



The Buyer's Guide to Evaluating Expense Management Solutions

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Is your company wasting time manually processing expense reports? Or maybe your employees are avoiding their expense reports due to frustrating, outdated software.

Either way, it's time to say goodbye to those stacks of receipts and the wasted hours that could be spent growing your business—because there's a better way to manage expenses, and it will save your company money.

Modern business expense applications are a game changer. They empower financial managers with visibility into future spend and increase employee compliance with on-the-go automated expense tracking.

Yet many companies still rely on an expense reporting process that is outdated and cumbersome. They think they don't have the time, budget, or resources to make a change, but the resources involved in switching to a better expense management solution can be incredibly low compared to the opportunity it provides for increasing efficiencies and saving company money.

The Challenges of Manual Expense Management

Have you ever manually filed an expense report?

Let's walk through the process: After employees collect their pile of receipts from a recent trip or this month's business related expenses, they type up all of these expenses manually. Next, they dutifully scan in each receipt—at its worst, this step involves a lot of tape and maybe even snail mailing the hard copies back to the office. The manually entered expenses and digital copies of the receipts then must be combined into an expense report that is submitted to their manager, and later the finance team, for review. With the potential for human error, it's no wonder a lengthy auditing period and a few costly corrections are usually required. When the reimbursement finally comes through, the employee has already been floating the cost of these business expenses for far too long.



If you're familiar with the experience, you won't be surprised that this tedious process creates numerous challenges for your business, including high processing costs, wasted time, inconvenience and confusion for employees, noncompliance and fraud issues, and a lack of visibility.

A few facts to consider.

According to Forrester research, business travel expenses are one of the most difficult operating expenses to control due to the tedious details and lack of visibility.

In 2016, only 45% of businesses used an automated expense management process for business travel. That could explain why 68% of workers reported spending 30 minutes to 2 hours completing expense reports.

On top of all of that wasted time, when expense reports are processed manually they can cost over \$26 per report. To put this into perspective, if you had a company of 50 employees and they submitted the average 1.5 expense reports per month, it would cost your company \$23,967 per year simply to process those reports.

Research conducted by TalentLMS, a provider of cloud software for training employees, claims that as of 2019, 66% of companies allow remote work and 16% are fully remote. Trends of a growing remote workforce, accelerated in times of global crisis like the COVID-19 pandemic, could quickly rack up more expenses, and increase the number of expense reports submitted, as the supply of items powering their work becomes decentralized.

The Association of Certified Fraud Examiners (ACFE) reports that expense reimbursement fraud costs companies a median of \$40,000, and takes roughly 2 years to catch.

Just over half of CFOs say questionable expense filings have increased in the last 3 years, according to a Robert Half survey.

Outdated solutions are also costly.

Many antiquated business expense apps claim to automate the process, when in actuality they are only improving a portion of the experience. There is also expense management software available that was long ago built to support the expense management needs of large enterprise companies. These systems are extremely nuanced and end up creating a frustrating user experience for most businesses who don't need such heavy, complicated solutions.

Partially automating your expense process will only make a small dent in the problem. And by the numbers, partial automation brings the cost of processing an expense report down from around \$26 per report to just over \$17 per report, whereas full automation brings the cost down to under \$7 per report.

So what is the solution? A modern, streamlined business expense app that addresses each of these challenges while still delivering an intuitive user experience.

The Solution Your Business Needs

The solution you select should strike a balance between the needs of the company and your employees.

Consider your stakeholders.

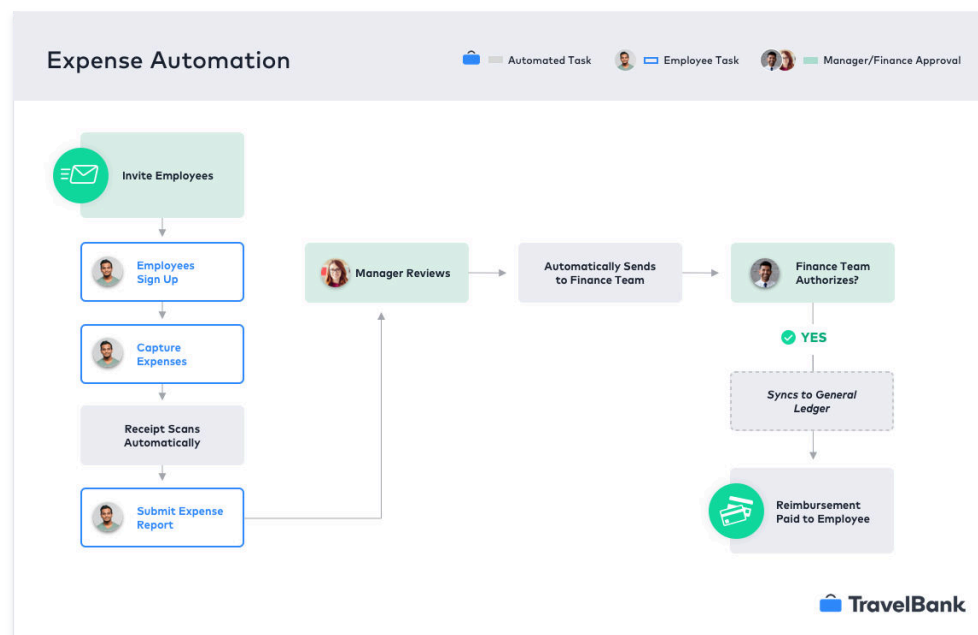
For your finance team, controlling costs, predictability, and visibility are all top of mind. Compliance and real-time insights into spend are a huge help with forecasting and provide the team with timely and accurate data for reporting. Employee satisfaction is a major driver for human resources, and a great suite of productivity tools helps them attract and retain talent. Convenience is a huge factor for employees. When creating an expense report is simple and there's the incentive of timely reimbursements, employees are motivated to get them done.

A good business expense app can help your company budget more accurately, save money, and support employees, while minimizing stress and maximizing productivity.

Automation minimizes processing costs and wasted time.

As we highlighted before, automating expense management can reduce the cost of processing expenses from over \$26 per report to less than \$7. Additionally, automation saves valuable time for the employees who are capturing expenses and the finance managers who are processing them.

But what should automation look like?



Integrations with your human resources information system allow you to quickly invite employees to your new business expense app, and a built-in onboarding flow guides your employees to sign up, which only takes a few seconds, and they are automatically linked to your organization.

With automation, employees can simply capture expenses as they happen, let OCR technology fill in the details, and submit them as an expense report when they're ready with one simple tap. When the employee submits their expense report, the manager received a notification so they know there is a report pending their review and approval.

The manager can reject the expense report, sending it back to the employee to adjust any errors, or approve it, routing it to the finance team. From there, the finance team also has the option to reject or approve the report. When a report is approved by the finance team, the expenses are synced to the general ledger, for simplified processing and better reporting accuracy, and the reimbursement is processed and disbursed in as little as 24 hours.

Automation saves time, minimizes human error, creates a better approval flow, and gets money back to your employees faster.

Easy on-the-go expense capture increases compliance.

For successful adoption and use of a business expense app, it's really important to select one that supports mobile and desktop devices.

Mobile apps allow employees to capture IRS-compliant digital copies of their receipts in real time as spend happens. This could be done by syncing in credit card transactions, forwarding email receipts, snapping photos of a receipt with a mobile device, or even uploading an image.

Simple expense capture removes barriers to tracking spend, minimizing forgotten expenses and lost receipts. It also allows your employees to begin their expense report on a mobile device and finish on their desktop without the worry of losing the data.

Faster reimbursements incentivize employees.

In addition to providing employees with a simple process for capturing and submitting expenses, it's important to process reimbursements in a timely manner. Automation reduces the potential for human error, and thus the need for corrections, and decreases the time needed to audit expense reports. Overall, this can drastically speed up processing time leading to faster reimbursements.

Modern business expense apps can disburse reimbursements to employees via options such as direct deposit as quickly as 24 hours after the report has been approved. Knowing they will get paid back quickly incentivizes employees to finish and submit their expense report, rather than leave the task on the back burner.

Increased compliance and good analytics provide visibility.

As a finance manager you need to see where your company's money is going. You should also have enough insight to forecast spend and take action before the money is spent.

Getting employees to track expenses in real-time is a major win for better visibility. Additionally, automation provides more accurate and timely expense data which in turn makes it easier to control costs and achieve compliance.

With earlier access to spend data through a centralized analytics dashboard, your finance team can identify patterns in spend, flag potentially fraudulent spend, and eliminate wasteful expenses more quickly for a greater impact.

A clearly defined expense policy eliminates confusion and fraud.

It's important to clarify your company's expense policy in writing, because employees may have different expectations about what corporate travel costs are typical. Sometimes this leads to overspending, or micromanagement from well-meaning accountants trying to trim the budget, and in the worst case makes your business vulnerable for fraud.

When building your policy, remember it exists to keep spending at a level that's right for your business. To eliminate confusion, provide examples of allowable and non-allowable expenses.

Setting these clear guidelines is the first part of creating a (nearly) foolproof policy. The second part is communicating and implementing it.

A few tips for a successful policy:

- Involve stakeholders in the process—striking a balance across their varying needs increases your chances of adoption and better serves your business as a whole
- Keep it updated—if you haven't updated your policy in two years or old, it's probably outdated
- Don't be too vague—employees' varied backgrounds and values can lead to drastically different interpretations of a vague policy
- But still keep it simple—the longer and more nuanced your document, the more likely employees are to skim over it or ignore it all together

Technology that makes expense reporting convenient and seamless strengthens the system even further.



Get Results with a Modern Business Expense App

Companies of all sizes are turning to TravelBank to get the results of a modern business expense app.

Replacing Excel saved major time and created a process that could scale with their team.

FiscalNote GRM, the revolutionary government relationship management platform, is now the most effective tool for influencing federal, state and local governments. Prior to using TravelBank, the then 65-person FiscalNote team was using Microsoft Excel as their main expense reporting tool. "With Excel, there's a ton of manual effort to reach out for approvals to department heads and add the expenses to payroll," says Marshall Thomason, FiscalNote's Controller. "Our main goal was to automate a lot of these redundant tasks that we were doing by hand with prior inefficient processes."

As FiscalNote grew its staff by over 5X, Marshall also discovered how easily TravelBank scaled.

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"It has absolutely grown with our team," says Marshall, "and by the time finance gets the expense reports and the expenses approvals, they're pretty much ready to go." Since working with TravelBank, FiscalNote has seen some radical changes. "It probably took us six times longer to work with Excel than TravelBank," says Marshall.

Sammi DiBella, a Senior Accountant at FiscalNote, discovered how simple it is to handle reports with TravelBank's intuitive UX. "It's very user friendly," she says. "As an admin, it's been easy to customize for our unique and ever-changing organizational structure, and the support team has been really great—they get back to me pretty much right away."

[Read the full FiscalNote story.](#)

Employees who used to rather skip reimbursement than file their reports, no longer have to waste time.

Jumpcut makes mind-blowing online courses that help people develop the skills they need to turn their passions into a successful business. Jumpcut employees previously used Expensify to keep track of travel expenses and submit for reimbursements.

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"We found it to be a very poor user experience and multiple employees were complaining about Expensify. Many people hated the clunky platform, specifically how time consuming it was, and the complicated UI/UX. Some employees even chose to skip receiving reimbursements, and just lose the money, in order to avoid using the platform altogether," explained Jennifer Leshkevich, former director of people and culture, currently producer, Jumpcut.

Expense management runs parallel to the travel experience, making it easy to track and submit reports. Expenses are automatically created for any travel booked in TravelBank, completely eliminating the effort required to add expenses one by one in another app. The process of submitting for reimbursement is now significantly quicker and easier, saving time for Jumpcut employees. "Honestly, I can't even think of anything I do not like about TravelBank," Jennifer concluded.

[Read the full Jumpcut story.](#)

Reconciling the AMEX used to take three days. Now monthly reporting is done in less than a day.

OnRamp, a top name in data security, was looking for a better way to handle expense reporting. "At the time, we were using Excel spreadsheets and paper receipts, and it was definitely not worth it," says Joel Martin, Senior Manager of Customer Operations. In fact, their analog approach to tracking and reporting was a pain point for the entire team. "It was really time consuming for me," adds Sherrie Atkinson, OnRamp's Accounts Payable Lead. "Sometimes it took up to three days to handle monthly reporting. I kept thinking, 'There has to be a better way of doing this.'"

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"When I found TravelBank, I was excited because it was very easy to use," Joel says, "and when I reached out via the support chat, they responded immediately and were able to help me out instantly." Sherrie was just as excited. "Joel sent his report to me, and I'm like, 'Why is everyone here not using this?'"

TravelBank also helped streamline work for Accounts Payable. "Beforehand, there was so much stress involved in trying to get the American Express bill reconciled each month and get expense descriptions clear enough for auditors," says Sherrie. "TravelBank has sped things up so much that I'm able to get monthly reporting done in less than a day now. Plus, a lot of our staff are saying it's made their life a lot easier. It's been a great tool for us."

[Read the full OnRamp story.](#)



Questions about expense management?

[Talk to our team.](#)