Kramer Building, Middle Campus, UCT.  
(**N.B.** With this option, Creditors section is NOT involved.)

## 2. Travel advance

- Using form [FM032](#), complete sections A, C, E & F. (See [PAY002](#), Section G [Travel advance] for detailed procedure.)
- Obtain signature of fund holder, line manager and Faculty/PASS finance manager.
- Process the purchase order (PO) and goods receipt (GR) on SAP.
- Once all the documentation is completed, mail the SIGNED form, together with RECEIPTED purchase order, to:  
Creditors section, Finance Department, 2 Rhodes Avenue, UCT  
The advance will be deposited in the staff member/student's bank account.

## B To clear an advance

- All advances must be cleared by completing form [FM033](#) (Clearing an advance) (*This form incorporates the journal entry required to clear the advance, but if expenses are more than 6 lines, use journal spreadsheet [FM014](#).*)
- All expenses incurred must be summarized per general ledger account code, and must be accompanied by the original invoice or receipt, or proof of receipt of the cash by the third parties. This creates the financial transaction to clear the advance.
- Complete form FM050 if there is missing documentation.
- Calculate the difference between the actual expenditure and the amount received as an advance.
  - If the advance received is greater than the amount to be cleared, please deposit unspent cash at UCT Cashiers Office, Kramer Building, UCT, using form [SD002](#), and attach receipt. **Do not send cash via the internal mail.**
  - If the advance received is less than the amount to be cleared, please add an additional line to the original purchase order and process via Creditors section, Finance Department, 2 Rhodes Avenue, UCT.
- Complete the required sections of the form if there is a difference between the actual expenditure and the amount received.
  - **For Sundry/Fieldwork advances**
    - Complete EITHER section **C** (over-expenditure) or **D** (unspent monies) on FM033 within 14 days of your return from the field trip or from receipt of money, and sign.
  - **For Travel advances**
    - Complete EITHER section C (over-expenditure) or D (unspent monies) on FM033 within 28 days of your return from the field trip or from receipt of money, and sign.
    - See [PAY002](#), Section G [Travel advance] for detailed procedure.
- Please ensure that the completed form is signed off by the Faculty/PASS finance manager, before submitting for processing.



**Implementation responsibility**

Each individual authorised to use or administer UCT funds for an advance.



**Note**

The line manager is responsible for ensuring all policies and procedures are communicated to and implemented by the individual(s) concerned, including research staff. The Faculty/PASS finance manager is to ensure reasonable controls exist to support the implementation of this policy.

**Contact**

Finance helpdesk  
[fnd-finance@uct.ac.za](mailto:fnd-finance@uct.ac.za)  
650-2111

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<b>Policy owner</b>	The Executive Director of Finance
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<b>Approval</b>	Finance Advisory Group

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