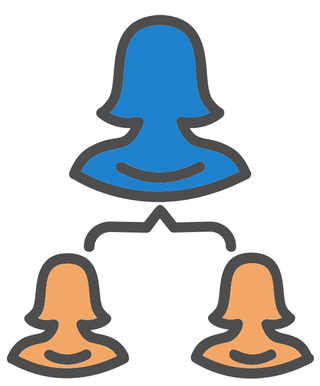
Expense Approver Roles & Responsibilities

FINANCE
UNIVERSITY OF MICHIGAN

An employee's immediate supervisor or higher administrative authority must approve travel and business hosting expenses before reimbursement will be issued. Employees may not approve their own expenses, nor the expense report of the person to whom the employee reports functionally or administratively. Approval responsibility should be assigned to an individual who can assess the business appropriateness and reasonableness of each expenditure. By approving travel and/or hosting expenses, the approver is attesting that each transaction and its supporting documentation has been reviewed and is an allowable expense.
- SPG 507.10-1: Travel and Business Hosting Expense Policy

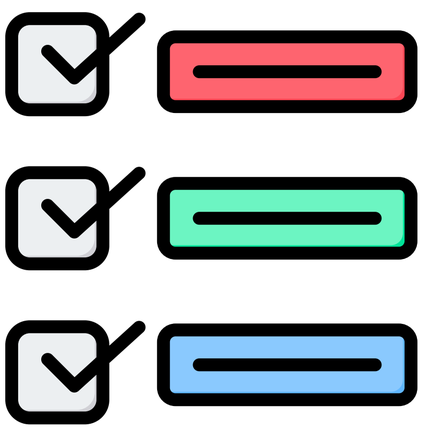


Who?

Immediate Supervisor or Higher Administrative Authority

The expense approver should have a higher level of authority than the individuals for whom they are approving expenses.
- Higher Administrative Authority

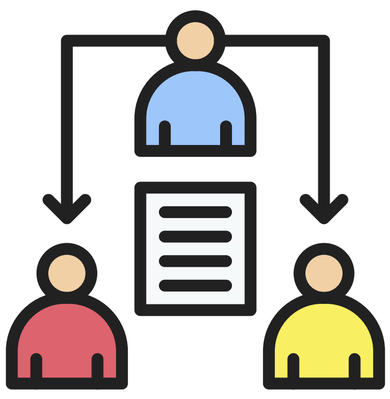
What?



Appropriateness & Financial Stewardship

The approver must be sure that:
1) the expenditure is both appropriate & reasonable
2) the correct funding sources are charged,
3) the purchase is in keeping with proper fiscal stewardship, and
4) each expense is consistent with departmental budgetary and project/grant guidelines.
- Emburse Enterprise: Approve Expenses

How?



If the person in higher position of authority cannot serve as the approver

They should delegate the role to someone else (the "assignee").
When delegating the approver role, please note:

- The delegation should be in writing using the Authorization by Signature Form.
- The person delegating does not give up their accountability.
- The assignee should be in a role independent of the submitter (i.e., assignee should not report to submitter).
- The assignee should have the authority and knowledge to assess the appropriateness and reasonableness of the activity.

- Authorization by Signature Form

Units should document who in their unit is an authorized approver, which expenses each approver is authorized to approve, and which employee's expenses they are authorized to approove (see Emburse Enterprise Internal Controls guidance for further information and resources).

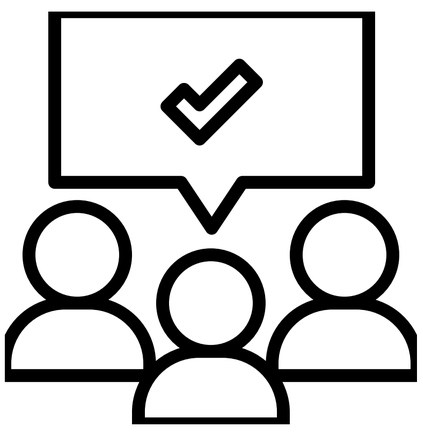
Tips to Acheive Appropriate Approval

Leveraging Pre-Approvals

- Expenses are **often approved before they're actually incurred.** Some examples include requesting permission to: attend a conference before registering, place a catering order for a department meeting before it takes place, and order supplies in advance of an upcoming assignment

- A pre-approval - **with written documentation** - may be used by a delegate approver to determine if the request is appropriate

- When the person who pre-approved the expense is not the same person who will be approving the expense report, **pre-approval documentation should be attached to the expense report in Emburse Enterprise**



Expense Report Approval Options

- **One approver per report** - best case scenario
  - Expense report automatically routes to Expense Owner's Default Approver
  - Approver can be changed by selecting "Default Approver Override". Default Approver will receive notification

- **If different approvers needed** for separate shortcode allocations:
  - Select "Default Approver Override" and add approvers for specific shortcode
  - Default Approver is notified

- **If multiple Approvers needed:**
  - An approver can add another approver after completing review by selecting "Add Approver".
  - A delegate can create the expense report, the Expense Owner can "Add Approver". Report will be routed to added approver before going to Default Approver.
  - Note: There is no limit to the number of added approvers, however, only one can be added at a time.

- Emburse Enterprise: Delegate and Approver Functions

* Avoid reciprocating approvals and approving the expenses of relatives.
- SPG 201.23: Appointment of Relatives or Others with Close Personal or External Business Relationships; Procedures to assure Equal Opportunity and to Avoid the Possibility of Favortism (Nepotism)