APPENDIX E

CUSTODIAL FUND FOR INTERNATIONAL FIELD RESEARCH OR FIELD OPERATIONS

The University may authorize funds to be used by a designated custodian to meet a specific operational need within the custodian's area of responsibility. In order for a custodial fund to be authorized, circumstances must be such that normal payment procedures (KFS Purchasing, the university P-card, or the disbursement voucher) are not adequate to meet the operating needs of the department. Typically this means demonstrating that the vendor cannot accept check, wire transfer, credit card, or foreign draft payment due to systemic limitations in the foreign country or due to the vendor being unknown until the IU employee is on the ground. The custodial fund should be for the smallest amount possible to minimize risk to the custodian and institution.

Two thresholds to keep in mind:
- FMS Cash Control advises that the administrative burden of setting up a custodial fund is typically not warranted if total anticipated out-of-pocket expenses are $300 or less.
- IU Accounts Payable guideline is that DV reimbursement for out-of-pocket expense in excess of $500 is generally not allowed.

Custodial Fund [http://www.fms.indiana.edu/cashcontrol/Custodial_Funds.asp](http://www.fms.indiana.edu/cashcontrol/Custodial_Funds.asp)
Contact: Bryan Keleher at keleherb@iu.edu

INSTRUCTIONS

1) Separate anticipated travel expenses from non-travel expenses. Typical non-travel expenses in the international context might be: international mobile phones/phone cards; equipment; office supplies (batteries, memory cards, folders); books; maps; photocopies; payments for services performed (translator, guide, security guard, videographer); subject payments for field research; affiliation fees for access to archives; shipping charges (except those related to visa/passport purchases).

2) Explore options to pay for non-travel expenses through normal IU Purchasing means. Consider contracting with a local partner to send one international wire transfer and have the local partner handle on-the-ground expenditures.

3) Contact Bryan Keleher to open a custodial fund for the smallest reasonable amount. Start the process of opening the fund at least 3 weeks before departure.

4) Fiscal officer should discuss with the custodian the most secure way to handle custodial funds:
   - Consider DV to IU PayCard rather than carrying cash.
   - Consider sending custodial funds by Western Union rather than carrying cash.
   - Print payment certification forms in advance of trip (short-form foreign independent contractor-type agreements are still required for payments made through the custodial fund greater than $100).
   - Carry a receipt book (can be purchased from Guy Brown for less than $5).

5) Reimburse and reconcile the custodial fund on a timely basis (at minimum every six months). Do not submit travel receipts through the custodial fund.

6) Reduce the outstanding balance of the custodial fund to the smallest possible amount if project needs change. Close the custodial fund as soon as possible when project is completed.