



RESEARCH CASH ADVANCES FOR INTERNATIONAL PAYMENTS PROCEDURE

PURPOSE:

The purpose of this procedure is to provide guidance on compensation payments made to individuals for research who are outside of the United States (US). Payment of salaries for research to individuals who are not US Citizens and are living or residing outside of the US may be subject to a number of legal, regulatory, and funder specific requirements. Therefore, any such payments will be reviewed on a case-by-case basis. The following provides a summary of the key requirements for such reviews.

I. GENERAL INFORMATION:

The following general requirements are applicable to all individuals outside of the US, regardless of the source of funding, such as:

- A. **Research Cash Advances:** Research cash advances can only be issued to Principal Investigators/Project Directors (PI/PD). Co-PIs, support staff, and students are not eligible to request cash advances. PI/PDs receiving research cash advances are personally responsible for ensuring the expenditures incurred with the research cash advance are allowable under CSUSM Corporation policies and federal, state, local, or grantor guidelines, as applicable.
- B. **Approvals:** Ultimately, requests for research cash advances are approved by the CSUSM Corporation Executive Director, but approvals by the appropriate chair and dean may also be required.

II. GENERAL REQUIREMENTS

- A. 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. The PI/PD must provide justification on the Research Cash Advance Request Form, include the purpose, and have the proper approvals.
- B. PI/PDs are allowed to request research cash advances payable to themselves to pay international field personnel. PI/PDs will be accountable for all funds provided by any research cash advance. PI/PDs cannot use personal funds and then seek reimbursement without following the research cash advance procedures.
- C. A research cash advance is issued as a one-time cash advance and will be monitored by CSUSM Corporation.
- D. Unallowable expenditures under sponsor or CSUSM Corporation policies may require the PI/PD to repay the research cash advance from personal funds.
- E. The PI/PD must substantiate expenses incurred and deposit cash equaling the unsubstantiated portion of the research cash advance within thirty (30) days after the use of funds end date of the research activities or reconciliation will be considered past due.
- F. PI/PDs in past due status are not eligible for another research cash advance until all outstanding research cash advances are reconciled.
- G. Failure to return any unsubstantiated advances within sixty (60) days from the use of funds end date of the research activities will result in the inability to continue to participate in this program in the future. The CSUSM Corporation will continue to attempt to collect which may include reminder letters and notifications to appropriate administrators. Additionally, the advance will be

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removed from the grant and recorded as an expense against the PI/PD's IDC funding.

III. SPONSOR REQUIREMENTS

In addition to the general requirements listed above, there may be sponsor specific requirements or restrictions on paying an individual outside of the U.S. Agency requirements and the award terms and conditions must be reviewed to ensure the allowability of such payments *prior* to payments being issued to individuals living or residing abroad. The following is a brief listing of major requirements:

- A. **Funding Availability and Allowability:** The award budget must be reviewed to ensure that any payments are approved and budgeted for. Examples of questions to ask as part of the review include:
 - i. Were international payments included and approved in the proposal and budget?
 - ii. Does the award have funds budgeted for the individual to be paid either as an employee, purchased services, or as a contractor/consultant?
 - iii. If the funding is for payments to employees but the individual will be paid as a contractor/consultant or by purchasing services, does it require prior agency approval for re-budgeting?
 - iv. Do allowances need to be made to address fluctuations in currency or additional taxes and if so, does the sponsor permit such allowances?
- B. **Sponsor Notifications:** Agency notification requirements will be reviewed by the Office of Sponsored Projects (OSP), as applicable, to determine if prior approval is required. Prior approval should be obtained in writing and included with the sponsored project file. Examples of agencies with restrictions include:
 - i. National Institutes of Health: For NIH awards, paying an entity or institution outside of the U.S. could be subject to disclosure to or approval by NIH; consult with the NIH Grant Management Office prior to placing an individual's salary payments on an NIH award. Paying an individual outside the U.S. is not considered to be reportable as a foreign component.
 - ii. National Science Foundation: NSF has certain restrictions on payments of salaries or support for non-U.S. persons outside of the U.S.
 - iii. Consult with OSP on specific agency requirements for sponsored projects.

Based on the information above, it is a prudent and necessary practice to review payments to individuals outside of the U.S. on a case-by-case basis. Once the review is completed, document the allowability of payments and/or the individual's HR file to help ensure compliance with any regulatory or funding requirements.

IV. REQUESTING A RESEARCH CASH ADVANCE

The PI/PD must complete and submit to OSP a Research Cash Advance Request and attach a Direct Pay Form using account code 107806 – Rsrch Advance Clearing-AuxOnly, prior to the distribution of payments. Approval from the PI/PDs one-up supervisor is required.

- A. Ten (10) working days should be allowed from the date the Research Cash Advance Request is submitted for processing. The date the research cash advance funds are needed is required on the request. The PI/PD should not request the funds earlier than needed.
- B. If the research cash advance is funded by a grant, in part or in whole, the request will be routed to OSP for review prior to approval by the CSUSM Corporation Executive Director.
- C. Upon approval from the CSUSM Corporation Executive Director, the approved request and Direct Pay forms will be routed to Accounts Payable to process the payment. A Payee Data Record (204) form must be submitted with the Direct Pay form.

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- D. Accounts Payable will issue a check payable to the PI/PD. The maximum amount that can be requested is \$5,000.

V. RECONCILIATION OF RESEARCH CASH ADVANCE

- A. Within thirty (30) days of the approved research cash advance request, the PI/PD must complete a Research Cash Advance Distribution Log and Reconciliation form and route to OSP for review. The Research Cash Advance and Distribution Log to account for the research cash advance funds must be attached.
- i. If the reconciliation is related to a sponsored project, OSP will approve the expenditures as allowable and in compliance with federal, state, local, or grantor guidelines, policies, and procedures. The PI/PD 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.
 - ii. Accounts Payable will review the expenditures in accordance with CSUSM policies and procedures. This procedure is a known exception whereby Advances may be used to pay for services in a foreign country as established by this procedure. Accounts Payable will clear the research cash advance funds and record the expenses once approval and documentation is provided by OSP.
 - iii. Research Cash Advance Reconciliations that are not submitted within thirty (30) days from the date of advance will receive past due notifications which may escalate, depending on past due aging status. OSP will track the Research Cash Advance Reconciliations and follow up with PI/PDs as necessary.

VI. ROLES AND RESPONSIBILITIES

Principal Investigator/Project Director

The PI/PD is responsible for initiating and approving all expenditures, including research cash advance requests, and ensuring that they are allowable, allocable and reasonable, in accordance with the budget, and compliance with this procedure and sponsor terms and conditions. Refer to the [Cost Principles Policy](#) and [Procedure](#) for more details on how to determine when costs are allowable on a sponsored project.

Office of Sponsored Projects: OSP is responsible for the reviewing and approval of expenditures that meet the allowable, allocable and reasonableness test and be in accordance with this procedure, the approved budget, applicable regulations and sponsor terms and conditions. Once approved, the assigned SPA will forward expenditure documents to Accounts Payable or other department, as appropriate, for payment processing. Once all documentation is received to support the advance, OSP will provide the documentation to Accounts Payable to record the expenses and clear the Research Cash Advance Receivable Account.

OSP will issue demand letters with a copy to the one-up supervisor for unsettled research cash advances and report to Accounts Payable any amounts unsubstantiated.

Accounts Payable: Accounts Payable is responsible for reviewing the Research Cash Advance for appropriate approvals and issuing the advance. They will also be responsible for processing the entry to clear the Research Cash Advance Accounts Receivable account and recording the expenditures. Accounts Payable will reconcile the Research Cash Advance account monthly and provide to OSP so they may follow up on any items that need to be cleared in a timely manner.

VII. DEFINITIONS

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Research Cash Advances: funds provided to a PI/PD prior to initiation of research activities to facilitate expenditures for the activity that are impossible or impractical to make through the normal CSUSM Corporation 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 CSUSM Corporation. These projects may be internally- or externally-funded.

Past Due: a research cash advance reconciliation that has not been submitted within thirty (30) days after use of funds end date.

Principal Investigator/Project Director: The individual (whether referred to in the contract or grant as a Principal Investigator, Project Director or other similar term) designated by the Sponsored Program Administrator to be responsible for ensuring compliance with the academic, scientific, technical, financial and administrative aspects and for day-to-day management of the sponsored program.

Substantiated Expense or Substantiated Funds: expenses that are documented by payment 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.

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.

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 (4) month period. If use of the funds project is longer than four (4) months, a complete substantiation or reconciliation of the expenditures and unused cash must be completed, and unused cash returned to CSUSM Corporation 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.

Links to Policies and Regulations

Uniform Guidance, [2 CFR 200](#)

2 CFR 200 [Subpart E](#)— Cost Principles

[CSUSM Corporation Policies and Procedures](#)

[CSUSM Corporation Cost Principles Policy](#) and [Procedures](#)

[Office of Management and Budget \(OMB\) Uniform Guidance 2 CFR 200](#)