

# 4 Steps to Build Your Travel and Expense Policy

The best travel and expense policies support their company's goals, improve employee satisfaction, and adapt to changing business environments. Does yours?

Whether your existing travel and expense (T&E) policy is due for a refresh or you're creating one for the first time, this guide can help you build and enforce a policy that's right for you.



## Step 1: Understand Why Your T&E Policy Matters

At its core, your T&E policy defines how employees can spend company money on business travel and other related expenses. Your T&E policy should cover all instances that will have a monetary impact when employees are conducting business on behalf of the company, so it's important to be thorough.

### Benefits of a well-written policy

Every business has different values, needs, and goals. No matter where your organization is in its business lifecycle, having a T&E policy that's comprehensive and easy to understand can help your business in many important ways.



#### Control costs

A clear and thorough policy can help your employees follow spending limits and make them good stewards for your company's money.

#### Get visibility into spending

Specifying exactly which expense types are and are not included can help you see who is spending money, what they're buying, and how much is being spent.

#### Leverage vendor discounts

If your policy includes preferred vendors for airlines, hotels, car rental companies, and more, you can take advantage of discounts.

#### Enforce policy violations

Everyone has different ideas of practicality when it comes to spending company dollars. By putting your policy in writing, enforcement is much easier.

#### Improve employee satisfaction

A strong policy is a good way to show employees and potential hires company perks such as continuing education, gym memberships, and more.

## Step 2: Consider These Factors for an Effective T&E Policy

### ALIGN AND DON'T OVERREACH

#### Get on the same page as senior management and stakeholders.

Your policies are often a direct reflection of your company culture. Get clear guidance to set expectations and begin the development process.

#### Foster an environment of employee empowerment.

Some T&E policies try to create a command-and-control environment. Instead, trust your employees to make choices that best meet their business needs.

#### Sustainability

Near-zero business travel in 2020 positively impacted sustainability, and employees noticed. Add to that the rising environmental and social consciousness of employees, and it's clear that any T&E policy needs to take sustainability into account. Employees want their companies to embrace near-zero strategies: zero emissions, zero waste, and zero inequality. You can do this by providing your employees with:

Clear and measurable sustainability goals for your company

Green options for air, lodging, rental cars, and more

Flexibility to make sustainable travel decisions

Policies that address risk to LGBTQ+ and female travelers

### Key pillars of T&E programs



#### Controls and compliance

Adhere to policy and regulatory requirements

#### Spend governance

Manage your organization's funds effectively

#### Employee experience

Enhance job satisfaction and productivity

#### Expansion and optimization

Provide real-time guidance for the ever-changing governmental and business health requirements for corporate travelers

Survey after survey echoes the same messages from both travelers and travel managers, highlighting the importance of incorporating these concerns into your policy:

"My health and safety will take precedence over the decision I'll make regarding my travel."

"Yes, I want to travel, but only when I feel safe to do so."

"I'll pick and choose the suppliers that meet my business needs, and not just those of the company."

"I want flexibility in my workplace and travel and not draconian rules."

"And if I don't get what I want... I am prepared to leave my company."

## Step 3: Build Your Foundation

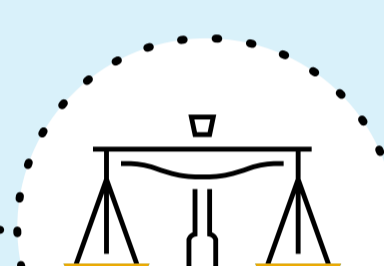
### ONE SIZE DOES NOT FIT ALL

There is a very small chance that one company's T&E policy will be a perfect fit for another company. Every company is different.

Your T&E policy should reflect your company and its:

Company culture

Risk tolerance



Interpretation of requirements and regulations

Need for exceptions

### GETTING STARTED

No one person should determine what's best for your entire organization. To create a policy that works for your employees and your business, consider these key elements before you begin writing.

#### Identify key internal stakeholders

Their inclusion can help build a strong T&E policy.

#### Finance

Understand the needs of those who are the gatekeepers for spending

#### Legal

Mitigate risk and help ensure policies are legally compliant

#### Human resources

Determine whether what you're doing is good for your employees and how to educate people about policy requirements

#### IT

Provide guidance on mobile phone and Internet reimbursements, international roaming, cracked screens, and more

#### Travel management

Receive input from those responsible for booking conferences, coordinating with travel management companies, and keeping in touch with how employees travel

#### Executive leadership

Help with enforcement, and understand how they measure success

#### Sales and marketing

Share their travel habits, hotels or airlines they prefer, and what they wish the policy offered them

#### Define and explore your company culture

It's important to take a good, hard look at what your organization stands for and align your policy to your values.

It's not enough to think only about what your company stands for today. It's also important to consider where your company will be in the future.

As you become more profitable and add employees, you'll want a T&E policy that scales with you.

#### Determine what will be in your policy

Every detail matters – consider every angle, be creative, and understand that your policy will need to be updated regularly.

### COMMON CATEGORIES

#### Expense

- Mileage
- Technology reimbursements
- Meals
- Alcohol
- Home offices and remote employees

#### Travel

- Defining "business trip"
- Booking methodologies
- Preferred suppliers
- Delays and cancellations
- Extending trips

#### Duty of care

- Health and safety updates
- International travel
- Medical support services

#### Enforcement

- Credit card requirements
- Receipt affidavits
- Receipt requirements
- Expense due dates
- Consequences of fraud and noncompliance

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Concur TripLink and Triplt® services

SAP Concur App Center

Audit Services

#### Determine what will NOT be in your policy

Get ahead of employee spending and behaviors by itemizing nonallowable expenses. There are a handful of common expense types you can include to anticipate behaviors.

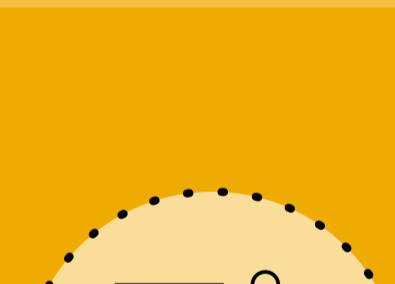
"Well, our policy didn't say we couldn't expense that."

Daycare

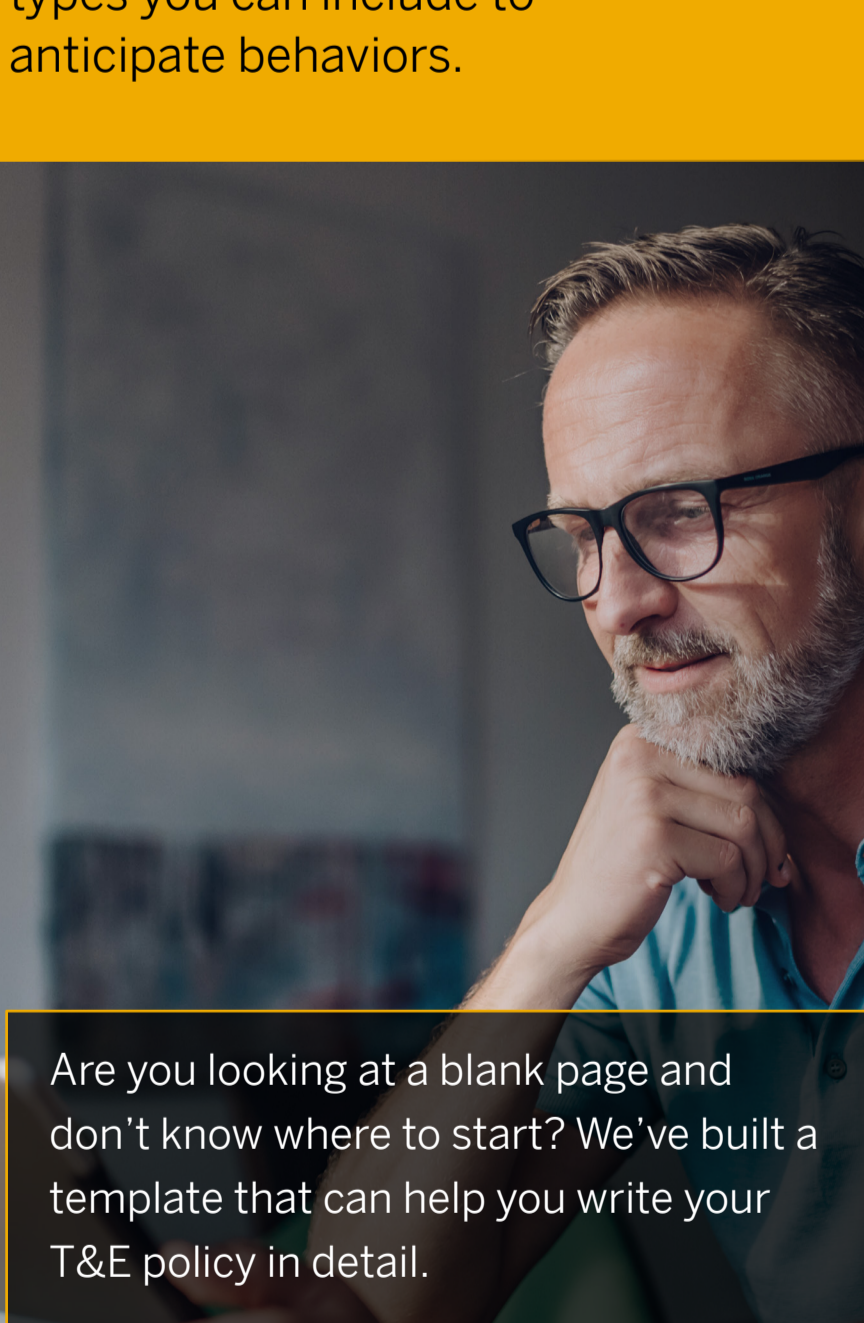
Tickets

Gambling

Travel upgrades



Specific types of entertainment  
Personal items or services  
Laundry and alterations



#### 5 tips for writing a T&E policy that employees will actually read

- Start with a simple table of contents
- Keep copy to a minimum
- Compartmentalize into sections
- Use bullet points for lists
- Write in short sentences rather than long paragraphs

Consider starting your policy with your company's guiding principles. For example, "Our culture is built upon a foundation of honesty, integrity, and trust, and our guiding principle is that all employees should act in the best interest of the company at all times."

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#### Establish accountability

Remind readers they all share in the fiscal responsibility for the good of the company and are entrusted to spend on its behalf, as well as being representatives of the organization at all times.

Explain that noncompliance with the company T&E policy can lead to legal and financial risks

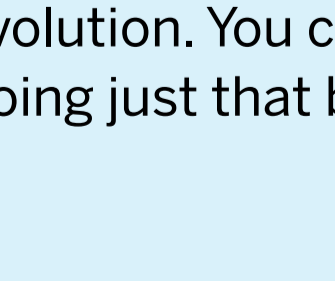
Be clear from the start that noncompliance by an employee could lead to disciplinary action, up to and including termination

Provide links to other policies, such as your code of conduct or purchasing policies

Advise employees of the location where the policy will be housed

## Step 4: Maintain and Adapt Your Policy

Your policy is a dynamic document, and it needs to keep up with the changing business landscape and your company's evolution. You can ensure it's doing just that by:



### The Best Time to Write Your T&E Policy Is Now

There is no such thing as a small detail when it comes to creating or updating a T&E policy. Everything matters. Now you're ready to gather as many stakeholders as possible, have honest discussions about spending habits and values, draw clear boundaries, and enforce the rules you set. And the team at SAP Concur is ready to help.



#### Do you really need to automate expenses?

The bottom line is that expense automation can save your company money and increase your employee productivity. An automated T&E solution that automatically populates charges from suppliers, credit card companies, common expense categories, and receipts such as business meal expenses, car rentals, dry cleaning, hotel rooms, and airfare can save employees time and increase productivity by allowing them to focus on their core business purpose. SAP Concur solutions can help automate your expenses. Take a free test drive of the **Concur Expense solution** and experience how you can improve productivity, compliance, and control over your business expenses.