CPA Practice **Advisor**

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

either put in place when the company only had a handful of employees traveling or they were based on industry standards that haven't been revised in over a decade.



Apr. 11, 2019

"Are you *really* going to reject that expense report because of *that*?" We ask our customers this question all the time — and guess what, they usually say "Nope." They're just adhering to their company's travel and expense (T&E) policy without really considering the context of the expense.

Many T&E policies we've seen are outdated. More often than not, these policies were either put in place when the company only had a handful of employees traveling or they were based on industry standards that haven't been revised in over a decade. With business travel on the rise, it isn't just the overall reimbursement amount that

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

this? It's becoming increasingly common for auditors to approve expense reports that don't stick to these strict guidelines, as long as employees don't go over the overall daily limit of say, \$100. We recommend setting an overall daily meal limit or per diem rather than a meal-based one. This change will ensure that your auditors are paying attention to the expense reports of employees whose behavior they actually want to address, rather than focusing on someone who spent \$5 extra on lunch, for example.

Give your employees more time

T&E policies usually require expenses to be submitted for reimbursement within 90 days of incurring the expense. Let's say an employee submits a receipt that's older than 90 days. It's likely that this expense just slipped the employee's mind or they just found it while cleaning out their suitcase. Are your auditors really going to go through the trouble of asking the employee why they didn't submit the receipt earlier? Probably not. There are various reasons for delayed submission, but usually, the employee is given the benefit of the doubt. We recommend increasing the permitted expense age to 180 days to give employees more time to submit their expense reports and decrease any potential back-and-forth between employees and auditors.

It's okay to enjoy a glass of wine once in a while

Sure, no one wants their employees getting drunk on the company dime, but it isn't uncommon for employees to sip a glass of wine at dinner – especially when they are traveling on business, away from their families, and eating all by themselves in the hotel lobby. Okay, I didn't mean to paint such a dampening picture, but it's quite true! Expecting companies to pay for a drink used to be a complete no-no in the business world, but today, companies are more flexible about alcohol. So, either allow it up to a certain dollar amount, say \$100, or track an employee's behavioral

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

solution for automated expense report audits that leverages artificial intelligence to audit 100% of expense reports, invoices and contacts in seconds.

Accounting • Artificial Intelligence • Auditing

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved