



Expense Management

Taking Control of Your T&E Budget:

Best Practices for Managing Employee Spending

Overview If you're having trouble enforcing employee spending policies or can't seem to stay within budget on employee spending, it can be extremely frustrating to find the balance between driving the business forward and excessive spending. Learn how to control your company's spending while keeping your road warriors happy.

By Heath Butler



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Table of Contents

- 3 Introduction
- 4 The challenge of an improving economy
- 5 Satisfying the need for end-to-end control and convenience
- 6 Finding the right solution
- 8 The ultimate level of control
- 9 Summary
- 10 About Insperty® ExpensAble® software
- 11 More resources
- 12 About Insperty





Introduction

Expense managers perform a daily balancing act of controlling overall company spending while maintaining an efficient, employee-friendly expense management process. As business travel volume and spending expands with a recovering U.S. economy, that balancing act becomes as challenging as it is vital to maintaining your company's healthy bottom line.

The ideal automated solution for expense managers is one that makes life easier for all employees while also helping to control expenses throughout the entire reporting process.

Here's how you can find it.





The challenge of an improving economy

For expense administrators and approvers, maintaining an efficient, employee-friendly expense management process while also controlling costs and employee spending behavior is a delicate balancing act.

As the global economy recovers and companies continue to see strong returns on travel investments, a 2015 report from the Global Business Travel Association (GBTA) predicts global business travel spending will hit a record \$1.25 trillion USD in 2015, 6.5 percent growth over 2014. GBTA expects growth to remain strong through 2019.



With more employees hitting the road, spending more, and pushing for the same conveniences in their business travel they enjoy in their personal travel, expense managers are feeling pressure to not only control travel costs, but also improve the entire reporting, compliance and tracking process.

Travel & Entertainment (T&E) expense management is often viewed as a hassle. Roving employees constantly contend with collecting receipts, filling out expense forms, and waiting to get reimbursed. Accounting departments struggle to obtain timely expense information from employees while attempting to improve visibility into overall monthly spending.

A [2015 report](#) by technology research firm PayStream Advisors revealed that, although companies recognize the need to effectively manage T&E spending, many still have obstacles to overcome in getting a handle on this second most controllable corporate expense, next to payroll.

For example, corporations with revenues under \$250 million reported inefficient manual data entry and poor spending visibility as their biggest problems, while larger organizations cited increases in overall T&E expenses and compliance with spending policies. The survey results reflect the essential need among businesses for improved employee spending control as well as cost reductions in the expense management process itself.



Satisfying the need for end-to-end control and convenience

The need for improved compliance and efficiency has driven accounting and payroll departments toward automation using software and cloud-based travel and expense management (TEM) solutions. While organizations, large and small, migrate away from manual reporting processes, expense managers strive to maintain automated T&E systems that are as effortless and efficient as procuring an Uber ride or Airbnb room.

PayStream Advisors' 2015 report also showed that automated expense reporting provided organizations with a number of cost and productivity benefits:

Travel policy enforcement



Processing cost



Visibility



Employee satisfaction

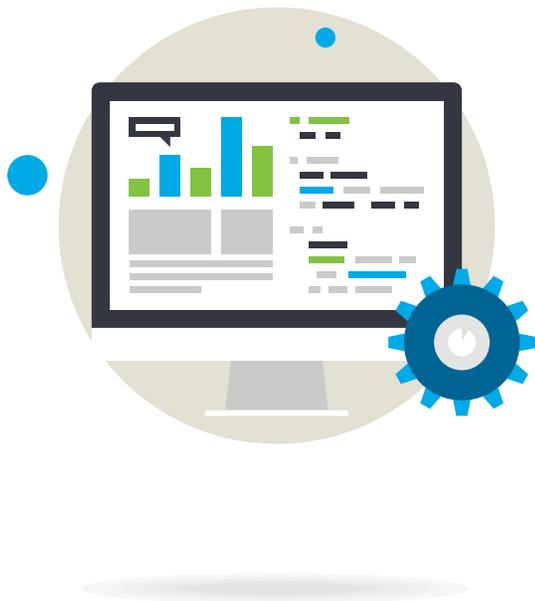


Reimbursement time



The survey results support the notion that the most effective way to reduce T&E costs, while increasing productivity, compliance and convenience is to invest in automated solutions designed to provide visibility throughout the entire expense reporting process – from pre-approving and budgeting funds, to creating reports, approval, audit, reimbursement and analysis.





Finding the right solution

While all TEM software may provide real-time access to spending data and help reduce processing costs by eliminating manual assembly of expense reports, not all automated solutions are created equal.

In addition to these benefits, the ideal TEM software solution will provide the following cost savings and efficiencies:

For the accountant

- Eliminate reconciliation headaches with electronic receipt attachments
- Review, audit and reimburse in one space
- Remove double-data entry by exporting data into third-party expense systems
- Allow approved reports to be batched together and mapped to third-party systems
- Proactively notify of incoming reports as they are received
- Make reimbursement easy through integrated systems

For the administrator

- Provide a suite of graphical reports to show spending trends
- Show spending by vendor category, department and individual
- Give monthly and year-to-date breakdowns
- Provide greater visibility to set policies and manage business expenses
- Supply the stats needed to negotiate better vendor rates

Finding the right solution (continued)

For the employee/traveler

- Save receipts electronically using a mobile app
- Eliminate guessing about approved vendors or expenses
- Easily add pre-populated expenses paid by personal or corporate credit card
- Integrate airfare, hotel and car rentals from travel bookings into reports
- Track reimbursements with real-time status updates

For the approver

- Email notifications when there are reports to review
- Allow viewing of expenses and receipts in one place – no paperwork to shuffle
- Flag policy exceptions or violations
- Provide easy access to all available data needed to reject or approve report
- Immediately send reports to next person in workflow chain





The ultimate level of control

What can truly set an expense management solution apart is its ability to provide effective pre-trip control measures and post-trip analysis. These added benefits give you the confidence and end-to-end control needed to remain focused on the big-picture issues of your business.

1 Pre-trip expense control: prepaid debit cards

Relying on corporate credit cards comes with credit and overspending risks. Cutting checks for anticipated expenses lacks flexibility and the ability to access more funds when needed. With a prepaid debit card, you can control spending before it happens, while gaining better insight into where the money went.

Prepaid cards provide a controllable spending mechanism for mobile salesforces, as well as employees or contractors who travel frequently. They offer flexible spending limits, merchant category restrictions and the ability to add additional funds electronically when circumstances change or emergencies arise. Prepaid cards also enable your business to easily manage expenditures for events and conferences and recoup any unused funds after a trip or event.

2 Post-trip analysis expertise

TEM solutions provide instant access to key metrics and reporting data to analyze company spending at various levels, including employee, department and supplier. Access to TEM software, however, is often not enough to ensure your expense managers get the most out of it. That's why it's important to have a dedicated service and consulting team engaged and ready to help after expense management software is installed.

Backed by professional consulting services, your business can make better operational decisions by harnessing variable expense data and turning it into bottom-line insight. Expense managers will be better equipped to identify wasteful expenditures through regular audits based on accurate data and then apply appropriate control measures.

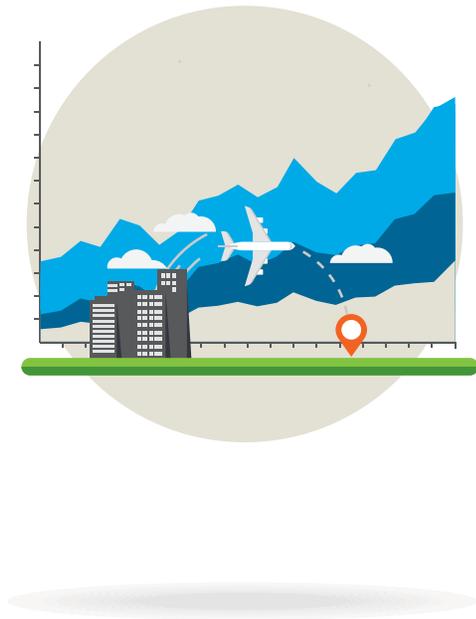
Auditing and report functions can also offer a holistic look into the health of your company's expenses and provide your purchasing managers with invaluable information regarding your company's overall T&E spending habits and reporting trends. TEM auditing solutions further relieve the pressure on accounts payable staff by evaluating spend reports to determine weak spots in policies and employee policy adherence.



Summary

With corporate travel operations continuing to expand as the U.S. economy recovers, so too will T&E expenses. To efficiently manage T&E spending, you must increase visibility into the reporting process.

The best way to achieve this is by employing an effective, end-to-end TEM solution. Ideally, your organization should adopt a technology solution that will offer the highest level of control – combined with expert consulting support – to enable your corporate finance officers to more accurately forecast spending, maintain travel budgets and reduce risk of excessive spending due to noncompliance.





Insperity® ExpensAble® software can help you control employee spending

ExpensAble Express

Maintain control of your business expenses anytime, anywhere. ExpensAble® Express conveniently tracks and analyzes your company's expenses. You can manage expense reports from nearly any device with an Internet connection, capture receipts with the snap of a smartphone camera and integrate your expenses automatically with QuickBooks™. With the ability to analyze your expenses at a glance, you can quickly spot spending trends and make informed business decisions.

ExpensAble Corporate Online

Get visibility into your company's spending with an automated, online expense management system. It will streamline your expense reporting, saving you money and giving you visibility into where it's being spent. Plus, you'll love the mobile flexibility of the smartphone app that allows you to instantly submit and approve expenses when you're away from the office.

ExpensAble Plus Prepaid MasterCard

Add on the ExpensAble® Plus Prepaid MasterCard® for even more control and efficiency. The innovative prepaid debit card simplifies corporate spending so you can manage spending before it happens and recoup any unused funds at the end of a trip or event.



Want more resources to guide you?

Keeping up with the latest in business trends and best practices can be challenging. Insperty can help.

From in-depth e-books to interactive infographics, we provide a variety of complimentary online resources that are chock-full of useful and timely content for business leaders like you. Explore the latest news and proven advice on a wide array of business and HR topics, including business performance, benefits and compensation, leadership and management, and compliance with employment laws that help keep you in tune with new ideas and best practices.



E-books

Browse our online library of comprehensive e-books to gain insight from our seasoned business and HR professionals on issues giving you the most trouble.



Blog

With new posts going up each week, you'll never miss a beat when you're up to speed on the latest HR industry topics. While you're there, be sure to sign up to get new posts sent directly to your inbox.



Checklists

Checking off boxes as you go can feel cathartic, but are you checking from the right list? Our checklists will help you feel confident you're following best practices.



Infographics

Visual learners can rejoice – we've got you covered, too. Our infographics allow you to visualize business trends and statistics in understandable charts and graphics.



Case studies

Need some evidence that our HR strategies really work? Our case studies showcase them in action.



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About This Author

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Heath has more than 20 years of experience working with service and technology companies as an entrepreneur, consultant and corporate executive where he has provided strategy, business operations, sales and marketing, and product management expertise. Currently, he is division president of Insperity Financial Solutions, which provides expense control, cost-profitability analysis, and procurement management solutions to help businesses optimize financial performance.

To learn more, call **800-465-3800** or visit insperity.com.



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