AOSD Flash #275: Travel Authorization for Items Paid by the City

Employee reimbursement pre-authorization may include items that will be paid by the City, e.g., airfare to City travel suppliers, registration fee to conferences, etc. If departments choose to include these items in Travel Authorization in PeopleSoft, departments must ensure Travel Authorization, Expense Report and Vouchers are processed properly to avoid wrong accounting/budgeting impacts in the system. Below is an end-to-end example.

An employee plans to travel out-of-town to attend a training:
- Estimated total cost is $1,000
- The employee will pay $800 out-of-pocket
- City will pay for the $200 airfare

Step 1

Employee requests Travel Authorization as follows:
1. Input "Check" in the Payment Type field for the $800 out-of-pocket cost
2. Input "Prepaid" in the Payment Type field for the $200 airfare

The ChartFields used in the example are:

Line	Amount	Account	Fund	Dept	Authority	Project	Activity
1	800	521010 (Travel Cost Paid to Employees)	10010	228855	10325	10003471	0001
2	200	521030 (Air Travel - Employees)	10010	228855	10325	10003471	0001

Note that **Travel Authorization in PeopleSoft encumbers funds**. Below shows the budget impact after the Travel Authorization is fully approved.

| Favorites ▼ | Main Menu ▼ | > | Commitment Control ▼ | > | Review Budget Activities ▼ | > | Budgets Overview |

Inquiry Results

Business Unit SFGOV
Ledger Group CC_DETAIL   CC Detail Budget Definition
Type of Calendar Detail Budget Period
Amounts in Base Currency USD
Revenue Associated: ☐

Return to Criteria   **Max Rows** 100   Display Options   [Search]

Ledger Totals (1 Rows)

Budget	0.00
Expense	0.00
1 Encumbrance	800.00
Pre-Encumbrance	0.00
Budget Balance	-800.00
Associate Revenue	0.00
Available Budget	-800.00

Net Transfers	0.00

Budget Overview Results

Personalize | Find | View All | 🔲 | 📰   First ◄ 1 of 1 ► Last

		Ledger Group	Account	Fund	Dept	Authority	Agency Use	PC Bus Unit	Project	Activity	TRIO	Budget Ref	Budget Period
1 📑 🔍		CC_DETAIL **1**	521010	10010	228855	10325		SFGOV	10003471	0001			2018

Return to Criteria   *Notes

Inquiry Results

Business Unit SFGOV
Ledger Group CC_DETAIL   CC Detail Budget Definition
Type of Calendar Detail Budget Period
Amounts in Base Currency USD
Revenue Associated: ☐

Return to Criteria   **Max Rows** 100   Display Options   [Search]

Ledger Totals (1 Rows)

Budget	0.00
Expense	0.00
2 Encumbrance	200.00
Pre-Encumbrance	0.00
Budget Balance	-200.00
Associate Revenue	0.00
Available Budget	-200.00

Net Transfers	0.00

Budget Overview Results

Personalize | Find | View All | 🔲 | 📰   First ◄ 1 of 1 ► Last

		Ledger Group	Account	Fund	Dept	Authority	Agency Use	PC Bus Unit	Project	Activity	TRIO	Budget Ref	Budget Period
1 📑 🔍		CC_DETAIL **2**	521030	10010	228855	10325		SFGOV	10003471	0001			2018

Step 2

Employee submits Expense Report upon return from the travel. **The Expense Report must reference the Travel Authorization to liquidate the encumbrance created by Step 1**.

    a. Input "A Travel Authorization" in the Quick Start field and click GO.

    b. Select the applicable Travel Authorization in the pop-up screen

c. The Expense Report will copy the Travel Authorization referenced.

Create Expense Report

Save for Later | Summary and Submit

Min Fang ?

Actions ...Choose an Action ▼ GO

*Business Purpose OTHER ▼	Default Location [ ] 🔍
*Report Description Test1	Authorization ID 0000001357
Reference [ ] 🔍	✎ Attachments

Expenses ?

Expand All | Collapse All   Add: | 🗎 My Wallet (0) | ⚡ Quick-Fill   Total   1,000.00   USD

Row 1

*Date	*Expense Type	*Description	**1** *Payment Type	*Amount	*Currency
10/30/2017 📅	Educational Reimbursement ▼	* Training	Check ▼ ✎	800.00	USD 🔍 ➕ ➖

*Billing Type Billable ▼   246 characters remaining   🗎 Receipt Split

☑ Default Rate   *Exchange Rate 1.00000000 🔄 🖹
☐ Non-Reimbursable   Base Currency Amount 800.00 USD
☐ No Receipt

▼ Accounting Details ?

Chartfields

1

Amount	*GL Unit	Monetary Amount	Currency Code	Exchange Rate	Account	Fund	Dept	Authority	Agency Use	PC B Unit
800.00	SFGOV 🔍	800.00 USD		1.00000000	521010 🔍	10010 🔍	228855 🔍	10325 🔍	🔍	SFGO

Row 2

*Date	*Expense Type	*Description	**2** Payment Type	*Amount	*Currency
10/30/2017 📅	Airfare ▼	* Airfare	Prepaid Expenditures ▼ ✎	200.00	USD 🔍 ➕ ➖

*Billing Type Billable ▼   247 characters remaining   🗎 Receipt Split
*Ticket Number [ ]

☑ Default Rate   *Exchange Rate 1.00000000 🔄 🖹
☐ Non-Reimbursable   Base Currency Amount 200.00 USD
☐ No Receipt

▼ Accounting Details ?

Chartfields

2

Amount	*GL Unit	Monetary Amount	Currency Code	Exchange Rate	Account	Fund	Dept	Authority	Agency Use	PC B Unit
200.00	SFGOV 🔍	200.00 USD		1.00000000	521030 🔍	10010 🔍	228855 🔍	10325 🔍	🔍	SFGO

After the Expense Report is fully approved, the encumbrance created by the Travel Authorization will be liquidated and the corresponding expenditure will be recorded. Note that this applies to both the out-of-pocket portion ($800 in this example) and the City paid portion ($200).

Inquiry Results

Business Unit SFGOV
Ledger Group CC_DETAIL   CC Detail Budget Definition
Type of Calendar Detail Budget Period
Amounts in Base Currency USD
Revenue Associated: ☐

Return to Criteria   Max Rows 100   Display Options   [Search]

Ledger Totals (1 Rows)

Budget	0.00
1 Expense	800.00
Encumbrance	0.00
Pre-Encumbrance	0.00
Budget Balance	-800.00
Associate Revenue	0.00
Available Budget	-800.00

Net Transfers   0.00

Budget Overview Results

Personalize | Find | View All | ⧉ | 📊   First ◀ 1 of 1 ▶ Last

	Ledger Group	Account	Fund	Dept	Authority	Agency Use	PC Bus Unit	Project	Activity	TRIO	Budget Ref	Budget Period
1 📑 📊 **1**	CC_DETAIL	521010	10010	228855	10325		SFGOV	10003471	0001			2018

Return to Criteria   *Notes

Inquiry Results

Business Unit SFGOV
Ledger Group CC_DETAIL   CC Detail Budget Definition
Type of Calendar Detail Budget Period
Amounts in Base Currency USD
Revenue Associated: ☐

Return to Criteria   Max Rows 100   Display Options   [Search]

Ledger Totals (1 Rows)

Budget	0.00
2 Expense	200.00
Encumbrance	0.00
Pre-Encumbrance	0.00
Budget Balance	-200.00
Associate Revenue	0.00
Available Budget	-200.00

Net Transfers   0.00

Budget Overview Results

Personalize | Find | View All | ⧉ | 📊   First ◀ 1 of 1 ▶ Last

	Ledger Group	Account	Fund	Dept	Authority	Agency Use	PC Bus Unit	Project	Activity	TRIO	Budget Ref	Budget Period
1 📑 📊 **2**	CC_DETAIL	521030	10010	228855	10325		SFGOV	10003471	0001			2018

The accounting entries generated by the Expense Report are as follows:

UnPost Sequence	Line	Long Name	GL Unit	Account	Fund	Dept	Authority	Agency Use	PC Bus Unit	Project	Activity	Foreign Amount	Currency	Amount
0	1	Expense Distribution	SFGOV	521010	10010	228855	10325		SFGOV	10003471	0001	800.00	USD	800.00
0	1	Expenses Accrual	SFGOV	200075	10010	228855	10325		SFGOV	10003471	0001	-800.00	USD	-800.00
0	2	Expense Distribution	SFGOV	521030	10010	228855	10325		SFGOV	10003471	0001	200.00	USD	200.00
0	2	Prepaid Expense	SFGOV	100102	10010	228855	10325			10003471		-200.00	USD	-200.00

Line 1: Dr. 521010 (Travel Cost Paid to Employees) – this increases expenditure by $800
Cr. 200075 (Payroll Employee Reimbursement) – this pays the $800 to the employee through payroll
Line 2: Dr. 521030 (Air Travel – Employees) – this increases expenditure by $200
Cr. 100102 (Prepaid Expense) – this creates a balance in Prepaid Expense

Step 3A

Department processes Voucher in the AP module to pay for the airfare to the supplier. **Make sure to input 100102 (Prepaid Expense) in the Account field.** If Account Code 521030 (Air Travel – Employees) or 521040 (Air Travel – Non-Employees) were used, the Voucher would create duplicate expenditure for the City paid portion.

Main Menu ▼ > Accounts Payable ▼ > Vouchers ▼ > Add/Update ▼ > Regular Entry

| Summary | Related Documents | Invoice Information | Payments | Voucher Attributes | Error Summary |

Business Unit SFGOV
Voucher ID 00110674
Voucher Style Regular Voucher
Invoice Date 11/01/2017
Invoice Received 11/01/2017

AMERICAN AIRLINES INC
Supplier ID 0000025647
ShortName AMERICANAI-002
Location MAIN
*Address 1

Invoice No Test1
Accounting Date 11/02/2017
*Pay Terms 030   N30
Basis Date Type Acct Date
☑ Tax Exempt

Control Group

Invoice Total
Line Total 200.00
*Currency USD
Miscellaneous
Freight
Sales Tax
Use Tax 0.00

Total 200.00
Difference 0.00

Sales/Use Tax Summary
Non Merchandise Summary
Session Defaults
Comments(0)
Attachments (0)
Template List
Advanced Supplier Search
Supplier Hierarchy
Supplier 360

Save   Action   Run   Calculate   Print

▶ Copy From Source Document

Invoice Lines ?   Find | View All   First 1 of 1 Last

Line 1   ☐ Copy Down
*Distribute by Amount
Item
Quantity
UOM
Unit Price
Line Amount 200.00

SpeedChart
Ship To 10180
Description
Packing Slip
Supplier ID
Supplier Name

☐ One Asset

Calculate

▼ **Distribution Lines**   Personalize | Find | View All | 💾 | 📊   First 1 of 1 Last

| GL Chart | Exchange Rate | Statistics | Assets |

Copy Down	Line	Merchandise Amt	Quantity	*GL Unit	Account	Fund▲	Dept	Agency Use	Authority	PC Bus Unit	Project	Activity	Source
☐	1	200.00	1.0000	SFGOV	100102	10010	228855		10325	SFGOV	10003471	0001	

Below shows the accounting entry after the Voucher is posted:

Main Menu ▼ > Accounts Payable ▼ > Vouchers ▼ > Add/Update ▼ > Regular Entry > Accounting Entries

Voucher Accounting Entries

*Business Unit SFGOV
*Accounting Line View Option Standard
Supplier ID 0000025647
Supplier Name AMERICAN AIRLINES INC

Voucher ID 00110674
Invoice Date 11/01/2017

Invoice Number Test1
☐ Show Foreign Currency
*Sort By Posting Process

Search   Reset

Accounting Information

Posting Process AP Accrual   GL Dist Status None   Posting Date 11/02/2017

Description	Monetary Amount	Currency Code	Ledger	GL Unit	Accounting Date	Tax Authority	Account	Fund Code	Department	Authority	Agency Use	PC Business Unit	Project	Activity
Accounts Payable	-200.00	USD	ACTUALS	SFGOV	11/02/2017		200000	10010	228855	10325		SFGOV	10003471	0001
Expense Distribution	200.00	USD	ACTUALS	SFGOV	11/02/2017		100102	10010	228855	10325		SFGOV	10003471	0001

Dr. 100102 (Prepaid Expense) – this offsets the balance in Account 100102 created by the Expense Report in Step 2
Cr. 200000 (Accounts Payable)

Step 3B

If the payment has been made to the supplier using an Account Code different from 100102, departments must process a journal entry to reverse journal Line 2 generated by the Expense Report in Step 2.

Dr. 100102 (Prepaid Expense) – this offsets the balance in Account 100102 created by the Expense Report in Step 2

Cr. 521030 (Air Travel – Employee) – this clears duplicate expenditure