Working with Expense Envelopes

Last Modified on 01/11/2023 10:36 am EST

This guide explains how to use expense envelopes in aACE. It is intended for advanced users.

Expense envelopes help users gather receipts for purchases to be reimbursed or applied to a corporate credit card. Because the workflow is similar to purchase orders, this functionality has been built into the aACE Purchase Orders module.

An expense envelope represents a collection of related expenses for the same event (e.g. a trade show). The expenses are the individual purchases a team member makes during the event (e.g. airfare, meals, etc). In the past, the printed receipts for such expenses were collected in an actual envelope, which would be delivered to the supervisor for review. The terms used here are a vestige of these earlier business practices.

After your system administrator configures your system for expense envelopes (http://aace6.knowledgeowl.com/help/configuring-your-system-for-expense-envelopes), team members can create expense envelopes for themselves and others. Supervisors can review the submitted expense records and approve them.

Creating and Submitting Expense Envelopes — Team Members

Team members who accrue expenses can record the details in aACE, then submit them for approval. (If your company uses the aACE Expenses App (https://aace6.knowledgeowl.com/help/using-the-aace-expenses-app), you can record and collect expenses using your mobile device.)

You can enter expense items one at a time or use the Actions menu to populate items from a previous envelope or an external spreadsheet.

1. Navigate from **Main Menu** > **Accts Payable** > **Purchase Orders**.
2. At the list view, click **Actions** > **Create New Expense Envelope**.
3. Enter the needed Expense Items, as outlined by your company policies.
    - Title — If you do not specify a title, aACE will automatically enter the current user's name.
    - Line Item Code — Select an item to populate the Description and Qty fields.
    - Date — Specify when the item was *purchased*.
      Note: Entering the purchase date is especially important with credit card purchases. This date will be used to reconcile the credit card statement.

   - Job — If needed, select an existing job for the expense.
     Note: If you specify a job, aACE auto-populates the related order.
   - Qty/Unit Cost — Enter the details of the expense, as shown on the receipt.
   - Paperclip ( ) — Click to upload a picture (https://aace6.knowledgeowl.com/help/working-with-documents) of the expense receipt.
   - Additional Notes ( ) — Click to record details about the expense.
   - CC — Mark this flag to note items purchased using a corporate credit card.
     Note: Expense items with the CC flag left *cleared* are handled as out-of-pocket expenses eligible for a reimbursement check.
4. Click **Save** and **Submit**.

When you submit the expense envelope, the Fulfillment Status in the footer updates to Submitted. However, the PO record status stays as Pending until your supervisor approves the expense envelope.

Notifications about Expense Envelopes

When you submit an expense envelope, aACE automatically sends a notice to the expense approver assigned on your team member record. This notice includes a link to the expense envelope PO. You can click the Notices link in the PO header to send additional notifications (e.g. to provide additional details to help the approver understand the expenses you're submitting).

Checking the Status of a Submitted Envelope — Team Members

When the approver makes a decision about your expense envelope, you will receive a notification.

You may also be able to monitor the status from the Purchase Orders or Purchases modules. In the list view, use the Quick Search (https://aace6.knowledgeowl.com/help/using-the-quick-search-bar) bar to locate the desired expense envelope. Useful columns include:

- **Asgn To** — Shows the initials of the team member currently assigned as the Approver for the envelope. To view the full name, hover the mouse pointer over the initials.
- **Balance** — Shows the amount currently outstanding on a *partially* paid expense envelope.
- **Tracking Status**:
  - Submitted — Waiting to be reviewed
  - Rejected — Reviewed and sent back for modifications

    Note: Check your notices for feedback on what needs to be modified.
  - Approved — Reviewed and sent on for payment
- **Record Status**:
  - Pending — Waiting to be submitted or waiting to be approved
    The record is not officially in the accounting system yet and has not created any transactions. This means it can still be revised.
  - Closed — PO has been approved
    A purchase record has been generated and is in the accounting system for payment.
  - Void — Has been denied

Reviewing and Approving Expense Envelopes — Supervisors

When team members submit their expense envelopes, you receive a notice (https://aace6.knowledgeowl.com/help/working-with-notices). In the My Notices module, you can also search the Message Title column for "Exp Env". The notice includes a Link To field with a quick-link to immediately display the related PO.

After you review the expense envelope PO, process it per your company policies:

- **Actions > Approve Expense Envelope** — aACE generates the applicable purchase records, one for out-of-pocket expenses (if any) and one for credit card purchases (if any). The expense envelope PO is closed.
- **Actions > Reject Expense Envelope** — aACE provides two options for handling rejections:
  - Reject — aACE updates the Tracking Status to Rejected, but keeps the PO record open for revision.
  - Void — aACE voids the PO record, requiring the team member to create a new expense envelope.

After you approve or reject an envelope, you should manually send a notice to the team member with feedback. At the expense envelope PO, click the Notice link in the header, then compose and send a message.

Paying Expense Envelopes — Supervisors

Expense items are organized into two Purchase records:

- Items a team member paid for out-of-pocket — A purchase record is created, payable to the team member's internal 'company' (https://aace6.knowledgeowl.com/help/configuring-your-system-for-expense-envelopes). These purchases are paid via your normal disbursements workflow.

- Items purchased on corporate credit cards — The purchase record is payable to the credit card company via your normal A/P workflows.