Hello and welcome to the Expense Preparers training presentation. It is expected that if you are reviewing this presentation, you have already reviewed the Business & Travel Expense Policy Overview presentation. Please note that this presentation is not intended to be a detailed review of all aspects of the Business and Travel Expense policy. For detailed information about the policy, please visit the policy document which is available on the Business & Travel Expense website.

Rather, this presentation is intended to assist business expense preparers in determining how to prepare expenses – regardless of how they were incurred. Expense preparers may process their own university business expenses or the expenses of others, if they have been designated to do so.
As a preparer of business expenses, there are certain questions that may need to be answered in order to begin the expense preparation process. Examples may include the following considerations:

- Who is the report being prepared for? This may determine the method used to prepare the expense. For example, an expense report can be completed in Oracle if the person who incurred the expense is an employee of the University. However, if the expenses relate to someone who will be working for the university, but has not yet officially started or employee who is doing work for the university in some capacity, a paper expense report would need to be completed.

- Next, what type of expenses are being reimbursed? Are the expenses related to travel? Are the expenses related to purchasing card transactions? This determination will drive what the preparer will do to process the expenses through to payment.

- Did the person who incurred the expenses provide the preparer with all of the necessary receipts and any other supporting documentation that may be required?

- What Oracle account string(s) will be charged? Is it a Grants string, a GL string, or maybe both?

- If the expenses relate to travel and per diem rates will be used, did the traveler provide the per diem information for the location of their travel?

The answers to these kinds of questions assist the business expense preparer in determining how to process the expenses. If you are an experienced expense preparer you are probably already asking yourself these types of questions, you may just need to think about how your normal questions and answers are impacted by this expense policy.
Let’s start with expense reports for non-employees or those who are not active employees of the University – this could include individuals without an active HREM record, courtesy appointments, retirees, directory employees, and terminated employees. Expense reports for these types of individuals can not be submitted via the Oracle Expense Reports application.

If a business expense preparer attempts to process an expense report through the Oracle Expense Reports application, the preparer will notice that the individual’s name will display with a ‘Non-Active Employee’ designation. The preparer will not be able to move past the very first step of the Oracle Expense Report process and will instead receive an error message.

Expense reports for these types of non-active employees will need to have a Non-Employee Expense Report Form completed and submitted to the Travel and Expense Reporting group (located in the UTDC) for processing. Please note that for non-Employee’s, the original receipts of $75 and greater that support the expenses on the form should be included with the Non-Employee Expense Report form. Copies of the receipts for Non-Employees are not acceptable. Also, it should be pointed out that ALL Non-Employee Expense Reports must be processed for payment by the Travel and Expense Reporting group and that the Hub will no longer be processing forms that are $25 or less. If you need to use the Non-Employee Expense Report form, please note that it has been revised and is available on the Finance Division site.
As mentioned previously, if a business expense preparer attempts to create an expense report in Oracle for an individual who is not an active employee in HREM, an error message will display in Oracle. This error message occurs if you have chosen an individual who has ‘Non-Active Employee’ associated with their name in Oracle and if you try to advance from Step 1 in the expense report creation process to Step 2. Please note that if there are questions about an individual’s non-active status, those questions should be directed to either the HREM administrator associated with the individual and/or Human Resources.
In order for a non-employee to be reimbursed for their university related expenses, the Non-Employee Expense Report must contain a detailed explanation that supports the relationship of the non-employee to the university. The business purpose of the expenses must be clearly described on the form and documentation that supports the expenses must be attached to the form as well. Finally, the form must be approved by someone within the department who has the appropriate financial oversight to approve the expenses.

Once the form is completed and sent to the Travel and Expense Reporting group, the non-employee expense report will be audited prior to payment to ensure the presence of a valid business purpose (including the relationship the individual has with the university), accuracy, and proper supporting documentation. As mentioned earlier, unlike the process for CMU employees, the original receipts for the non-employee expense reports should be included with the packet of information that is sent to the Travel and Expense Reporting group. Additional information may be requested of the preparer of the Non-Employee Expense Report and/or the individual requesting reimbursement.
There are guidelines around when a non-employee or student will be reimbursed for expenses they may incur due to traveling such as: when travel is required by contract between the individual and the university, when the travel is part of an established educational program where the costs are included in the educational program fee charged to the individual, when the individual is participating in research or group educational activities at the request of the university, when the individual is participating in approved student events or activities; when the individual is recruiting for the university, or other circumstances that are approved in advance by a department head, dean, or designated departmental finance representative.
For CMU employees, receipts for expenses that are $75 and greater should be scanned and attached to the Oracle expense reports as well as the Oracle procurement card verification reports when submitted for approval. Reports submitted for approval without required receipts will be returned automatically by Oracle back to the preparer.

Due to the change in the process whereby the final approval before payment of expense reports and purchasing card verification reports is within the department, the confirmation page and original receipts should not be submitted to Payables. Rather, the original receipts for the expenses should be retained in the department per your department’s specific guidelines. If there are questions about the requirements of retention you can refer to the Record Retention Policy for more information.
Attaching receipts to expense reports is the same process as is done for procurement card verification reports. Receipts are attached during the Review step of the expense report creation process. There is an Add button available in the General Information section of the Review Page that when clicked will launch the ‘Add Attachment’ window. The ‘Add Attachment’ window requires that a description be entered that will be associated with the receipts attached. Once a description is entered, a type of ‘File’ should be selected and then the ‘Browse’ button should be used to find the scanned receipt document from wherever it is was saved when you scanned the receipts. You can attach all required receipts and documentation as one file, or you can attach multiple files to the report.
Once the attachment is saved to the report, a Confirmation message appears. At this point, after reviewing the expense details, the report can be submitted for approval. Once again, if receipts were required based on the dollar amount of the expenses and the report was submitted for approval without the required receipts, the report is automatically returned to the preparer. The returned report will be available in the ‘Update Expense Reports’ section of their Expense Report home page to be updated with the scanned receipts and re-submitted for approval.
Here are some quick tips to keep in mind when you are scanning receipts or documentation that will be attached to a report.

- The preferred file format is PDF

- Making the page orientation portrait consistently makes the receipts easier to review

- As does, making sure that the documents you scan are legible

- You can attach multiple receipt files to a report and should try to scan and attach the receipts in the order of which the transactions appear on the report

- If you would like some additional instruction on attaching scanned receipts to a report, there is an online tutorial available on the Finance Training website.
The required receipts that are scanned and attached to the expense reports and procurement card verification reports must be originals (copies of receipts are not acceptable) and receipts associated with credit card charges must be detailed. Tear-off stubs from restaurant receipts are not acceptable; rather, they should be accompanied by a cash register receipt. Personal credit card statements are acceptable as receipts only if no other form of receipt is available but you should make sure that you indicate that the original receipt is missing in the justification field.
When preparing expenses related to meals and restaurants, the receipt should have the name and location of the restaurant, the number of people served, the date of the meal and the total amount of the expense. When processing airfare expenses that were paid for with personal funds, proof of payment is required. A credit card statement alone is not sufficient documentation. Rather, a flight booking confirmation page is more appropriate as it contains all of the flight details, the passenger name(s), and the payment information. It is important to note that travel itineraries are not considered to be receipts – although they do provide the approver with an understanding of the flight times and locations.
You should use the following list as general guidelines for the type of information that should be provided on a receipt in order for the receipt to be considered adequate support for the expense. Information that should be available on the receipt includes: Merchant Name, the date of the purchase, a reference to the method of payment (whether it be cash/credit card/or check), the total amount of the purchase, and a detailed listing of items purchased.
In terms of receipts, this is an example of an acceptable restaurant or meal receipt. Both receipts are required to be scanned and attached as just one of these receipts alone does not provide the information that is required. The name and location of the restaurant, as well as the date of the meal, appears on this receipt example. The detailed receipt shows the number of meals purchased and this receipt also happens to include the number of guests at the table. The details of the meal receipt also show whether or not alcohol was a part of the meal which is critical in allocating the charges appropriately. In this case, the alcohol purchased during the meal is listed in detail so that the alcohol expenses can be separated out of the meal expense and charged to the alcohol expense type. Finally, the receipt given for signature shows the total amount of the meal with tip included.
This lodging receipt provides the preparer with some good information. The dates of stay are listed so that we know that the lodging is for only one night. It confirms for the preparers the location of the hotel. And, nicely enough for us, this receipt breaks out the charge for the room, the and the charge for the alcohol from the honor bar. With that information, we can be sure to charge the alcohol to the appropriate expense type.
This is an example of an acceptable rental vehicle receipt. The detail on this receipt provides knowledge as to whether or not the individual purchased insurance through the rental agency. Listed here are abbreviations for different types of insurance coverage that are commonly used by rental vehicle agencies. You’ll notice that on the receipt itself, there are several insurance codes – LDW, LIS, and PAI, PEC. These stand for Loss Damage Waiver, Supplemental Insurance, Personal Accident Insurance, and Personal Effects Coverage. The receipt shows that the traveler declined these insurance charges which is appropriate under the business and travel expense policy. It is important to look for these insurance abbreviations because depending on the situation, there are times when various types of insurance should or should not be purchased from a rental agency. For more information on insurance, you can contact the Risk Management Office.
The receipt in the upper left is an example of an acceptable receipt for ground transportation because it displays the required elements – including the name and location of the merchant, the date of the expense, and the total amount of the expense. If a tip was provided, the tip amount can be written onto the receipt for reimbursement.

In the lower right you can see a receipt that is clearly inadequate – there is no indication as to the name or location of the merchant, there is no date associated with the expense, and no detailed expense information to support what was purchased.
If you find that you are missing a required or adequate receipt for an expense that is to be included on an expense report or a procurement card verification report, the individual who incurred the expense should attempt to obtain an appropriate receipt from the vendor. If the merchant cannot or will not comply with the request for a receipt, the person who incurred the expense or the preparer of the report, should complete a Missing Receipt Form. The Missing Receipt Form should be scanned and attached to the expense report or procurement card verification report.

Please note that the use of the Missing Receipt Form or submitting inadequate receipts for support on a frequent basis will be considered an audit violation.
While there have not been any changes related to the policy in terms of business purpose and justifications on expense reports or procurement card reports, we thought that this would be a good opportunity to provide guidance as to how to think about this information. If you create expense reports, you know that a Purpose is required on the report and if you create procurement card reports, you know that a Purpose is not required on the report. On both types of reports, additional information is required in the justification. All of the information provided on the report, the purpose and/or the justification, is important in order to allow a variety of people - approvers, division management, and auditors - to understand how the expenses relate to CMU business.

A guideline to use when considering the information that should be provided to support an expense are the ‘5 W’s”
Who was involved in the expense?
What does the expense represent?
When did the expense occur (if other than transaction date)?
Where did the expense occur?
Why or How does the expense relate to university business?

While all of these questions may not apply to every transaction, the information should be included whenever available and relevant.
There is sometimes confusion as to what the Purpose field in Oracle should be used for when preparing an expense report. Generally speaking, this field is what is used to capture the detailed explanation of the business reason behind the expenses that are included on the report. On expense reports that are created using the Business Expenses template, not all expenses on the report may be related to each other. If the report is being prepared with multiple types of expenses and the expenses are not in relation to each other (for example – the expenses range from office supplies to meals for self/others to express mail) – the purpose would need to be more generic while the details would be entered into the justification field of each expense. Something to note is that the purpose entered onto an Expense Report in Oracle does not appear in the Oracle Grants Accounting application within R-Actuals while the information entered into the justification does appear there. Because of this, you may want to ensure that your justification is detailed in order to provide as much information as possible to anyone reviewing your data in Grants Accounting.

Let’s take a look at some examples related to expense report purposes and justifications for business expenses. There is sometimes confusion as to what the Purpose field in Oracle should be used for when preparing an expense report. Generally speaking, this field is what is used to capture the detailed explanation of the business reason behind the expenses that are included on the report. On expense reports that are created using the Business Expenses template, not all expenses on the report may be related to each other. If the report is being prepared with multiple types of expenses and the expenses are not in relation to each other (for example – the expenses range from office supplies to meals for self/others to express mail) – the purpose would need to be more generic while the details would be entered into the justification field of each expense. Something to note is that the purpose entered onto an Expense Report in Oracle does not appear in the Oracle Grants Accounting application within R-Actuals while the information entered into the justification does appear there. Because of this, you may want to ensure that your justification is detailed in order to provide as much information as possible to anyone reviewing your data in Grants Accounting.

Let’s take a look at some examples related to expense report purposes and justifications for business expenses.
These are examples of both poor and good purposes for expense reports using the business expense template. In these examples, we are using a generic purpose because there are multiple expenses on the report and they may vary in terms of expense types and their relationship to each other.

In the first example, you could submit a report for a variety of expenses related to differing events. But, the purpose should be clear as to what the types of expenses are on the report, who is involved, and the timeframe of the expenses being submitted. Similarly, an expense report that is created for business expenses incurred during a particular timeframe should include an indication as to the types of expenses that were incurred and should also indicate the type of business the expenses relate to.

When generic purposes are provided, the justification for the expenses on the report should contain the detail – to round out the 5 W’s.
While the prior examples were purposes that would be appropriate for expense reports being submitted for a variety of expenses, these are examples of purposes that could be used on a report that contains expenses that all relate to the same purpose. Looking at the poor purpose of ‘Lunch meeting’ the only ‘W’ question that is answered is the ‘What’. The purpose does not contain the ‘Why’ as to how the lunch meeting pertains to university business.

Likewise, a New Student Welcome Event may generate multiple expenses that can all be submitted within the same expense report but the purpose should include information such as who sponsored the event, how many people were in attendance, the date of the event, etc. Details of the expenses themselves, if not provided in the purpose, would need to be included in the business justifications which is what we’ll discuss next.
Looking at the Poor Justifications, while the iPad example provides who the expense relates to, there is no information provided as to how this particular expense is related to university business or the length of time that the data plan covers the iPad. In the next example, a justification of ‘Office supplies’ does not provide any information as to whether the office supplies are for a specific initiative within the department, for example for a professor’s class or a PI’s research, or if the office supplies are for general usage by the department.
Now that we’ve reviewed purposes and justifications, let’s look at how they work together to provide the information necessary to understand why the expense was incurred.

In this example, we have a variety of expenses that were incurred in order to support pre-college events during the a specified time period. The purpose in this example is generic in that it doesn’t refer to the number of people involved in the event and the purpose of each and every event. You’ll notice that the first expense type chosen is unallowable – even though the expense was related to drinks and snacks that would often be charged to Refreshments. Because there was no business purpose stated in the justification as to what type of university business was discussed or conducted at the meet and greet, the expense type used is Unallowable. Another example to point out is the Meals Self/Others. Because university business was discussed and this was the reason for the dinner-time get together, the expense can be charged to the Meals Self/Others expense type rather than Unallowable.

In this example, the combination of the information provided in the Purpose and Justifications answer Who, What, When, Where, and Why.
If the expense report is being created using one of the travel expense templates, it is likely that all receipts on the report are associated with the same trip. In this case, the purpose that is entered should be more detailed and include information such as the start and end dates of travel, the location of the trip or travel, and the business reason for the travel. The information that is entered into the purpose does not need to be repeated in the justifications of the expenses however, as was noted in the business expense template discussion, the purpose information does not appear in the Oracle Grants Accounting application within R-Actuals. Again, because of this, you may want to ensure that your justification is detailed in order to provide as much information as possible to anyone reviewing your data in Grants Accounting.

Let’s take a look at some examples related to travel expense reports, their purposes and justifications. If the expense report is being created using one of the travel expense templates, it is likely that all receipts on the report are associated with the same trip. In this case, the purpose that is entered should be more detailed and include information such as the start and end dates of travel, the location of the trip or travel, and the business reason for the travel. The information that is entered into the purpose does not need to be repeated in the justifications of the expenses however, as was noted in the business expense template discussion, the purpose information does not appear in the Oracle Grants Accounting application within R-Actuals. Again, because of this, you may want to ensure that your justification is detailed in order to provide as much information as possible to anyone reviewing your data in Grants Accounting.

Let’s take a look at some examples related to travel expense reports, their purposes and justifications.
Looking at the poor purposes presented here, there is no information provided as to why Michael Smith was traveling to California. These examples don’t provide an overall timeframe of the trips. Looking at the corresponding good purposes, it turns out that Michael was traveling to California to attend a higher ed related conference and also to network with fellow higher ed professionals. The meetings at Amazon were held to discuss research results and the meetings were in Seattle, WA.
Looking at the Poor Justifications, a justification of ‘Shuttle’ does not provide any information as to where the shuttle was taken to and from, who was riding the shuttle (were there multiple people covered by the shuttle expense or was it just one person?), or the relationship of the shuttle ride to the university business. Lastly, justifications for meals should include the names of who attended if there were 5 or fewer people at the meal, the location of the meal, and how the meal relates to university business.
Here is another example of how the purpose and justifications work together to provide the answers to Who, What, When, Where, and Why. For this example, we’ll look at a travel related expense report for a trip where per diems were not used.

The purpose indicates to the approver, auditor, and management where the employee traveled to, when the travel occurred, what the travel was associated with and the relationship of that travel to a valid business reason – in this case, professional development.

As we look at the justifications, the justifications for airfare and ground transportation contain the locations of the travel. The justification for the expense type of Meals Self/Others contains the names of the individuals who attended the meal, the date of the meal, where they ate, and what they discussed. The justifications for the daily meals demonstrate why there are expenses for breakfast and the name of the location.
Here is another example of how the purpose and justifications work together to provide the answers to Who, What, When, Where, and Why. In this case, we are using the same scenario but this time we see that the employee is using per diems.

Since the purpose is the same as the prior example, let’s focus on the per diems. The point to note on the justification for the per diems is that the preparer is indicating only the amounts for the breakfast and dinner meals are being expensed because those meals were not covered by the conference registration fee. On the second per diem meal, the only per diem amount being charged is the breakfast meal because the actual expense for dinner was charged in the Meals Self/Others example.
Finally, let’s review the use of purpose and justification associated with the PCard Verification Reports. As was mentioned previously, the purposed field is not a required field when a PCard Verification Report is being created. This field is not reviewed from an approval or audit perspective and so it is recommended not to be used.

This makes the information entered into the justification field on PCard Verification Reports that much more important. For expenses incurred on Pcards, the justification must answer who, what, when, where, and why.

Let’s take a look at some examples of justifications on PCard Verification Reports.
Looking at the Poor Justifications, the lunch meeting for the XYZ committee does not provide any indication as to whether anything related to business was discussed, who was included in the meeting, how many people were included, where the meeting was held, etc. The justification of ‘Conference Registration for A. Campbell’ does not provide any substance as to how the conference is related to university business, what the conference is, or where the conference will be or has been held. Finally, the example of the subscription does not provide information to explain if the subscription is for a periodical or an online course, how long the subscription is for, or how the subscription relates to a business purpose. The information provided in the ‘good’ justification examples is critical from the perspective of those approving expenses to those auditing expenses in order to ensure that there is a business reason for the expenses.
Provided here is an example of a PCard Verification report and the type of information that should be included in the justification for different types of expenses. We won’t go into detail on each of these examples but the intent is to represent that the detail provided in these justifications answer the questions of:

- Who was involved in the expense?
- What does the expense represent?
- When did the expense occur (if other than transaction date)?
- Where did the expense occur?
- Why or How does the expense relate to university business?
In summary, the purpose field and justification field are both required on expense reports – regardless of which expense report template you are using to create the expense report. As a result, the information in both the purpose and justification fields can work together to provide the approver, auditor, management, etc. an understanding as to how the expenses relate to university business.

When verifying PCard expenses, the justification field is the only field available to provide all of the information that is required in order to demonstrate that the expenses relate to university business.
At times, it can be difficult or confusing to determine the appropriate expense type to use. One example of this is when to use the expense type of meals vs. the expense type of refreshments. When there is a clear business purpose for the food expense, such as a team or committee meeting, an expense type of refreshments would be used if snack items – such as cookies and drinks, coffee and pastries, etc. are being provided. If the food provided at the team or committee meeting is more of an entrée, then an expense type of ‘Meals’ would be used.

Sometimes the reason for the expense is not clearly related to a specific business purpose – for example, coffee or water service for the department. The university pays for such items but there is not a direct business benefit to the expense. Therefore, expenses of this type – regardless of whether they are considered meals or refreshments – should go to the expense type of ‘Unallowable’.
Business entertainment expenses, such as those that are partially social in nature, must be charged to expense types that are associated with the Unallowable object code or expenditure type. Certainly the expense type ‘Unallowable’ is acceptable, but other expense types that point to unallowable include Alcohol and Personal Goods and Services. As with all transactions, it is important to use the expense type that most closely aligns with the expense incurred.

Any expenses that relate to holiday parties, retirement parties or other employee functions should be booked to Unallowable – rather than refreshments or paper supplies for decoration expenses. If alcohol was an expense for the party, the amount of the alcohol should be split out of the total and allocated to the Alcohol expense type.
When preparing expenses related to parking, taxi fares, shuttles, or public transportation, it is not appropriate to use the expense type of ‘Other Travel’. Rather, you should make use of the appropriate expense types such as Parking and Ground Transportation for those types of expenses. However, you should use the expense type of ‘Other Travel’ when preparing the expenses associated with the fees charged by the airlines for baggage.
When preparing expense reports for travelers who utilize per diems, it is important to know the per diem rates for the location or locations of travel. This information should be provided to you by the traveler, however, if it is not, per diem information can be obtained by going to the GSA website. This website provides the dollar amounts that can be reimbursed for each day of travel based on location.

To find the per diem rates of the traveler’s location, you must use the search criteria and enter either the name of the city and state or the zip code that corresponds with the location of travel.

The results of the search will display the daily amount that can be reimbursed for lodging as well as the daily amount that can be reimbursed for meals and incidental expenses.

These are the amounts that should entered into the expense report when utilizing the expense types of Per Diem – Meals or Per Diem – Lodging.
As mentioned in the Policy Overview presentation, the breakdown of the daily amount that can be reimbursed by meal is provided on the GSA site as well. This information can be helpful during the preparation of the expense report in order to verify the accuracy of the expense amount requested for reimbursement. In this example, the per diem rate of $71 is appropriate for San Francisco. Therefore, the daily per diem for meals and incidentals that a traveler should submit would either be $71 or potentially less depending on whether or not they actually incurred expenses for breakfast, lunch, and dinner.

The per diem information provided on the GSA site – both the information specific to the locate rate as well as the breakdown of the expenses shown here – should be scanned and attached to the expense report to assist the approver of the expense report in approving expenses associated with per diems.
These are some final considerations for those who are responsible for preparing business expenses. If you prepare procurement card verification reports, you are probably aware that a report cannot be withdrawn for updates or editing once it has been approved.

Expense reports will be ready for payment once approved by the departmental approver and so, like procurement card verification reports, they will not be available for withdrawal or updates after approval.

Because the departmental approver is the only approval that is required on expense reports in order for the expenses to be paid, it should be noted that questions raised by the approver during the approval process should take knowledge of the business into account.
This concludes the Expense Preparers training presentation. For additional information and resources associated with preparing expense reports and/or procurement card verification reports, please visit the Business & Travel Expense website.