

Common problems with advances

Problem	Solution	Comments
All advances		
Advances are "forgotten" by recipients or they deny receiving them	All advances are signed for by the recipient	Essential from the start
Advances are "forgotten" by the organisation or not accounted for or not repaid	All advances are recorded in a cash book and in an advance register	If there are many advances, it is worth keeping an advance register. This will help you monitor the accounting for and repayment of advances
Team members do not understand their responsibilities for accounting for or repaying advances	Team members can only receive advances after they have signed the advance regulations	Accept that some advances will be paid before the regulations have been drawn up but prepare them as soon as possible
Personal and organisational expenses are muddled	Keep them separate Programme advances are only made for expenses for which the organisation is responsible Personal advances are for personal expenses	Internationally recruited team members who are paid their salary outside the programme country sometimes face difficulties obtaining cash for personal expenses (e.g. entertainment, newspapers) which are not the responsibility of the organisation. They should be encouraged to find a solution and repay any debt to the organisation as soon as possible. A possible solution is to arrange to pay part of their salary locally by agreement with Headquarters.
Advances become complicated	Advances are only made by one designated staff member	Team members often do advance or more correctly loan cash, to each other. But make sure that so far as possible team members settle these loans between themselves. They will not then have to be entered into the organisation's accounts.
Personal advances		
Staff come to see the organisation as a bank providing interest free loans on demand	Only approve personal advances in exceptional circumstances if at all	May be better never to give any personal advances
A further advance is requested before a previous advance has been repaid in full	Do not consider	

Programme advances		
Payments are made without proper receipts	Proper receipts are required for all payments Payments without proper receipts will not be accepted and the cash will have to be refunded by the team member	Insist that all payments are at least recorded in writing Accept that some payments will not have proper receipts especially in the early days of an emergency Make sure that receipts are used as soon as possible especially for larger payments Watch out for and be tough on anyone who does not provide receipts Act quickly, if you find any dishonesty, see Controls
Cash from an advance is lost or stolen	The missing amount will be deducted from the team member's salary unless they can show a police report	Ask the team member to write a report if they can not get a police report Use your judgement but it is better to be tough.
Money is spent on activities which have nothing to do with the programme's purpose and goal	This should be taken out of the team member's salary	Check whether team members understand the programme purpose, goal and budget Consider exceptions in the early days but tighten up as quickly as possible.
A further advance is requested without accounting for a previous advance	No further money is made available without accounts for the previous advance	Only allow this in the earliest days Time pressure is not usually the reason – it is more likely to be a warning sign that no records are being kept or cash has been lost or cannot be accounted for Remember - sorting out any problem gets more difficult if you ignore it
Losses or unaccounted money are covered by requesting further advances	Cash balances are checked regularly and each time that a further advance is made	Get team members into the habit of having their balances checked as soon as possible