Custodian Funds – Temporary Fund Procedure
Procedure #: 200.2
Rev.: 0
Effective Date: June 29, 2018

Related Policy: 200: Custodian Funds Policy
Functional Owner: Cash Management, Business Services
Contact: Custodian Funds Mailbox: custdnfd@bussvc.wisc.edu

Contents

I. Procedure Statement
   The University of Wisconsin-Madison conducts research studies that are less than 1 year and the research participants are compensated with payment by cash or gift cards. Temporary Funds are used when the research participant study will be for less than 1 year. Thus, it is not feasible to set up a UW-Madison checking account.

II. Who is Affected by this Procedure
   This procedure applies to all Deans, Directors, Financial Officers, and staff involved with research participant studies that provide payments by cash or gift card to research participants.

III. Procedure
   A. Opening a Temporary Fund
      The following steps represent the overall process for opening a Temporary Fund:

      1. Custodian obtains the NR Number from the NR Number Generator. The NR Number from the NR Number Generator is required on some of the necessary forms for opening a Temporary Fund.
2. Custodian completes the following forms and obtains the necessary departmental approvals:
   a. **Custodian Fund Request Form**, including the justification on the form explaining the purpose of the study and how it is linked to the project.
   b. **Custodian Fund Budget Form**
   c. **Custodian Fund Agreement Form**

3. If 133 or 144 funds will be used to purchase gift cards, the Custodian or Dean/Director’s office needs to obtain written approval from Research and Sponsored Programs (RSP).

4. Custodian routes the signed forms and if applicable written approval from RSP to purchase gift cards and/or the exempt self-certification paperwork from the Institutional Review Board (IRB) to the Dean/Director’s office.

5. Dean/Director’s office verifies that the Custodian needs a Temporary Fund by verifying that:
   a. The research study will be for less than 1 year.
   b. The research study has an IRB Number or self-certification paperwork showing that no IRB approval or certification is necessary.
   c. Each payment to a research participant will be $249 or less.
   d. The payment to each research participant is by cash or gift cards.

6. Dean/Director’s office verifies accurate funding information.

7. Dean/Director’s office reviews the documentation and signs the necessary forms.

8. Dean/Director’s office keeps a copy of the forms for internal records.

9. Dean/Director’s office sends the original forms via inter-d mail or e-mail to the Cash Management Office (cstdnfnd@bussvc.wisc.edu).

10. Cash Management processes the request. Custodian Fund Requests will be processed no sooner than 15 business days before the beginning date indicated on the Custodian Fund Request Form. Accounting Services will either mail a check to the address indicated on the Custodian Fund Request Form or the check will be available for pick-up. See Policy 106 on check distribution for more information.

    **NOTE:** Once Cash Management receives the request, it takes 7 to 15 business days for a request to route through the system before a check is issued.

**B. Maintaining a Temporary Fund**

The following steps represent the overall process of maintaining a Temporary Fund:

1. Maintain a [research participant log](#).

2. Maintain security of cash and/or gift cards.
C. Closing a Temporary Fund

The following steps represent the overall process for closing a Temporary Fund:

1. Custodian completes the Custodian Fund Accounting Form and obtains the research participant log.

2. Custodian obtains the necessary departmental approvals for the Custodian Fund Accounting Form.

3. If the full amount of the Temporary Fund is not used, the Custodian writes a personal check to the University of Wisconsin – Madison for the remainder of the Temporary Fund that was not distributed to research participants.

4. Custodian routes the completed/signed Custodian Fund Accounting Form, research participant log, and if necessary the personal check to the Dean/Director’s office.

5. Dean/Director’s office reviews the documents and signs the Custodian Fund Accounting Form.

6. Dean/Director’s office keeps a copy of the documents for internal records.

7. Dean/Director’s office sends the original documents and if necessary a personal check from the Custodian to the Cash Management Office. Ensure the personal check is restrictively endorsed “For Deposit Only” on the back of the check.

8. Cash Management processes the closing request.

IV. Definitions

- Custodian – UW-Madison employee who is responsible for monitoring the cash advance for research participant studies.

V. Related References

- 200: Custodian Funds Policy
- NR Number Generator
- Policy 106: Check Distribution
- Custodian Fund Request Form
- Custodian Fund Agreement Form
- Custodian Fund Budget Form
- Custodian Fund Accounting Form
- Research Participant Log
### VI. Revisions

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