

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

healthy company culture. Expense policies around what can and cannot be expensed is reflective of company culture as a whole.

Oct. 20, 2020



A clearly documented corporate expense policy should eliminate any confusion about what employees can and cannot submit for reimbursement. In the context of the current pandemic, travel and meetings have substantially decreased, while other categories that support employees who are working from home (such as home internet and home office equipment) have increased. This shift gives companies the opportunity to create expense programs that go well beyond travel and expense, and shape the broader company culture moving forward.

Traditionally, companies have thought of their expense program as “travel and

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

## The spectrum of expense policy enforcement

Expense policies at organizations can range from very strict to very lax. An overly-strict expense policy may require manager approval on each expense and refuse reimbursement on anything out of policy, no matter how trivial the dollar amount.

On the other hand, some expense policies are extremely lax. Netflix, the streaming giant, is an example of an expense policy written in a high-trust environment that reflects the company culture. Their company expense policy is **only five words**, “Act in Netflix’s best interests.” They expect their employees to spend the company money thoughtfully, as if it were their own. After implementing this policy, Netflix found it actually *saved* money on employee expenses. Employees spent company money extremely carefully because of Netflix’s high-performance environment. Also, by letting employees book their own travel without using travel agencies, they found better deals on flights and hotels.

Although this worked well for Netflix, depending on your company culture, an unclear expense policy may result in bad behavior. Palantir, a Silicon Valley decacorn valued at \$20B, came under scrutiny after reports of engineers expensing lavish meals at the office, including lobster tails and sashimi, dubbed by media outlets as “**Palantir Entitlement Syndrome**.” Under Armour was criticized for “**being run like a frat house**” after it was revealed that executives regularly expensed strip club visits, gambling, and limousines.

## Design the expense policy that’s right for your company culture

A carefully crafted expense policy can help reinforce company values and commitment to employees, giving companies a competitive advantage. For example, **Starbucks offers 100% tuition coverage** for its employees, promising to reimburse any out-of-pocket tuition costs its employees accrue at the end of the

semester. Genentech, the San Francisco-based biotechnology company, offers

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

## Employee perks in the “new normal”

These types of perks are even more critical to employee happiness in today's environment, where the majority of office employees are working remotely for the foreseeable future. [Google](#) has already announced that it will allow employees to work from home through June 2021. Some tech companies such as Twitter and Square have announced that their employees can work from home permanently if they choose to.

This huge change in the way we work has forced companies to rethink company perks. There's been a dramatic shift due to the pandemic, and most previous company policies are irrelevant now that employees are working from home. As an organization, how do you make sure your policy is resilient to the changing climate?

Companies that usually bolstered morale with happy hours and catered lunches now need to rethink the needs of their employees at home. Some companies are offering food delivery services to their employees via services like GrubHub and DoorDash to replace the catered meals in the office. [Facebook](#) gave a \$1,000 stipend to each employee to use at their discretion. [Slack](#) is offering childcare reimbursement to employees with children, who are now juggling working full-time with their kids at home. Many companies are allowing their employees to expense keyboards, monitors, desks, chairs, and office equipment to build their home offices. [Salesforce](#) is giving an extra six weeks of paid vacation for employees with children, to acknowledge the struggle of having to work from home full time while also caring for their children.

Another important consideration is tracking these new types of expenses. With artificial intelligence solutions, companies have better visibility into where employees are spending. Is there a sudden, unexplained spike in Starbucks or food

delivery expenses that doesn't reflect your policy? AI can give you near real-time and

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

atmosphere throughout your organization. To learn more, [check out our webinar](#) or download our whitepaper.

=====

*Anant Kale is Co-Founder and CEO of [AppZen](#) the leader in AI software for finance teams to automate manual finance processes, reduce expenditures, and gain real-time insights into their business spend trends.*

Accounting • Artificial Intelligence • Benefits

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