

## **Limiting Amount of Expense Reports**

There may be circumstances when the total amount of expenses incurred on a trip exceeds the amount a department/unit has promised/budgeted/allowed. In this circumstance you should use the Expense Reduction expense type to limit the total amount when processing the Expense Report.

For example – you have asked a guest speaker to visit MSU to give a talk and have agreed to reimburse an amount up to \$1,000 for a flight. The actual flight cost and receipt are for \$1,500. You would use the \$1,500 receipt on the Expense Report using airfare as the expense type. You would then add an expense using the Expense Reduction expense type and entering a negative \$500. This will limit the reimbursement to \$1,000.

This type of scenario is common when units have limited funds to work with. The Expense Reduction expense type can be used in conjunction with any expense type except for per diem allowances. If you are limiting a per diem allowance, please see the Allowances – Per Diem and Lodging guide for specific information.