These guidelines and procedures define the instances and conditions under which the University of Victoria may issue an accountable advance for distribution to Indigenous payees or for Indigenous events and ceremonies. If you have additional questions relating to accountable advances, please contact Accounts Payable.

An **accountable advance** is a short-term cash payment made to an individual to cover upcoming University expenditures where all other University payment options have been examined and are not feasible under the circumstances. Accountable advances are not intended to replace payment requests, purchasing cards, reimbursement claims, or where other forms of procurement and payment are available or required. Accountable advances require additional administrative time and effort to approve, process and pay and once the requirement for funds are complete, must be reported on to be allocated to the proper expense category. The advance will be made in the name of the employee requesting the advance who is personally responsible for the secure storage, disbursement and clearing of the funds advanced.

**Appropriate Uses:**

- For personal security, cash control and regulatory reporting, it is recommended that a payment be requisitioned and acquired prior to an event for presentation, where possible. To request payment, submit a completed "Payment Request – Indigenous Payees" form. This is appropriate in circumstances where it is culturally appropriate to make the payment by either cheque or direct deposit and the payee name is known at least 7 days before presentation. This form is not applicable to UVic employees. For payments to employees, please use the Payroll “Special Payments” form.

- Depending on the circumstance, it may be culturally appropriate to distribute cash payments as gifts of appreciation for events or ceremonies that include participation by Elders or other Indigenous participants. In these circumstances or when the payee’s name is not known at least 7 days before the payment is to be presented, an accountable advance for the cash payment of the honoraria is acceptable. The "Accountable Advance Request – Indigenous Events/Services" form is used to request the initial payment to the employee responsible for distributing the honoraria and the "Accountable Advance Clearing – Indigenous Events/Services" form is used to clear the advance and track amounts to the final payee. Instead of asking the payee to sign a receipt, this form requires a witness to sign to confirm disbursement. If cash payments are made to UVic employees, Payroll must include these payments on the employee’s T4 as taxable income.

- An honorarium is a small token payment of a gratuitous nature made in thanks for an individual volunteering a service. However, in certain circumstances, it may be culturally appropriate to also pay in cash for goods purchased in relation to an Indigenous ceremony.
or event. If an accountable advance has been issued to pay for honoraria, a portion of these funds may be used to pay for goods, provided the payee has supplied an invoice or other appropriate paperwork to verify the purchase. Ensure that the purchase is applied to the correct FAST code when clearing the advance.

- Review the information provided in the “Step-By-Step Payment Guide - Indigenous Payees” provided on the Accounting Services website to determine the best way to proceed with payment and what specific pieces of personal information need to be collected

**Eligible Advance-holders:**

UVic faculty, librarians and regular staff are eligible to request an accountable advance, given that the purpose of the funds meet the parameters laid out above. An accountable advance is a payment issued in the name of the faculty, library or staff member and they are responsible for its general safekeeping and to ensure that it is coded and cleared properly. This means holding the individual accountable for ensuring that:

- If the funds are withdrawn and stored as cash, that they are kept in a secure location
- The funds will be spent only for the purposes outlined and approved on the application form
- Settlement of the funds, as outlined below, are completed properly and in a timely fashion
- Unused funds are promptly returned to the University

**Required Approvers:**

Accountable advances follow the same signing authority rules as for expense claims. The FAST account budget holder to where the expenses will ultimately be charged must authorize the advance of funds. Further, if the FAST account holder is the applicant or is not the supervisor of the applicant, a one-over-one signature must be obtained. Sponsored research funds may require other approvals. Contact Research Accounting before requesting an advance to confirm any additional requirements of the funder.

**Request Processing Timeline:**

Properly completed and authorized requests for accountable advances must be received in Accounts Payable at least 7 business days prior to a cheque can be issued. Payment method, such as cheque or direct deposit, will be made according to the default payment method in the payee’s profile. Advances will be paid in Canadian dollars only.
Clearance Processes:

Clearance occurs by:

- Submitting a properly completed and authorized “Accountable Advance Clearing – Indigenous Events/Services” form including any other appropriate supporting documentation to account for the expenditures
- If there is an outstanding balance of the advance, it is repaid by cheque, made payable to the University of Victoria. Repayments must be made at Accounting Services reception desk and must accompany the completed clearing paperwork.

In general, accounting rules state that expenses should be accounted for in the period in which they were incurred. In order to ensure this, advances cannot be outstanding over a fiscal year-end. All applicable settlement documentation, as outlined below, must be submitted by March 15th of each year and subsequent advances requested as at April 1st.

Clearance information is to be received in Accounts Payable within 30 working days following the event or presentation. If sufficient clearing information is not received, it will be assumed that the entire amount of the advance has been personally retained by the requestor and therefore a T4A will be generated in their name as taxable income.

If you have additional questions relating to accountable advances, please contact Accounts Payable at 250-472-4525 or at askacct@uvic.ca.

Related Forms and Information:

- “Payment Request-Indigenous Payee” form with instructions on reverse
- “Accountable Advance Request-Indigenous Events/Services” form with instructions on reverse
- “Accountable Advance Clearing-Indigenous Events/Services” form with instructions on reverse
- “Step-By-Step Payment Guide - Indigenous Payees”
- “FAQs – Payments for Indigenous Events/Services”