Concur – Approval Process

Approvers are responsible for reviewing expense reports to determine appropriateness and reasonableness of expenses.

1) Begin by reviewing the Details section to verify the following:
   ✓ Approval Flow shows who has approved the expense report prior to you
   ✓ Audit Trail describes the action taken by each person that has reviewed the expense report
   ✓ Report Header
     ✓ Report Name – the first 20 characters combine with Concur Report ID to populate the M-Pathways Voucher Invoice ID field and appears on the Voucher Detail Expense Report
     ✓ Business Purpose explains the overall purpose for the reimbursement request and explains why it is necessary and appropriate in the transaction of University business
     ✓ Comment – not required, but may be used to provide additional useful information
     ✓ ShortCode defines the default ShortCode for the expense report; it applies to all expense lines unless allocated at the line level
   ✓ Totals – review to verify the following information is accurate:
     ✓ Company Disbursements
     ✓ Employee Disbursements (if applicable)
     ✓ Cash Advance (if applicable)
   ✓ Travel Allowances
     ✓ Itineraries – displays departure and arrival cities and dates
     ✓ Expenses & Adjustments – per diem for trip allowances; Dinner-, Lunch- or Breakfast Provided indicates whether a travel meal was marked as provided (e.g., included in conference), therefore reducing the per diem expense

2) Review each expense detail line (click on the blue text) to verify:
   ✓ Expense Type is appropriate for the transaction; a list of all expense types can be found under Documents and Resources (Expense – Account Map) on the Concur Resources website: http://www.finance.umich.edu/procurement/travelexpense/concur/resources
   ✓ Business Purpose explains why the expense is necessary and appropriate for the University and your unit; the first 30 characters populate the M-Pathways Voucher Line Description field and appears on the Voucher Detail Expense Report
   ✓ Department Reference – optional; this populates the M-Pathways Voucher Department Reference Number field and appears on the Voucher Detail Expense Report
   ✓ Itemizations have been applied, as applicable to the transaction (indicated by a bullet point); Example: hotel expenses are broken down by room rate, taxes, etc.
   ✓ Allocations display the appropriate ShortCode(s) for the expense or itemization and whether the expense was ICR Exempt or not; if alcohol was purchased, ensure the ICR Exempt field is YES
   ✓ Exceptions display if an expense exceeds or violates U-M Travel and Expense guidelines; each exception is prefaced by ACTION, FYI, or SPG followed by specific instructions on any additional information or documentation that needs to be provided for that expense (if applicable)
   ✓ Comments provide additional information, if appropriate for the expense
3) Receipts and/or other supporting documentation must be reviewed:
  ✓ Each transaction (excluding per diems, ATM fees & Travel Focus booking fees), must have a
    matching itemized receipt that is accurate and legible; if one is not available, then a brief Memo
    of Exception signed by the employee and the Director must be attached
  ✓ If an employee is requesting reimbursement for fuel – a vendor rental agreement or U-M
    Transportation Services Requisition must be attached
  ✓ If an employee is requesting reimbursement for mileage – an online mileage calculator (such as
    MapQuest) must be attached in order to verify the distance traveled

4) If you determine that something is not right with an expense report, click on Send Back to Employee
   to return the expense report for corrections. All reports returned to employees for corrections
   require a comment entered by the Approver. Be as specific as possible, so employees know what
   steps they need to take to correct the report prior to returning it to you for a second approval.

5) After you have reviewed all expense lines and receipts, and determined that they are valid, click
   Approve if you are the final unit Approver, or Approve & Forward to add additional approvals to the
   workflow. If an expense exception was entered by the employee, then you must enter a comment
   stating that you approve that exception.

Additionally –

It is critical that each Approver realize they are bound by key U-M policies. Please review U-M SPG
507.1 for clarification of the following:

  ✓ Restricted Commodities due to:
    o Compliance issues (e.g. vertebrate laboratory animals),
    o Safety reasons (e.g. hazardous materials), or
    o Opportunities for aggregated volume pricing (e.g. furniture).
      Procurement Services maintains a list of restricted commodities if you are unsure.

  ✓ Sponsored Funds
    o Funds from federally sponsored accounts must strictly adhere to the Federal A-21
      Guidelines which require certain expenses to be reviewed by Sponsored Programs
      to determine if they are allowable. Some expenses which require Sponsored
      Programs approval include: office supplies, memberships/dues, subscriptions, and
      hosting/food. Procurement Services maintains a document on Purchasing with
      Sponsored Programs to assist with this process. Some Expense Reports may need
      to include Sponsored Programs on the approval workflow process. As an Approver,
      you should confirm that the employee added them to the approval workflow.
✓ Splitting Transactions
  o Single expenses cannot cost more than $5000 without Procurement Services approval. Approvers should verify that multiple expenses do not appear to be “splitting” a transaction into smaller dollar amounts to deliberately purchase related items in excess of $5000.

✓ Conflict of Interest
  o The State of Michigan Conflict of Interest Statute (MCLA 15.322 et seq.) states that the U-M may not enter into a contract with any of its employees (or a company in which an employee has an interest), without first disclosing information and receiving approval by a 2/3rds vote by the Board of Regents before completing the transaction. U-M SPG 201.65-1 states that all U-M faculty and staff must disclose all actual or potential conflicts of interest to the appropriate dean, director, or supervisor as potential conflicts are identified.

✓ Sales Tax
  o Per U-M SPG 502.3 – Michigan Sales & Use Tax Policy, University purchases are exempt from the payment of Michigan sales and use tax, saving both your department and the U-M money. (Several other states permit this exemption also.) The Approver should review transaction receipts to identify any payment of sales taxes where none should have been paid. In the event that taxes were paid, the Approver should discuss the sales tax exemption with the employee in an effort to prevent the oversight on future purchases.

✓ When to use P-Cards
  o You should be aware of appropriate uses for the P-Card or personal reimbursement, and when employees should have used other Procurement methods. If you find an expense report transaction which should have used a U-M contract, advise the employee to use the contract supplier for future similar purchases.

✓ Resolving Inappropriate Purchases
  o If your approval process identifies that the employee has personal expenses or inappropriate purchases on their expense report you should direct the employee to declare all or a portion of the out-of-pocket or P-Card expense as a personal expense, so the U-M is not reimbursing them for the inappropriate expense.
  o Any other suspicious activity should be reported to the U-M Office of University Audits or the U-M Compliance Hotline. You may also contact the P-Card Group if you have questions about how to proceed with disciplinary action, if required.

The University must know the following in order to substantiate that each expense is reasonable and appropriate:

✓ **Who** – If a P-Card expense was incurred on behalf of a U-M guest or another employee, enter the individual’s name in the Department Reference field on the detail line.

✓ **What** – The Expense Type maps to the Account value in the General Ledger to explain what commodity or service was purchased.
✓ Where – The Vendor Name and City & State provide this information.

✓ When – The Transaction Date, along with the Report Date in the header line, and the Travel Itinerary fields provide this information.

✓ Why – Make sure you enter a clear explanation in the Business Purpose (on the detail line) of why the expense is necessary and appropriate for the University and your unit.

✓ How – This information is provided depending upon how you create the expense report:
  o You import P-Card Expenses into a report, which are then flagged with a P-Card icon.
  o You manually enter Out-of-Pocket expenses in a report.
  o You either import Travel Expenses into a report (if the reservation was booked within Concur) or manually enter them.