

# Taking Control of Employee-Initiated Expenses



David Ballard, Senior Vice President for Public Sector, SAP Concur

The latest cloud-based applications offer greater visibility and management of this potential budget-buster.

**R**esearch shows that employee-initiated expenses — hotel bills, meals, airfare, mileage, etc. — represent the second-largest employee expenditure for state and local governments after payroll.<sup>1</sup> Unfortunately, these costs also may be one of the least-managed areas of public sector budgets. One critical challenge is that many agencies struggle with legacy systems dependent on paper expense reporting and other outdated practices that make it difficult to track and account for this costly area.

In this Q&A with *Government Technology*, David Ballard, senior vice president for public sector at SAP Concur, discusses how automated expense reporting systems with modern mobile apps and cloud services help state and local officials better understand, optimize and reduce employee-initiated expenses.

## **Q: What are some of the problems that result from poor expense management?**

A big one is non-compliance with internal purchasing policies, including the use of unapproved vendors. Employees may book rooms at favorite hotels without realizing their organization has negotiated better rates with approved vendors. Mileage allowances are another huge area. Whether intentionally or because they don't understand government policies, employees often overreport miles on their expense reports.

## **Q: How can a modern expense reporting application address these issues?**

SAP Concur has many tools to gain greater visibility into expenses to control them more effectively. For example, the platform can automatically enforce expense guidelines so employees use approved vendors unless a manager allows an exception because of a special circumstance. We also offer a mobile app that integrates with Google Maps to automatically track how many allowable miles people drive and then send the data to an employee's expense report. Similarly, we've established relationships with many airlines and hoteliers to create eReceipts. When employees travel, these partners generate the receipts and send them directly into the traveler's expense records. Employees don't need to fill out these expenses in their reports as they are already itemized in the system.

## **Q: What other capabilities should organizations look for when evaluating expense management applications?**

Cloud-based SaaS applications are key. They have minimal management overhead compared to on-premises solutions, which means IT personnel can spend time on tasks that align to their agency's mission critical goals.

Government officials should also look for applications that are easy to configure to meet the unique needs of their organizations. They should make sure the system offers flexibility to support existing policies and methodologies. Just as important, they should be able to change those policies over time as they optimize their expensing practices.

## **Q: What business benefits can government officials expect to see?**

Reducing costs is one potential benefit. When organizations have complete and accurate data, they can analyze spending volumes and perhaps negotiate better rates with hotels and other suppliers. In addition, we've seen organizations significantly reduce annual mileage reimbursements. Agencies also can speed reimbursements to employees, sometimes shortening the time from a couple weeks down to same-day payments.

### ENDNOTE

1. <https://www.concur.com/newsroom/article/3-ways-technology-can-modernize-employee-spend-for-state-and-local>



SAP Concur is the world's leading provider of integrated travel, expense, and invoice management solutions, driven by a relentless pursuit to simplify and automate these everyday processes. With SAP Concur, a top-rated app guides employees through every trip, charges are effortlessly populated into expense reports, and invoice approvals are automated. By integrating near real-time data and using AI to audit 100% of transactions, organizations can see exactly what they're spending without worrying about blind spots in the budget. SAP Concur eliminates yesterday's tedious tasks, makes today's work easier, and helps organizations run at their best every day.

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