



Electronic Expense System Evaluation Criteria

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Electronic Expense System Evaluation Criteria

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Welcome! Important Web Seminar Notes

Introduction

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Introduction

AGENDA

- My Background
- Considering the purchase of an Electronic Expense System?
- What is an Electronic Expense System (EES)
 - This presentation refers to a vendor created EES
- Major Factors in Selecting an EES
 - Current Financial Accounting System (FAS)
 - Client capabilities for hosting the servers & software
 - IT and Accounting staff capabilities
 - System documentation included?
- Specific Criteria for EES capabilities
- Conclusion
- Questions



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AGENDA

Specific Evaluation Criteria

- Reflect Financial Accounting System
- Security and Functional Provisions
- Employee Features
- Supervisor Features
- Administrator Features
- Other Important Features



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Specific Evaluation Criteria

Reflect Financial Accounting System

- Population of valid accounting codes, for example Project/Contract Codes, GL Account Numbers, and Organization codes
- Vendor provided automated interface for passing valid charging codes to EES and pushing expense data from EES to the Financial System
- System generated error messages and warning associated with both above processes



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Reflect Financial Accounting System

Security and Functional Provisions

- Establish Administrator role for running the system
- Establish Employee role for entering expense data, running reports and setting their preferences
- Establish Supervisor role for reviewing and approving Expense Authorizations (approval of future trip) and Expense Reports (report of expenses incurred during past trip)
- Establish Backup supervisor role and delegation of roles
- Create employee groups from the FAS and allow for manual creation of groups, as needed
- Create additional functional roles and assignment to groups
- Specify control of each screen by No Rights, Read Only Rights and Full Update Rights
- Create Project Manager role and assign to projects manually or by using information contained in the FAS



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Security and Functional Provisions

Employee Features

- Menu choices specific for employee expenses
- Employee login credentials – LDAP, Single Sign On, or ID same as, or different from, Employee ID
- Request password reset (without calling an IT support person)
- Request authorization of travel or other expenses & request manager approval
- Complete report of expenses incurred for travel or other expenses
- Select expenses for report from credit card paid expense items



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Employee Features

Employee Features Continued

- Automated notification by e-mail of workflow events – employee signed Expense Report (ER) or Expense Authorization (EA) as a result manager is notified
- Enter expense data for past periods and future periods in accordance with policy
- Make changes to previously entered past period data and require comments
- Make corrections (or not make corrections) to past period processed ERs
- Specify preferences, such as time zone, initial screen after login, number of “My” ERs



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Employee Features Continued

Employee Features Continued

- Select expense items by major category of Expense, such as Transportation, Mileage, Lodging (per diem supported), Meals (per diem supported), Car Rental, Entertainment, and Other
- Each expense major categories has prompts for capturing information specific to that category
- Specify multiple travel locations for an EA/ER
- Request (and receive via the FAS) cash advances on EA
- Record usage of a cash advance on an ER
- Scan receipts to a file and attach to the ER



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Employee Features Continued

Supervisor Features

- Menu choices specific for supervisors
- Receive and send automated E-mail notifications of employee work flow events – employee signed ER manager receives e-mail requesting approval
- Inspect and change employee ER/EAs as needed in accordance with policy
- Run reports/inquires to monitor employee ERs
- Approve ER/EAs as a whole or approve specific charges on the ER/EA



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Supervisor Features

Administrator Features

- Menu choices specific for administrators
- Activate and deactivate employee usage
- Reset employee passwords
- Assign functional roles to employees
- Assign security screen rights to employees
- Run or schedule jobs for importing charge data or exporting EES data to other systems
- Configure all aspects of the system
- Configure the Web platform
- Vendor training provided for the role
- Create administrator roles by major function



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Administrator Features

Administrator Features

- Specify Stored Procedure and other usage options in the console
- Specify directories for interfacing to other systems
- Create & send voucher information, including journal entry information, to the FAS on a scheduled or on-demand basis
- Specify work flow events & notify methods
- Maintain charge criteria structures and associated financial codes applicable to each charge
- Maintain Employee Master File information
- Create Expense Report types that can be tailored to company needs, such as Local Travel, Domestic Overnight Travel, International Travel, and Other Expenses
- Designate Expense fields for export (or not) to another system
- Assign employee to Expense Classes



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Administrator Features

Administrator Features

- Define Expense Classes and associated parameters, including expense report types included
- Specify the accounting rules and parameters for handling cash advances
- Specify the accounting rules and parameters for handling accounts receivable amounts from employees due to excess of cash advance/credit card usage over total expense report amounts
- Define the accounting rules for each expense charge type (rules for under ceiling, unallowable and over ceiling)
- Define an expense type and associate one or more expense charge types to the expense type
- Capture credit card expense data from Visa, American Express or other banks for subsequent use by employees



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Administrator Features

Other Important Features

- Ability to extend the software functionality without paying vendor for custom software
- Defined exit points for Stored Procedures or other SQL related routines
- A Stored Procedure is a database object that contains one or more SQL statements. Stored Procedures execute when the user specifically executes the procedure by way of an EXEC statement. Stored procedures can have both input parameters and output parameters
- Pre and Post procedure capabilities needed



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Other Important Features

Other Important Features Continued

- Pre executes prior writing to the database
- Pre-save executes after the employee hits save but before being written to the database
- Post executes after writing to the database
- Pre may be used for additional edits and can prevent the employee from invalid EES entries
- Post may be used to change a financial code in the database related to other codes



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Other Important Features Continued

Other Important Features Continued

- Access FAS codes directly on a batch or a real-time basis – look directly into FACS
- Access FAS employee restrictions of charging by contract and automated population to EES
- Restrict charges in EES by organization in addition to by employee
- Specify FAS code combinations and reflect FAS code combination restriction



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Other Important Features Continued

Other Important Features Continued

- Provide for automated downloads from Federal Government sites of Per Diem information for domestic and foreign travel
- Utilize the per diem rates for meals, incidentals and lodging at either actual to a ceiling or as a flat amount
- Automatically determine if an expense item is over ceiling and classify properly with the appropriate accounting codes
- Ability of the system to select the charge type that goes with an expense type by other criteria, such as the employee's organization



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Other Important Features Continued

Conclusion

- Selection of an EES involves an in-depth analysis of the needs of the client and the capabilities of the EES system
- More features than just recording expenses are almost always needed, and the system selected needs to provide the capability for these features
- If the client is a Federal contractor, DCAA regulations will apply for expense reporting. These require specific processes and requirements. Does the EES system provide the processes?
- Consultants that specialize in EES systems are needed to properly configure the systems. That is, general system consultants are not appropriate, unless experienced
- Several EES vendor systems are available that meet some or all of the above requirements. Selection most often relates to their FAS
- McGladrey provides EES consulting expertise for specific vendors



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Conclusion

Q & A

- It is now time for our Q&A session.
- Click the “Q & A” button, type your question in the open area and click “Ask Question” to submit.



Q & A

Thank you for attending

The presentation slides and a link to the call recording will be sent to all participants within a few days of the webinar

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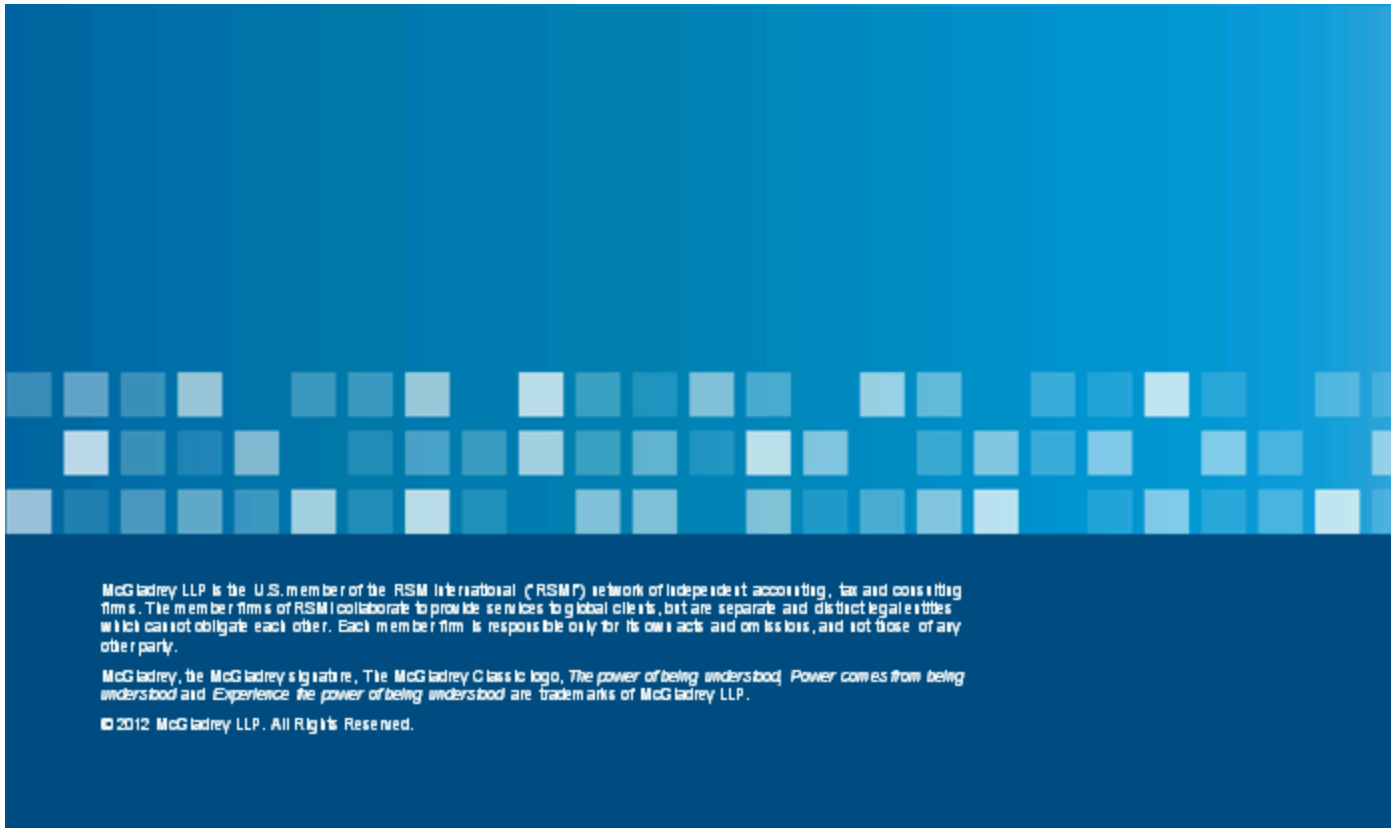


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