

<u>POLICY</u>	<u>NO.</u>	<u>DATE APPROVED</u>
Advance payment to Employees for purchases	E-101	5/19/09

PURPOSE: To establish policies governing payments made in advance, with substantiation to follow.

POLICY:

- A. Advances may be requested to purchase merchandise only. No advances will be issued for services, or lease or equipment rentals, in order to comply with IRS regulations on the issuance of form 1099-MISC.
- B. Substantiation and any excess of the advance over the substantiated amount will be submitted to the Business Manager within 60 days of the issue date of the advance.
- C. If a worker has an advance outstanding for more than 60 days, the Business Manager has the right to refuse additional advances until the advance has been cleared.

PROCEDURES:

<u>WHO:</u>	<u>WHAT:</u>
Employee requesting advance	In the description section of the request for check form, states the type of merchandise to be purchased (e.g., printer toner) and indicates "RECEIPT TO FOLLOW." Follows regular procedures to obtain check.
Employee requesting advance	After receiving the merchandise, submits the substantiation to the Business Manager.
Business Manager	Verifies that the item(s) purchased matches the advance request and the amount is correct, or any difference is refunded or paid.