



A Case for Automating Expense Reports

Automating your expenses can save time, money, and prevent potential problems

By: John Tangredi

October 11, 2011

It is no surprise that many business travelers abhor the task of tracking and documenting their travel expenses. The process tends to be time consuming and burdensome, and often is encumbered by the absence of lost or forgotten receipts, frequently resulting in the submission of reports that are inaccurate and late. Nor is it time well spent for those at the corporate office who must process expense reports, working with crumpled, sometimes illegible receipts and spending hours inputting data, some of which may be incorrect.

Automation can greatly improve the expense management process, relieving many of the challenges associated with expense reporting, providing significant benefits both for business travelers and company management. Some of the benefits include:

Timesaving:

- Automated expense management saves valuable time by enabling each approved employee to accurately document his or her expenses into the system quickly and easily.
- Today, many expense management solution providers offer mobile device support, which allows employees to conveniently image and upload receipts directly into the expense management system, thus eliminating the need to retain and track paper receipts. These expenses and any essential data from the transaction electronically synch with the company's systems.
- Some systems offer currency conversion calculators, which can be of great assistance to employees traveling.
- Significant time can be saved by leveraging an expense management system that automatically maps expense data to the company's accounting software, eliminating hours of manual data input.

Cost Reduction

- One of the most controllable costs that can impact a company's bottom line is travel and entertainment (T&E) expenses. However, a poor reporting system could mean hundreds or thousands of dollars lost. An automated expense system can help an employer see where money is being spent. And with that visibility, informed decisions can be made to ensure that every dollar in T&E is being spent wisely and focused on revenue-generating activities.
- Many solutions can be configured to flag and even deny expense items that are not within the company's spending policy, thus improving compliance. Approval routing can also be configured to decrease the number of steps in the approval process.
- According to a 2009 T&E Expense Management Survey from Advisors.com, expense processing through automated systems costs 78 percent less than manual processing systems—a real savings.

Rapid Reimbursement:

- Automated expense management solutions can facilitate faster reimbursement. These solutions are often compatible with existing accounting systems for ease of reconciliation and payment, helping to insure that expenses are allocated accurately.

Fraud Reduction:

- The potential for fraud is significantly reduced. Expense reimbursement is the source of approximately 13 percent of company fraud, with a median annual loss of \$25,000, according to a 2008 study by the Association of Certified Fraud Examiners.
- Automated expense management solutions make it much easier to identify and deter fraud because the systems can be configured to electronically capture and lock certain data fields from credit card feeds such as amount, date and vendor. Additionally, a variety of report configurations can help employers identify where potential fraud may be occurring. For example, let's say your company allows for expenses under \$10 to be filed without a receipt. With a click of a button, you can search the system for all expenses filed without a receipt and under \$10. Other easily generated reports can illustrate similar spending patterns and pinpoint inaccuracies or potential abuses.

Expense management is a necessary task that need not take hours away from other more pressing work. By automating expense reporting, you can help prevent your company from spending its way to failure. Travel and entertainment costs are a reality for nearly all businesses. The key is to spend every dollar as wisely as possible.