



Allowable Expenses When Using Your P-Card

Purchasing & Allowability
Feb. 18, 2025



Campus Controller's Office
UNIVERSITY OF COLORADO **BOULDER**

Be Boulder.



Introductions & Agenda

Who We Are:

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What We'll Cover:

1. Expense Allowability
Discussion & Examples
2. Allowability Review Process
3. Resources
4. Q&A



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Expense Allowability

I've familiarized myself with the Procurement Rules, the Procurement Card Handbook, and the Travel Card Handbook.

I know our processes and procedures on invoice processing, non-purchase order payments, and business expense reimbursement.

But...How do I know if a purchase is **allowable?**





University Policy Framework and Hierarchy





**Which of the following is NOT
a required step in the
transaction approval process?**



Expense Allowability

Example: Travel

An employee was approved to attend a training in Oregon. The training will take place over 3 days in July. The employee has been approved to take the full week off.

Travel card purchases show a double occupancy hotel reservation for 6 days, including the three days covered by the training, and three additional days after that.

Travel card purchases include a car rental for 6 days.



Example: Travel

CU System Policies

[APS 4015](#) requires that we perform a Test of Propriety over expenses.

APS 4015 requires that all expenses be accrued for official university business. Only 3 days of lodging and transportation have a clear and documented university purpose.

APS 4015 also requires that the quantity of goods or services being purchased satisfy (but do not exceed) the university's identified need. In this case, 3 days are in excess of the University's documented need.

CU System Procedures

PSC's [Procedural Statement on Travel](#) requires that accommodations be reasonable based on the business needs of the traveler. The Procedural Statement also states the University will not cover the cost of personal travel (i.e., travel without a clear University purpose).

Under the [PSC Guidance on Personal Travel Combined with Business Travel](#), a Department may approve combined travel before the trip is booked. In that case, only the business portion would be reimbursable. Here, there does not appear to be approval.

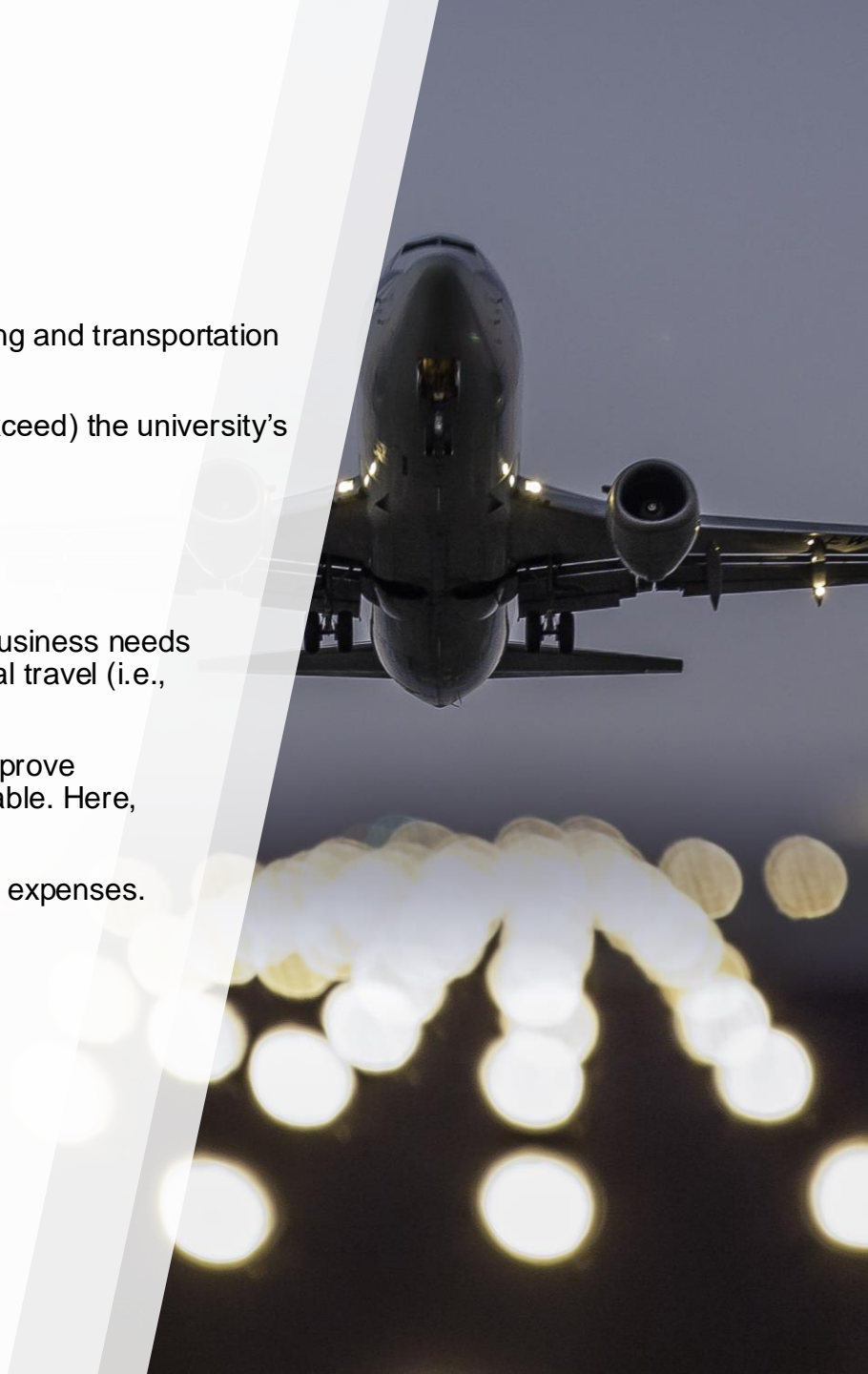
Finally, the Combined Travel Procedure requires that single occupancy rates be provided for lodging expenses. Documented lodging expenses feature double occupancy rates.

CU Boulder Policies & Procedures

N/A

CU Boulder Departmental Policies & Procedures

Not known if the department has unique travel policies and procedures.





According to the sensitive expenses procedure, which of the following consumables are allowable?



Expense Allowability

Example: Undescribed Item

An employee made an equipment purchase of \$500 using their Procurement Card.

The attached receipt was payable to Corpo Corp. The receipt did not include a description of the item.

There were no additional details submitted in the Concur report.



Example: Undescribed Item

CU System Policies

There is insufficient detail to determine whether this is an allowable purchase under APS 4015.

Additional information must be sought & documented before applying APS 4015 & determining allowability on those grounds.

CU System Procedures

There is insufficient detail to determine whether this is an allowable purchase under any System or PSC procedure. Additional information must be sought & documented before applying relevant System procedures.

Under the [Business Expense Substantiation Procedure](#), all commercial credit card purchases must include the nature and business purpose of the expense. A reviewer may not be able to confirm a business purpose for this purchase.

CU Boulder Policies & Procedures

N/A

CU Boulder Departmental Policies & Procedures

Not known if the department has applicable policies and procedures.



An employee's expense report includes a purchase of work boots. The report does not clarify whether the boots are a required uniform or if they appear suitable for everyday wear. According to the sensitive expenses policy, what is the next step?



Expense Allowability

Example: Work Boots

An employee made an equipment purchase of \$250.

The receipt attached showed a purchase for a single pair of work boots.



Example: Work Boots

CU System Policies

[APS 4015](#) requires that we perform a Test of Propriety over expenses.

Work boots may be deemed appropriate under the Test for Propriety if they meet each of the requirements stated.

CU System Procedures

The [PSC Procedure on Sensitive Expenses](#) states that uniforms and work clothes are reported as wages unless (1) the employee is required to wear the uniform while conducting university business and (2) the uniform is not suitable for everyday wear.

If the uniform looks like everyday wear, and the individual value is more than \$75, it will be reported as wages unless the Department prohibits the employee from wearing the uniform for personal use.

It is not clear from the expense report whether the work boots are a required uniform, nor whether the work boots appear suitable for everyday wear.

CU Boulder Policies & Procedures

N/A

CU Boulder Departmental Policies & Procedures

Not known. Does the department prohibit the use of uniform boots for personal use?

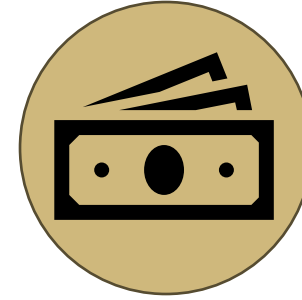


Final Tips



Be sure to perform the Tests for Propriety and check specific procedures from the PSC and CCO.

Why? Some purchases may be allowable under the Tests for Propriety but be specifically prohibited by our policies and procedures.



Be sure to check which funds are being used to pay for the purchase.

Why? Some purchases may be allowable under all of our policies and procedures but may not be charged to certain SpeedTypes.



Review Process

Consequences of Non-Compliance

Individuals who incur expenses on behalf of the University may be personally liable for those expenses if they do not follow University policies and procedures on purchasing.



Review Process

Consequences of Non-Compliance

“Employees who do not meet the conditions of the University’s accountable plan by complying with the above procedures [on business expense substantiation] will have the amount of the related expense (commercial credit card transaction, cash advance, reimbursement) reported as taxable income on the employee’s pay advice and on IRS Form W-2. Once reported, these cannot be reversed.” [Business Expense Substantiation Procedure](#)

“An ATF is the personal obligation of the individual who ordered the goods or services and incurred that obligation unless the ATF is reviewed and approved in accordance with the terms of this procedural statement.” [ATF Purchases Procedure](#)

“Personal purchases not reported by Cardholders to their AOs immediately may be considered Suspected Fiscal Misconduct and may result in termination and possible prosecution.” [Violations and Prohibited Transactions](#)



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Documentation

- Always include a descriptive business purpose to substantiate the expense.
- **Ask:** Would a reasonable person reviewing the expense documentation come to the same conclusion about the allowability of the expense?
- Imagine how you would feel if the expense were reported the following day in the newspaper, with the assumption that the write-up is authored by a smart but unfriendly reporter and is read by your family, friends and neighbors.



Business Purpose

Business Purpose:

For all transactions (regardless of fund type), a brief explanation of how the purchase benefits the University or project must be included. In addition, appropriate itemized receipt documentation must be included with all transactions.

Sensitive Expense:

A more detailed explanation should be included for sensitive expenses such as official functions, recognition gifts, etc.

For example, decorations are purchased for a reception; the type of event and for whom the event was held should be briefly noted on the receipt, such as "retirement reception for Professor Smith."



Travel Authorization

All domestic and international travel must be approved prior to booking a trip. This is a CU policy.

You will need to provide justification of how the travel relates to CU business or for CU sponsored projects how the travel benefits the CU sponsored project you are charging this travel to.

Please include the following information on your Concur Request or Department Travel Authorization.

1. Reason for the trip.
2. How this trip supports the objective of the CU sponsored project or CU Business.
3. Conference name, conference dates, title of paper/presentation/event (if applicable)
4. Conference URL (if applicable)





University of Colorado Administrative Policy Statements

Expense Allowability

[APS 4015: Propriety of Expenses](#)

[APS 4024: Travel Authorization](#)

[APS 4013: Disclosure of Interests](#)

Professional Responsibilities

[APS 4016: Fiscal Code of Ethics](#)

[APS 4014: Fiscal Roles and Responsibilities](#)

[APS 4012: Fiscal Misconduct Reporting](#)

General Requirements

[APS 2027: Code of Conduct](#)

[APS 2006: Retention of University Records](#)

[APS 2022: Colorado Open Records Act](#)





University of Colorado Policies & Procedures

- [Procurement Rules](#)
- [Procurement Card Handbook](#)
- [Travel Card Handbook](#)
- [Procurement Service Center Procedures](#)
 - Procedural Statements on [Sensitive Expenses](#), [Travel](#), [Official Functions](#), [Alcohol](#), [Complimentary Tickets](#), [Recognition and Training](#), [Personal Technology](#), and [Independent Contractors](#).
 - Finance Procedural Statement on [Business Expense Substantiation](#)
 - Finance Procedural Statement on [After-the-Fact Purchases](#)
- Procurement Service Center Guidance on [invoicing](#), [non-purchase order payments](#), and [prohibited transactions](#).





CU Boulder Policies, Procedures & Guides

- [Approving Officials Procedural Statement](#)
- The Guide (e.g., chapters on [Financial Management](#), [Cash Control](#), [Inventory](#))
- [General FAQs](#) (Discusses Business Expense Substantiation, Events, Gifts, Procurement, Travel, Sensitive Expenses, and other topics)
- [Events with Alcohol FAQ](#)
- [Gifts from Vendors FAQ](#)





Q&A

Thank you!

Contact us anytime:

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