Business Expense Audit Checklist

This document is intended to serve as a reference tool to assist reviewers in evaluating business expenditures. The questions provided are designed to encourage thoughtful review and help identify potential errors, noncompliance, or fraud. Reviewers are expected to apply their knowledge, experience, and understanding of the specific transaction, funding source, business purpose, and circumstances when evaluating expenditures.

A "No" answer in sections 1 through 4 may indicate the need for additional review.

Certain transactions may require additional scrutiny or questions beyond those included in this document. Reviewers remain responsible for exercising due diligence and obtaining sufficient information to support their approval decisions. Reviewers should consider:

"How do I know this transaction is valid, appropriate, properly documented, and in compliance with applicable requirements?"

If adequate support, justification, or documentation is not available to confidently answer that question, additional review, clarification, or escalation should occur before approval. Also consider how the expense would appear to the public with the information available (i.e. what would the Coloradoan think of the expense with the current information provided?).

1. Universal Questions

1.1 Business Purpose

	Yes	No	N/A
1.1.1 Is there a clear and documented business purpose?	☐	☐	☐
1.1.2 Would an independent reviewer understand why the expense was incurred?	☐	☐	☐
1.1.3 Is the benefit primarily to the University rather than personal?	☐	☐	☐

1.2 Policy Compliance

	Yes	No	N/A
1.2.1 Is the expense allowable under university policies?	☐	☐	☐

1.2.2 Was correct procurement method used and related steps completed based on item and cost threshold?	☐	☐	☐
1.2.3 Does the expense comply with applicable laws, regulations, contracts, grants, or funding requirements?	☐	☐	☐

1.3 Reasonableness

	Yes	No	N/A
1.3.1 Is the cost reasonable considering the business need?	☐	☐	☐
1.3.2 Would this expense withstand public scrutiny?	☐	☐	☐
1.3.3 Do prices charged seem fair and reasonable?	☐	☐	☐
1.3.4 Do quantities purchased or items billed make sense?	☐	☐	☐

1.4 Documentation and Verification

	Yes	No	N/A
1.4.1 Is itemized supporting documentation attached that is clean, complete, and appears to be unaltered?	☐	☐	☐
1.4.2 Does the documentation support the amount claimed?	☐	☐	☐
1.4.3 Are dates, vendor information (name, address, contact), and amounts consistent across all documents?	☐	☐	☐
1.4.4 Is all required information completed and accurate?	☐	☐	☐

1.5 Approval Authority

	Yes	No	N/A
1.5.1 Does the approver have appropriate authority?	☐	☐	☐
1.5.2 The requester and/or approver are free from a conflict of interest?	☐	☐	☐
1.5.3 Was any required pre-approval obtained?	☐	☐	☐

1.6 Accounting

	Yes	No	N/A
1.6.1 Is the expense coded to the correct account and object code, project,	☐	☐	☐

and grant (if applicable)?

1.6.2 Is segregation of duties maintained?	☐	☐	☐
1.6.3 If the expense is prepaid for the next fiscal year, has it been properly accrued to a “prepaid expense – current” object code?	☐	☐	☐
1.6.4 If the expense is prepaid for a fiscal year beyond the next fiscal year (a non-current prepaid), has it been properly accrued to the “prepaid expense – non-current” object code?	☐	☐	☐
1.6.5 If the expense is a non-current prepaid, are reminders in place to ensure the prepaid non-current amount is moved to prepaid current in the next fiscal year and properly expensed in the year the expense is incurred?	☐	☐	☐

1.7 Fraud and Duplicate Payment Prevention

	Yes	No	N/A
1.7.1 Is this the first time this reimbursement or payment has been processed and paid?	☐	☐	☐
1.7.2 Do I know that the vendor or contractor actually provided the goods or services billed?	☐	☐	☐
1.7.3 Has the mathematical accuracy of the invoice or reimbursement been verified?	☐	☐	☐
1.7.4 Was a typical and traceable payment method used (i.e. by credit card vs. cash)?	☐	☐	☐

2. Procurement Card (PCard) Questions

2.1 Transaction Review

	Yes	No	N/A
2.1.1 Is the purchase appropriate for PCard use?	☐	☐	☐
2.1.2 Does the purchase appear to be in compliance with PCard rules?	☐	☐	☐
2.1.3 Was the purchase necessary for business operations?	☐	☐	☐
2.1.4 Was the purchase made by the authorized cardholder?	☐	☐	☐

2.1.5 Does the purchase location or delivery address make business sense (e.g., is it being delivered to business location vs. a home address)?	☐	☐	☐

2.2 Spending Controls

	Yes	No	N/A
2.2.1 Are split transactions avoided??	☐	☐	☐
2.2.2 Does the purchase comply with other procurement requirements?	☐	☐	☐

2.3 Asset Verification

	Yes	No	N/A
2.3.1 Do the items have a clear business purpose that is unlikely to be for personal use?	☐	☐	☐
2.3.2 If the item is portable or usable at home, has its business location or custody been verified?	☐	☐	☐
2.3.3 Was merchandise actually received?	☐	☐	☐
2.3.4 If the items were returned, exchanged, or credited after purchase, was the credit properly applied?	☐	☐	☐

2.4 Additional Review

	Yes	No	N/A
2.4.1 Is the purchase date and time during regular business days and working hours?	☐	☐	☐
2.4.2 Is the vendor a regularly used vendor and not at higher risk for personal purchase?	☐	☐	☐
2.4.3 For unfamiliar purchases, can product descriptions or SKU numbers be verified against vendor records?	☐	☐	☐
2.4.4 Has each charge been matched to source documentation and monthly card statements?	☐	☐	☐
2.4.5 For fuel purchases on fuel cards, do fuel costs appear reasonable when compared to vehicle usage or mileage records?	☐	☐	☐

3. Travel Expense Questions

3.1 All Travel

	Yes	No	N/A
3.1.1 Was travel approved before it occurred by all appropriate parties?	☐	☐	☐
3.1.2 Is the business purpose clearly documented?	☐	☐	☐
3.1.3 Does the type of expenses make sense given the nature of the travel?	☐	☐	☐
3.1.4 Are travel dates consistent with calendars, meeting schedules, hotel stays, conference dates, airfare, and other supporting records?	☐	☐	☐
3.1.5 Were preferred travel vendors utilized when required? If not, is an exception documented?	☐	☐	☐
3.1.6 Has any personal portion been appropriately excluded?	☐	☐	☐
3.1.7 Are currency exchange calculations accurate?	☐	☐	☐
3.1.8 Have cash advances been reconciled timely and accurately?	☐	☐	☐

3.2 Transportation

	Yes	No	N/A
3.2.1 Were airfare, rail, mileage, or vehicle costs reasonable?	☐	☐	☐
3.2.2 Was the most cost-effective transportation option selected?	☐	☐	☐
3.2.3 Were upgrades appropriately justified and pre-approved?	☐	☐	☐
3.2.4 Does mileage claimed or toll charges appear reasonable for the destination?	☐	☐	☐

3.3 Lodging

	Yes	No	N/A
3.3.1 Is final folio included?	☐	☐	☐
3.3.2 Were hotel costs reasonable for the location?	☐	☐	☐
3.3.3 Does the lodging reimbursement include only allowable hotel expenses (e.g., room rate, taxes, and approved related fees), with all non-reimbursable charges (e.g., alcohol, meals, movies rentals, etc.) excluded?	☐	☐	☐

3.4 Meals and Incidentals

	Yes	No	N/A
3.4.1 Were per diem rates applied correctly (75% on travel day)?	☐	☐	☐
3.4.2 Was per diem removed for any personal travel days?	☐	☐	☐
3.4.3 Were meals already provided by a conference, meeting host, or hotel and therefore not eligible for per diem removed from the reimbursement?	☐	☐	☐

3.5 Conference and Training Costs

	Yes	No	N/A
3.5.1 Was attendance approved?	☐	☐	☐
3.5.2 Did the event support business objectives and appear reasonable based on individual attending?	☐	☐	☐
3.5.3 Were registration fees properly documented?	☐	☐	☐

4. Vendor Invoice and Contractor Payment Questions

4.1 Vendor Verification

	Yes	No	N/A
4.1.1 Has the existence and legitimacy of the vendor been verified?	☐	☐	☐

4.2 Pricing and Quantities

	Yes	No	N/A
4.2.1 Are unit prices and rates consistent with contracts or agreements?	☐	☐	☐
4.2.2 Are freight, taxes, and other charges accurate?	☐	☐	☐
4.2.3 Have quantities billed been verified against goods received, services performed, or contract terms?	☐	☐	☐

5. Red Flags

5.1 Additional Review

Note: “Yes” answers in this section may indicate the need for additional review.

	Yes	No	N/A
5.1.1 Missing, altered, sloppy, or modified receipts or documentation.	☐	☐	☐
5.1.2 Split purchases to avoid approval or documentation thresholds.	☐	☐	☐
5.1.3 Frequent expenses just below receipt or approval thresholds.	☐	☐	☐
5.1.4 Unusual purchase dates, times, weekends, holidays, or major events.	☐	☐	☐
5.1.5 Vendor cannot be independently verified.	☐	☐	☐
5.1.6 Duplicate invoices, reimbursements, or submitted bills.	☐	☐	☐
5.1.7 Purchases that could reasonably be for personal use without evidence of business purpose.	☐	☐	☐