

# How to simplify business travel expense reconciliation

The cost of a business trip might start with flights or a hotel booking, but it doesn't end there. From payments on the road to claims processing and reimbursements, the true cost of travelling for business, in terms of both money and time invested, can take months to reconcile.

Deena Shanahan, Customer Experience – Learning and Development at Flight Centre Travel Group, has travelled weekly in her role for over 10 years, so understands the pain points travellers experience when it comes to expense reconciliation. Here, Deena shares her insights into corporate travel expense management solutions to simplify the expense reconciliation process for business travellers.



## The true cost of business travel

“Having an understanding of the overall cost of travel and how you can limit things like individual receipts that employees have to code and claim, can save both time and money on business travel.”

It's important to consider the many costs associated with travel to help identify where additional resources are being used and where cost savings can be made. A typical business trip might incur a number of the following cost items:

- Flights
- Accommodation
- Car hire
- Parking
- Taxi
- Petrol
- Kilometres claimed
- Tolls
- Breakfast
- Coffees
- Lunch
- Dinners
- Snacks
- Equipment
- Event tickets

The above costs only reflect monetary expenses and don't factor in the time it takes a traveller to pay for these items and reconcile receipts at the end of their trip for reimbursement, which could add another few hours to the time spent on the business trip.

And as Deena says, this adds to the overall cost of a trip to the business: “When an employee finishes their business trips and needs to put in their expense claim at the end of the month, they might have to sit at their desk for another two hours coding 20 receipts for those business trips.”

### Simplifying traveller expense reconciliation

Now that you have a better understanding of the costs associated with business travel beyond booking flights and accommodation, use these tips to simplify the expense reconciliation and claims process for your business travellers.

### Capture Expenses in the Booking Process

Approximately one-third of travel expenses can potentially be removed by booking additional components of travel in the initial booking process. This method of booking travel reduces the number of expenses a traveller has while on the road, ultimately reducing their time spent reconciling.

Capturing expenses in the booking process can not only be less expensive in the long term, but it provides a better picture of the cost of business travel, says Deena: “Companies who cut down on manual invoicing and reconciliation will have greater visibility around the cost of business travel.”

Deena says: “Many companies only look at the components of flights or hotels, but our Travel Managers will look at the whole business trip and assess where expenses can be captured in the booking process to minimise the need for expense reconciliation.”

### How to save on travel expenses



Using a rideshare service like GPU can reduce these costs while travelling:

- Car hire
- Parking
- Taxi
- Petrol
- Kilometres claimed
- Tolls



By booking a hotel through SmartSTAY, travellers will receive breakfast included with their room rate, so they don't need to pay for the most important meal of the day.



If your travellers are buying meals or snacks while in transit at the airport, an airline lounge membership might be more cost-effective.

# Get in control of spend and receipts

## Allocate a Per Diem

A per diem – which allocates a daily amount to be spent on travel categories, such as meals – can be an effective way to reduce manual processing and auditing of individual business travel expenses. Allocating a per diem negates the traveller's need to claim for specific expenses, rather having the flexibility to spend a specified amount across the category, while consolidating the business' travel expense budget.

However, travel incidentals, meals and entertainment – typical per diem categories – cannot be centralised through a travel management system. And as Deena says, there still needs to be clear guidelines around their use: "Your employees need to know things like, if the total per diem needs to be spent in certain amounts, or what happens if they spend more than the per diem?"

## Manage Receipts Electronically

Gone are the days of needing to hold on to hard copy receipts to reconcile business travel expenses. A growing number of suppliers will offer to email electronic versions of receipts, while online tools allow for easier management of hard copies, says Deena: "Try to move away from the zip lock bag that many travellers use to collect their paper receipts and enable them to capture receipts in an automated system."

A number of expense management systems, including Serko Expense, lets employees submit expenses by taking a photo of their receipt and uploading it through a handy app, removing the need for countless receipts to be kept and coded at the end of the trip.

## Automate Expense Claims Processes

Moving your expense management process into a single online expense management system can not only reduce the chances of error from manual processing, but it can result in finance teams reclaiming up to 75% of their time back around expense management.

And according to Flight Centre Travel Group advisory service 4th Dimension, a manually processed expense claim can cost around AU\$38 per submission, while a fully automated expense claim costs around AU\$10 per submission.

"Research shows that 60% of business travellers use some form of electronic transmission to claim expenses; that means 40% of business travellers are using manual processes, and it's costing them time and money," says Deena.

## Ensure compliance with a clear, and fair, travel policy

"You're more likely to get buy-in on a policy or framework if you've got the end-user involved in the development of it, so engage your travellers to help establish your expense policy."

### Reduce Claims Approval Process

Count the number of people involved in the approval process for travel expense claims and consider that the more people or steps that the claim has to pass through, the longer it will take to complete. Removing unnecessary steps, or automating approvals, can make the process much more efficient.

"If a traveller has to submit their claims, then finance has to cross-check the spreadsheet with the receipts; it all takes time. It takes even longer if there's a mid-layer in there with management approval required," says Deena.

Capturing some of the expenses in the booking process and automating the expense claims process to eliminate the need for manual cross-checking and management approval can again save time and money.

### Book Within the Travel Policy

When your travel policy stipulates that travellers need to book via a travel booker, dedicated Travel Manager or online booking tool, the automated process removes the need to reconcile those expenses. This reduces the expense reconciliation requirements of both the traveller and the finance department, resulting in productivity gains as they can focus their time elsewhere.

"If a traveller decides to be noncompliant and books a hotel on their credit card because they can find it \$10 cheaper online, they will likely incur additional expenses, such as booking fees and breakfast, and will need to lodge expense claims for the hotel and meal at the end of the month," says Deena. "It simply costs more and creates additional work."

### Establish a Travel Expense Policy

Most companies will have some policies around travel expenses, be it a formal policy, verbal instructions or unofficial practices. But having a formal framework to guide your travellers' expenses can save a lot of time and money at every stage of the travel process.

"It's very hard to achieve compliance in an organisation if you don't have a policy or framework for people to follow," says Deena. "So, whether it's included in your travel policy, or you have a dedicated expense policy, give your travellers a clear understanding of what they should spend, how they should spend it, where they can make better booking choices and how to reconcile their expenses."

Expert insights

# Reconcile business travel expense processes

If your business travellers are still carrying around a zip lock bag of receipts, it's time to upgrade their business travel expectations and simplify the travel expense reconciliation process. Your business will benefit from time and cost savings too.

To find out more, visit  
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