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## ACCOUNTING

# How to Create an Effective Travel & Expense Policy

An effective expense policy covers all aspects of employee-initiated spending, including business travel, appropriate use of corporate credit cards, contingency planning for things like trip cancellations or emergencies, personal issues such as ...

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You know that moment when you get an expense report in from an employee featuring a night at the Ritz Carlton and a \$500 client dinner? That's the moment that you think, "What's actually in our expense policy?" Or maybe, you're thinking, "Do we actually have an expense policy?"

Maybe it's not as extreme as a night at the Ritz, but nearly always, in a small- to mid-size business' lifespan, there's a moment where you realize that perhaps everyone won't just do the right thing. Or even that expectations are muddy and need to be clarified.

This is when you know you need to consider creating a travel and expense (T&E) policy, or at least do some serious updating on the one you have. You're not just protecting yourself against fraud, though that's one reason, you're also making the path to doing the right thing clear and easy for your employees. No one has ever complained about clear expectations.

# So where do you start with a travel & expense policy?

An effective expense policy covers all aspects of employee-initiated spending, including business travel, appropriate use of corporate credit cards, contingency planning for things like trip cancellations or emergencies, personal issues such as spouse or partner travel or add-on trips, and, of course, expense report submission and approval guidelines.

Everything related to these items needs to be clearly spelled out:

- Business travel
- Corporate cards
- Contingency planning
- Personal issues
- Administrative guidelines

## Filling in the details

Your policy should be specific on everything from medical accommodations to emergencies and mixing personal with business travel. All these things will come up at some point or another, especially as your company grows—you might as well be prepared and ahead of it. The more detailed the policy, the less likely it is that you'll have to have one of those cringe-worthy compliance conversations with an employee.

## Step-by-step instructions

Creating a T&E policy is probably not how you want to spend your day, so I hope I can make it easier for you. Concur recently hosted a webinar, which is now viewable in an archive version, entitled [Creating a Travel & Expense Policy Employees Will Actually Follow](#), which will step you through the details on what, how, why you need an expense policy and how you can get your employees to adhere to it.

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