



Guidelines for Providing Research Subject Incentives Using a Petty Cash Fund

Purpose

The purpose of this document is to provide faculty and staff with guidelines for using a Petty Cash fund to pay one-time research subject incentives in a research project. The payments are generally small amounts. If payments to a single individual may total more than \$600, additional reporting is required. Funds obtained for research subject incentives cannot be used for the payment of personal services that would be considered independent contractor payments.

Establishing the Fund

The Principal Investigator (PI) should complete and sign the [Petty Cash Request](#) form. If the expenditures will be charged to a fund beginning with a "2", the form should be sent to the Office of Sponsored Programs (OSP) for approval. The OSP will approve the requested amount and provide the end date of the project/grant.

The following information should be included and attached to the Petty Cash Request form:

- Frequency of fund use
- A copy of the written approval from the Office of Research Integrity & Assurance.

OSP will forward the approved request to Accounts Payable for approval and check disbursement if the expenditures will be charged to a sponsored project. If the Petty Cash account will be used for non-sponsored research, send directly to Accounts Payable. The petty cash must be issued in the form of a check payable to the custodian, who is the person responsible for managing the fund. When the check is ready, Accounts Payable staff will contact the custodian. The custodian must pick up the check in person and present a University photo ID at Purchasing and Accounts Payable, University Hall, Suite 4200. Upon receipt of the check, the custodian will sign a [Petty Cash Receipt of Funds and Certification of Responsibility](#). The custodian may then cash the check and hold the funds in a secure location at Mason.

Maintaining the Fund

The custodian **MUST** store the Petty Cash fund in a secure location such as a locked drawer or cabinet. The key to the drawer or cabinet must remain in the custodian's possession at all times. A log of payments to research subjects must be kept for all disbursements. For each disbursement [the log](#) should include:

- The date of disbursement
- Code number of the recipient
- Method of payment (cash, gift card, etc.)
- The amount paid to the recipient
- The description of the expenditure (parking fee, subject payment, etc.)

The PI should maintain a separate key with subject names and code numbers. The PI is responsible for maintaining the key that cross references to the code for **ten years**.

The total of funds disbursed as recorded in the completed log plus cash on hand must equal the total amount of the Petty Cash fund at all times.

If an individual receives \$600 or more in a calendar year, the PI must also obtain the Social Security Number and address of the recipient. The PI must notify Accounts Payable; Mason will issue a 1099-Misc to the recipient at the end of the calendar year.

In the event of a theft of petty cash funds, the custodian should immediately notify the Campus Police Department and then Accounts Payable. The department is responsible for funding replacements of any petty cash fund shortages.

Request Replenishment of the Fund

When the petty cash custodian determines that cash on hand is low, the fund may be replenished. The custodian must complete the [Petty Cash Reimbursement Request](#) form (PCRR), sign, date, and attach all receipts/or log of payments to the request. The form should be submitted to the Petty Cash Officer, Accounts Payable, MSN 3C1. The custodian should allow five business days for the reimbursement request to be processed.

The replenishment check will be charged to the grant/fund as processed.

If a petty cash account has no activity for 90 days or more, the petty cash account should be reconciled, verified and closed.

Request to Increase Amount of Fund – Sponsored Project Fund

If additional funds are needed, send completed form to OSP for approval. OSP will forward the form to Accounts Payable.

Closing the Fund/Completing the Project

When the project is complete, the PI must close the Petty Cash fund by completing section C (Closing Fund) on the [Petty Cash Request](#) form, obtaining appropriate approval and attaching all receipts and/or the log of payments. The fund should be closed no later than two weeks after the project is complete. Failure to close out a petty cash fund within 30 days of the date the fund is scheduled to be returned may result in an immediate deduction of the outstanding amount from the custodian's paycheck.

If some cash has not been disbursed, complete a Cash Receipt form with the following information:

Bank code: 5
Fund 18213, account 13136.
Description: Custodian's name

The Cash Receipt should be hand-carried to the Cash Office with the actual amount of cash remaining for deposit. A copy of the Cash Receipt should be attached to the Petty Cash Closing

form and sent to Accounts Payable at MSN 3C1. The total disbursement will be charged to the grant/fund.