

DEPARTMENTAL PROCEDURES FOR PETTY CASH PAYMENTS TO RESEARCH PARTICIPANTS

IRS regulations state that a W-9 form, or substitute, must be on file for each individual or vendor that we pay. The following procedures are to be used, effective **immediately**:

- Set up a Petty Cash Fund with the Treasury Reporting Department, if needed.
 - Create a list of all research participants involved in the study. The Participants List must include the full name and the total amount to be paid to each individual.
 - Each participant must complete a Substitute W-9 Form for each payment received.
 - The custodian must mark the participant off the list when he has been paid in full, or adjust the list for the amount of the reimbursement, if not paid in full.
 - Beside the participant's name, the custodian will initial and date each reimbursement.
- After paying individuals, submit a Direct Pay Request **to reimburse the Petty Cash fund in your department**. The format for the vendor's address portion must be:

Petty Cash Custodian Name
Department Address
Richmond, VA (departmental zip code + box number)

- The original Substitute W-9 Form for each individual that received payment must be attached to a printed copy of the Direct Pay Request. Forms must be legible or may be returned to the department for clarification before being reimbursed.
- Send a printed copy of the Direct Pay Request with W-9 forms attached to Accounts Payable, Box 980327 on at least a monthly basis.
- Be sure to allow plenty of time. You normally will receive your reimbursement within two (2) weeks.
- The information on each individual will be entered into a data set by Accounts Payable, and if payments reach \$600.00, they will be reported to the IRS on a 1099 Miscellaneous Income Form.

Once your study has been completed, you must close out your petty cash fund and reimburse the University's petty cash account as follows:

- If you have any cash on hand, please prepare a Deposit/Receipt form and submit the money to the Cashier's Office at 1015 Floyd Avenue, 1st floor. The Banner Index to be credited is PCASH.
- If you have receipts (W-9 forms), please submit with a Direct Pay Request to Accounts Payable. You will receive a check.
- Once you receive your check, prepare a Deposit/Receipt form and submit it to the Cashier's Office at 1015 Floyd Avenue, 1st floor.
- You will also need to complete a "Request for Petty Cash or Change Fund" form noting closure of your petty cash fund. Attachment B must also be completed. Both forms must be sent to Cameron Sawyer, Box 843055 to ensure closure of your fund.

If you have any questions regarding these procedures, please contact:

- a) Cameron Sawyer at 7-1882, if the question relates to how to obtain Petty Cash Funds;
- b) James Stables at 8-4365, if the question relates to how to complete the Deposit/Receipt Form;
- c) Africa Parris (A/P) at 8-1077, if the question relates to the reimbursement of funds through the Direct Pay Request.