**Business Purpose for Concur Expense Reporting**

Expense report lines in Concur require a clear *business purpose*, which is defined as one that supports or advances the goals, objectives and mission of the university; and adequately describes the expense as a necessary, reasonable and appropriate business expense for the university.

This document provides guidance in creating a Concur expense report with an appropriate business purpose.

## Defining an Appropriate Business Purpose

The 5 "Ws" (Why, Who, What, When, and Where) can help you determine the information you should enter in the business purpose field for **each expense line** on your Concur expense report. (See below, *Concur Expense Report Creation and Business Purpose,* for information on key data fields in Concur.)

**Why** - The expense report must provide information as to why the expense was incurred. The business purpose should substantiate **why** the expenses are reasonable and appropriate for the university. The "why" should include the primary reason for the expense.

**Who** – Concur automatically applies the name of the report submitter to the expense report. If a P-Card expense was incurred on behalf of a U-M guest or employee other than the report submitter, the name of the individual who actually incurred the expense should be listed for reporting purposes. For example, if a P-Card holder booked a hotel on behalf of a visiting lecturer, the name of the visiting lecturer should be included in the business purpose field: ***Lodging - Prof James Jones****.*

**What** – The university needs to know what type of event or activity occurred, or what was purchased. Include this information in the business purpose field, and select the appropriate Expense Type value. For example, a chairperson used her P-Card to host a faculty recruit for lunch: ***Recruitment Lunch – Sarah Smith***

**When** – The business purpose should include information about when an event occurred. For example, a department hosted a reception to welcome new graduate students to the program: ***9-5-11 Grad Student Reception***

**Where** – The business purpose should include where the expense was incurred to the business activity took place. For example, a faculty member flew Delta Airlines to attend a professional conference in New York: ***Airfare AMA Conference New York***

The table below provides examples of appropriate and insufficient business purposes for the same expense.

| Type of Expense | Appropriate Business Purpose | Insufficient Business Purpose | Comment |
|---|---|---|---|
| Business meal | *Finalize FY12 budget with Chair* | *Lunch with Dept Chair* | |
| Hosting | *Grad reception for guest lecturer* | *Hosting for grad students* | *Reception for graduate students to meet visiting lecturer, Prof. James Jones, who presented a lecture on Baroque art on 1/10/12.* |
| Travel | *2012 AMA Conference New York* | *Conference* | |
| Travel | *Taxi from Airport to Hotel* | *Taxi fare* | |
| Supply purchase | *Board fabrication - MARS project* | *Electrical components* | |

**Note:** Expense approvers should also determine whether expenses that comply with business policy are actually *necessary*. For example, is excessive hosting necessary even if it is business related; business travel that is not pre-approved; buying books that are not essential.

## Concur Expense Report Creation and Business Purpose

Six key fields in Concur assist employees and approvers in defining whether an expense is a ***reasonable*** and ***appropriate*** business expense. The following guidelines should be used when creating your expense report:

- The **Report Name** is a 30-character length field. The first 20 characters of the Report Name appear on the Voucher Detail Expense Report in the Invoice ID field. It should include a general description that identifies the report so as to distinguish it from other reports (e.g., *Prof Jones Nov 2011 Expenses*, or *Brown AMA Meeting*).

- The **Business Purpose** field at the report *header* level is a 64-character field. Information entered in this field does not appear on the Voucher Detail Expense Report. Because the individual expense lines on the report may not all be related, the information entered in the header business purpose field can be more generic in description, or tied to the largest expense purpose (e.g., *General Business Expenses,* or *Conference Travel Expenses*). Detailed business purpose information should be entered at the expense line level for each expense (see next bullet item).

- **Important!** The **Business Purpose** field at the expense line level defaults from the report header and in most cases will not provide enough information about the individual expense to satisfactorily answer the 5 Ws described above. It is important that you review and overwrite the business purpose information that defaults in on *each* expense line to more clearly explain why the specific expense is necessary and appropriate. **Note:** While the line level Business Purpose field in Concur is 64 characters long, only the first 30 characters appear on the M-Pathways Voucher Detail Expense Report. Be sure to enter at the beginning of this field information that provides an appropriate business purpose to ensure this information appears on the Voucher Detail Expense report.

- **Comments** can be added at the report header or expense line level, but do not appear on the Voucher Detail Expense Report. The Comment field is often used for audit, such as providing an explanation as to why the report is past the 45 day submission limit, or the reason an expense has exceeded hosting limits. Comments may also be used by the employee, delegate, and approver to provide more information or request clarification, among other things.

- The **Department Reference** field may be used by departments to further define an expense, such as tying together expenses incurred over time by an employee. The Department Reference field data appears on the Voucher Detail Expense Report.