



Must-have features for an expense management solution in 2021

A feature checklist to help pick the ideal expense management software for your organization



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Must-have features for an expense management solution in 2021

Are you looking to move out of your traditional expense management process?

If you're still using pen and paper and Excel sheets to manage your company business expenses, chances are, you are incurring unforeseen costs.

As per a [JP Morgan study](#), companies with automated expense reporting systems experience a **58% reduction in processing cost** as compared to companies that use traditional expense reporting means.

An automated [expense management software](#) can simplify and streamline your entire T&E process. Additionally, the benefits it brings extend to both your employees and your Finance teams.



With an expense software, you can:

- ✓ Save your employees from the ordeal of tedious expense reporting.
- ✓ Keep proper documentation of all business expenses for tax purposes.
- ✓ Ensure your business claims appropriate tax deductions.
- ✓ Reduce employee reimbursement turnaround time.
- ✓ Meet stringent deadlines while also staying compliant with the IRS.
- ✓ And more!

But before we get into the nuances of an automated expense software, let's see if you need one in the first place. If your business uses traditional means of expense reporting, check for these signs that indicate [a broken expense management system](#).

If it is, we've designed this ebook to help you get the best expense management software that fits your business needs. Given the current times, we've also created an up-to-date 2021 checklist of the must-have [features in an expense management solution](#). To further build our case, we've also listed the many benefits an expense software brings and how your business can leverage an automated expense reporting software in 2021.



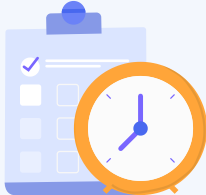
How does a traditional expense management process affect business health?

If you have a handful of employees making business expenses every month, you can probably manage them without a hassle. But if you're a growing business, you'll have [several employees making expenses](#) every month. Managing all these expenses with traditional means can start to get agonizing, and errors may also begin to seep in.

For example, some business-related expenses can be Wifi bills, subscription fees, phone bills, etc. It can become challenging for you and your team to verify each [expense report](#), check for receipts, and log them manually into a spreadsheet.

Manual data entry can also cause errors and mistakes to slip by and take up productive work hours. All this can prove detrimental to your business in the long run.

Disadvantages of using conventional methods to manage your business expenses:



It is a time-consuming process



There is a higher chance of human errors



There are chances of fraudulent claims



Management teams have no visibility into spending trends



Employees face a decrease in productivity and efficiency



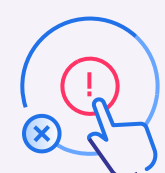
It is a time-consuming process:

Traditional expense management requires manual efforts from both employees and Finance teams. Employees have to print and fill out expense report forms, collate, and submit them along with the right receipts. The Finance team has to go through each report, verify the details, ensure it matches the receipts, and make data entry into their expense tracking sheet. These manual processes could cost your Finance team and employees crucial productive hours.



There are chances of fraudulent claims:

When Finance teams have to meet stringent deadlines, they can overlook missing receipts and expense violations. In a manual expense tracking set-up, greedy employees can overstate their expenses, submit fictitious expense reports, and claim reimbursements more than once.



There is a higher chance of human errors:

Data entry errors can occur when employees are manually filling up their expense reports. For example, employees can put the wrong amount or date of the expense. Errors can also occur when Finance teams are keying in data or validating data for expense claims. These errors can be easily missed and could result in businesses losing money over time.





Management teams have no visibility into spending trends:

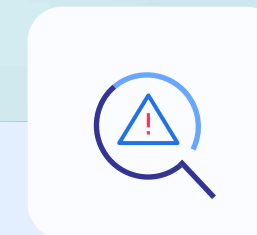
Businesses need to have sufficient insight into their expense data to understand if a particular investment in a department, or project yields profits. Finance teams can use the data from employee expense reports to make these informed decisions. E.g., the Finance team can use insights from the expense data over a period of time to create effective expense policies, associate with vendors for greater discounts, & more.

But with the manual expense management process, employers or admins don't have a bird's-eye view of the entire process. This can lead to the Finance team missing out on potential opportunities. Additionally, poor visibility into their spend insights can lead to poor decisions, negatively affecting the company.



Employees face a decrease in productivity and efficiency:

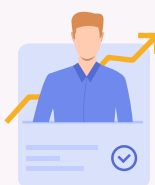
When your business is still stuck with a traditional expense management process, your employees and Finance teams are spending energy and time on tasks that can be merely automated. Expense management tasks can also be mundane, repetitive, and routine. If your employees are spending hours on such tasks, they can start to feel demotivated and disengaged from their work. This can cause a dip in employee morale and productivity.



Why should businesses consider an expense management software?



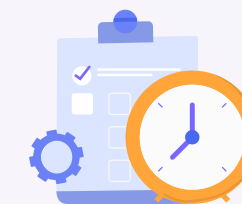
Reduce reimbursement turnaround time



Increase employee compliance and accountability



Get real-time visibility and transparency into spends



Automate repetitive tasks and save productive hours

Your expense management woes can be a thing of the past with an [expense management software](#). Here are some of the biggest reasons why your business should adopt an expense management software:



Reduce reimbursement turnaround time:

In a manual expense reporting process, the nature of the tasks is tedious, leading to employees deciding to report their expenses in bulk at the end. But an expense management software introduces a [seamless process for employees to report](#) their expenses. This can encourage employees to [report expenses on-time](#) and curb delays from the beginning.

With the software, Finance teams can also [automate their reimbursement process](#) end-to-end. They do not have to spend time collating documents or exporting expense-related data manually. The Finance team can also find all expense details in one place, automatically sync details, and make payments to multiple employees at once.



Increase employee compliance and accountability

Manual compliance has several drawbacks. Finance teams waste huge amounts of time ensuring reports are violation-free. But even with careful evaluation, errors and fraud can slip through without notice. An expense management software can replace your manual checking process with a robust policy check engine that conducts [expense report audits in real-time](#). It also helps Finance teams catch violations before it's too late.





Get real-time visibility and transparency into spends

There's no way to know how much your employees are spending until the end of the reimbursement period in a traditional expense reporting process. But with an expense software, Finance teams get accurate real-time data and insights. With automation and business intelligence tools, teams always have a bird's eye view on spends and can drill down into reports anywhere, anytime.



Automate repetitive tasks and save productive hours

An expense management process is ridden with tasks that a software can automate. Manual entries can present opportunities for human errors to occur at any stage of the expense reimbursement process. But with technologies such as OCR embedded in the tool, it can quickly scan and extract transaction data from a receipt.

An expense software ensures zero manual intervention from the [expense reporting](#) process to the payment processing process. In case of errors, the digital audit trail makes it easy to detect the source of the problem. This transforms a rather lengthy process of expense management into a genuinely one-click process.

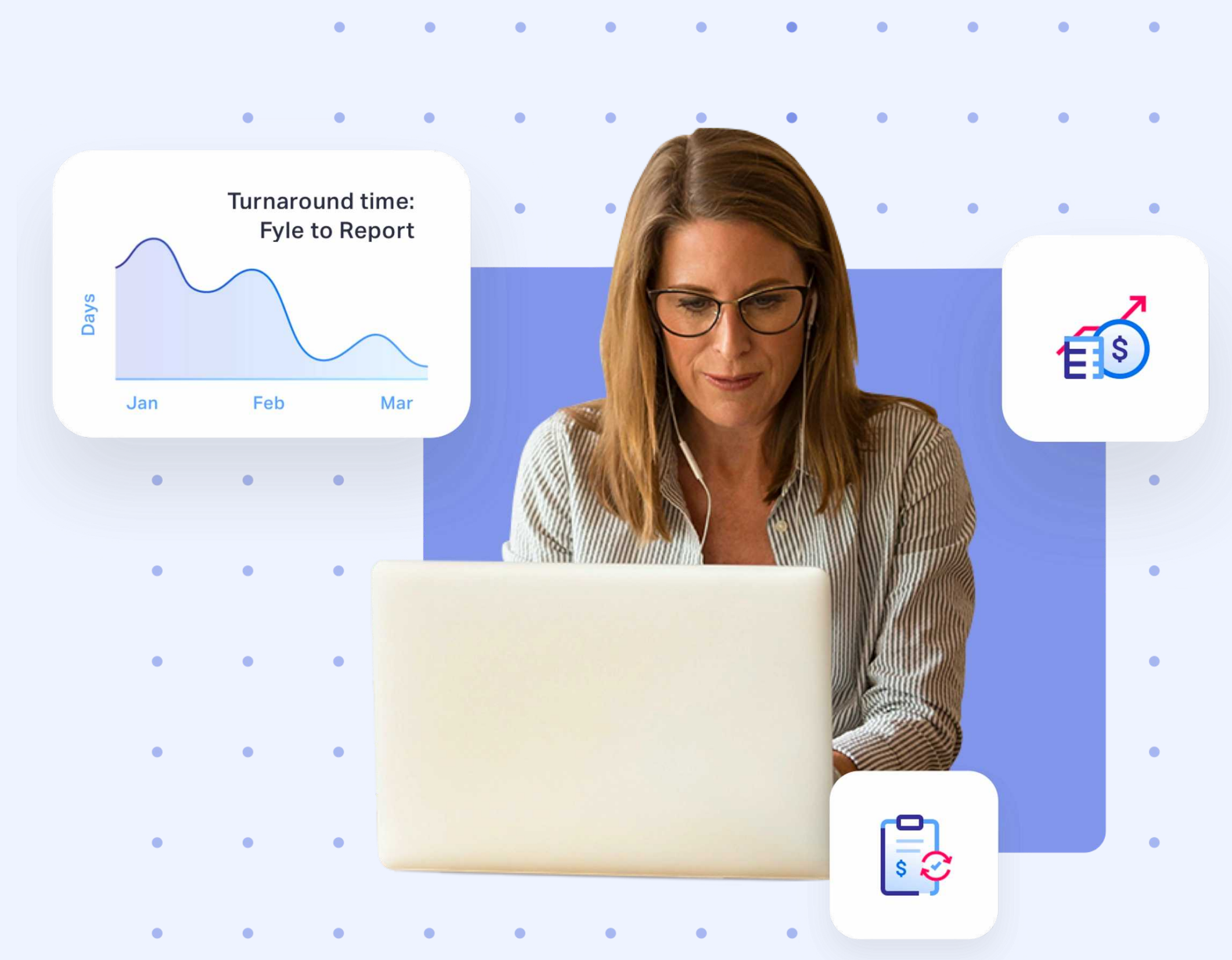
The Finance team can also bid goodbye to [manual reconciliation](#), as the software automatically reconciles card transaction details, expenses, and receipts. It also flags violations in an expense report so that Finance teams don't have to spend hours manually going through each of them.



Must-have features for an expense management software

Choosing a software is subjective- the tool that works for a specific business might not be best for you. If you ask your friends or colleagues for the [best expense software](#), each of them will probably recommend different ones. Further, if you go researching on your own, you'll come across multiple options.

To make it easier for businesses looking for the best expense management software, we've listed down the top must-have features in any EMS.

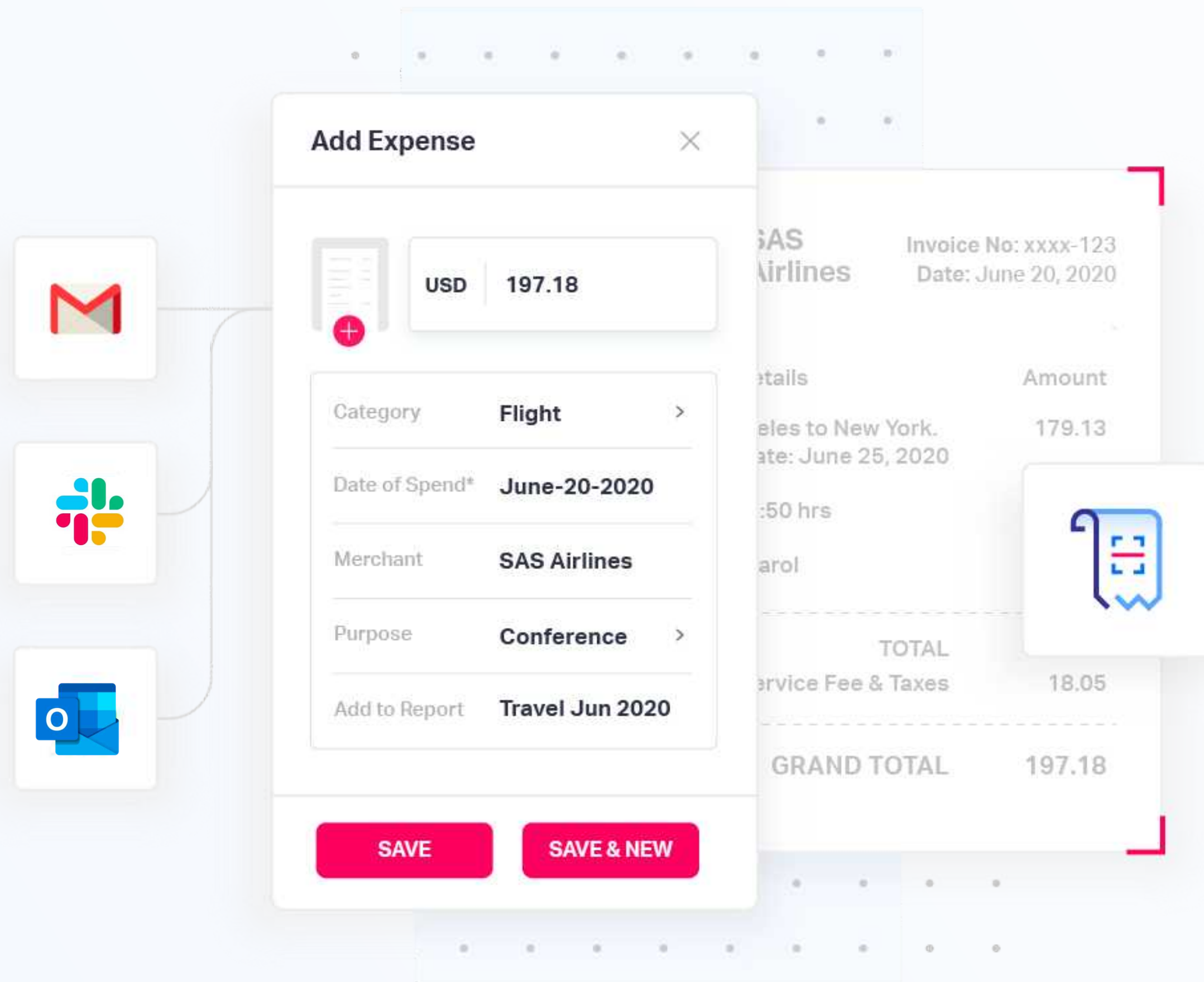


Receipt scanning feature

A receipt scanning feature allows employees to click a picture of their expense receipt and submit it on the go. The feature comes along with OCR technology that intelligently scans the receipt and extracts crucial information from it.

Additionally, the users don't need to manually key in expense details, thereby eliminating potential data entry errors. They simply have to [review the expense report](#) and submit it. The digital receipt is also automatically attached to the online expense report. This means no more missing receipts, and Finance teams receive documentation related to an expense all at once.





Multiple expense reporting options

An ideal expense management software provides multiple options through which employees can submit their expense reports. For example, they can report expenses via the mobile app, text message, email, or communication apps such as Slack.

Additionally, no matter which way employees choose to report their expenses, each expense report ends up in their travel and expense dashboard. With this feature, employees can also avoid delays in reporting their expenses. This helps Finance teams to close books on-time and stay audit-ready, always.

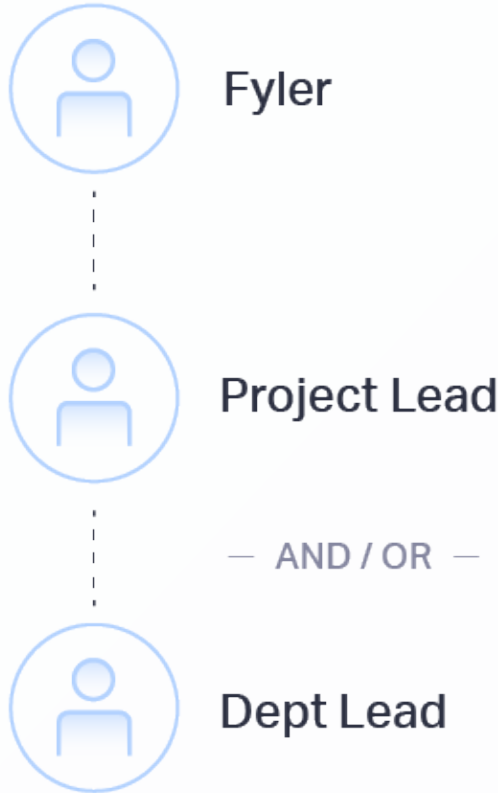
Automated approval workflows

An automated approval workflow can help you streamline your entire expense approval process. Finance teams can design workflows as per the company hierarchy and automatically route all employee expense report submissions to the right approvers.

In case of an error, the approver can send back the report directly to the employee for clarification. All conversations around the report are also documented in the digital audit trails. If the manager approves the report, the software routes the report to the Finance department to audit and process the expense report for reimbursement.

What's more? All this happens under one dashboard. This enables all stakeholders to view an expense report's real-time status, anywhere, anytime and by using any device of their choice.

Approval Process



Approvals

Primary Approver: Project Lead
Secondary Approver: Dept Lead

USD 21,384
Contains 1 expense
[Hide All](#)

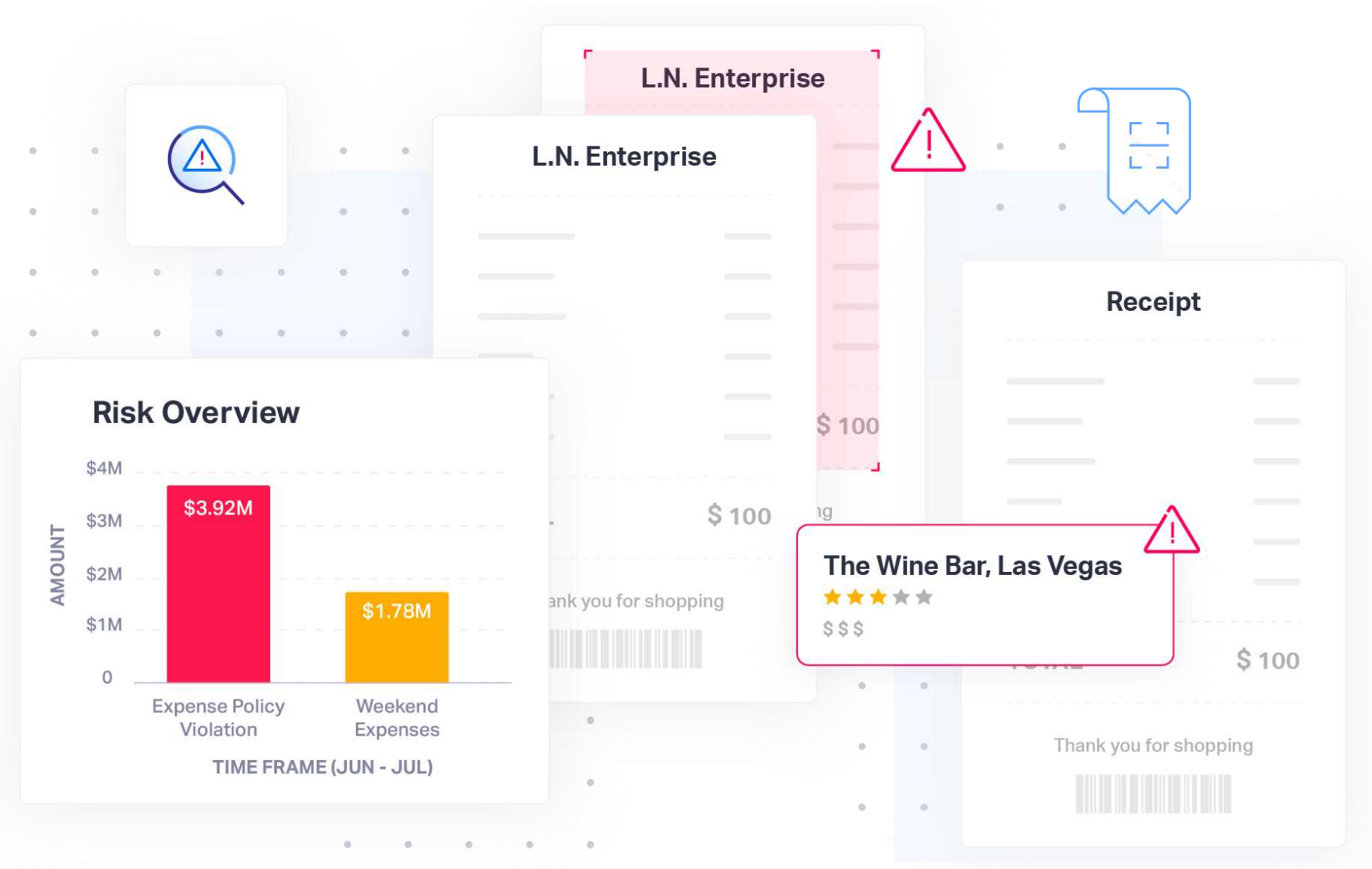
Wednesday, 11 March 2020

USD 21,384
Coursera: Advanced ML
Professional services

[+ Delegate Approval](#)

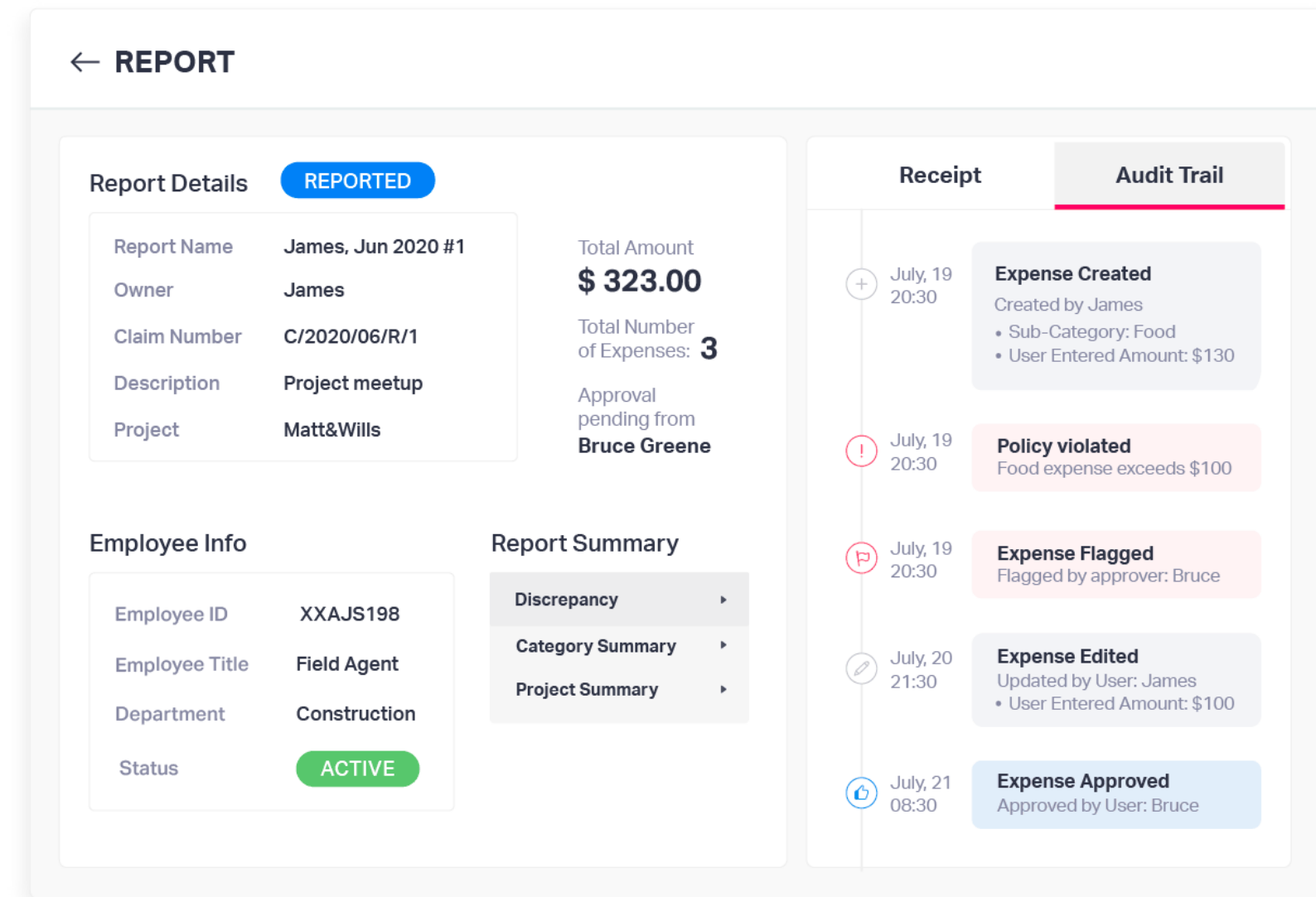
APPROVE REPORT





Real-time policy checks

A robust policy check engine is crucial for any expense management software. The [real-time policy check](#) feature can ensure compliance within your organization. When an employee submits an expense report, this feature checks the report for any error or policy violation. In case of a policy violation, it immediately flags the problem to the user. The user can then go and resolve the issue. This feature helps [eliminate potential risk](#) from the source itself.



Digital audit trails

An expense report goes through multiple stages before it's finally processed for reimbursement. The digital audit trail feature helps you track all the data, communication, and actions within an expense report. This enables businesses to have a complete record of expense reports, receipts, approvals, and payments, all at one place.

Credit card management

Managing multiple credit cards and staying on top of expenses can get challenging without an intelligent software. But with an [automated expense management system](#), you can reconcile your credit card transactions, expenses, and receipts without any manual intervention.

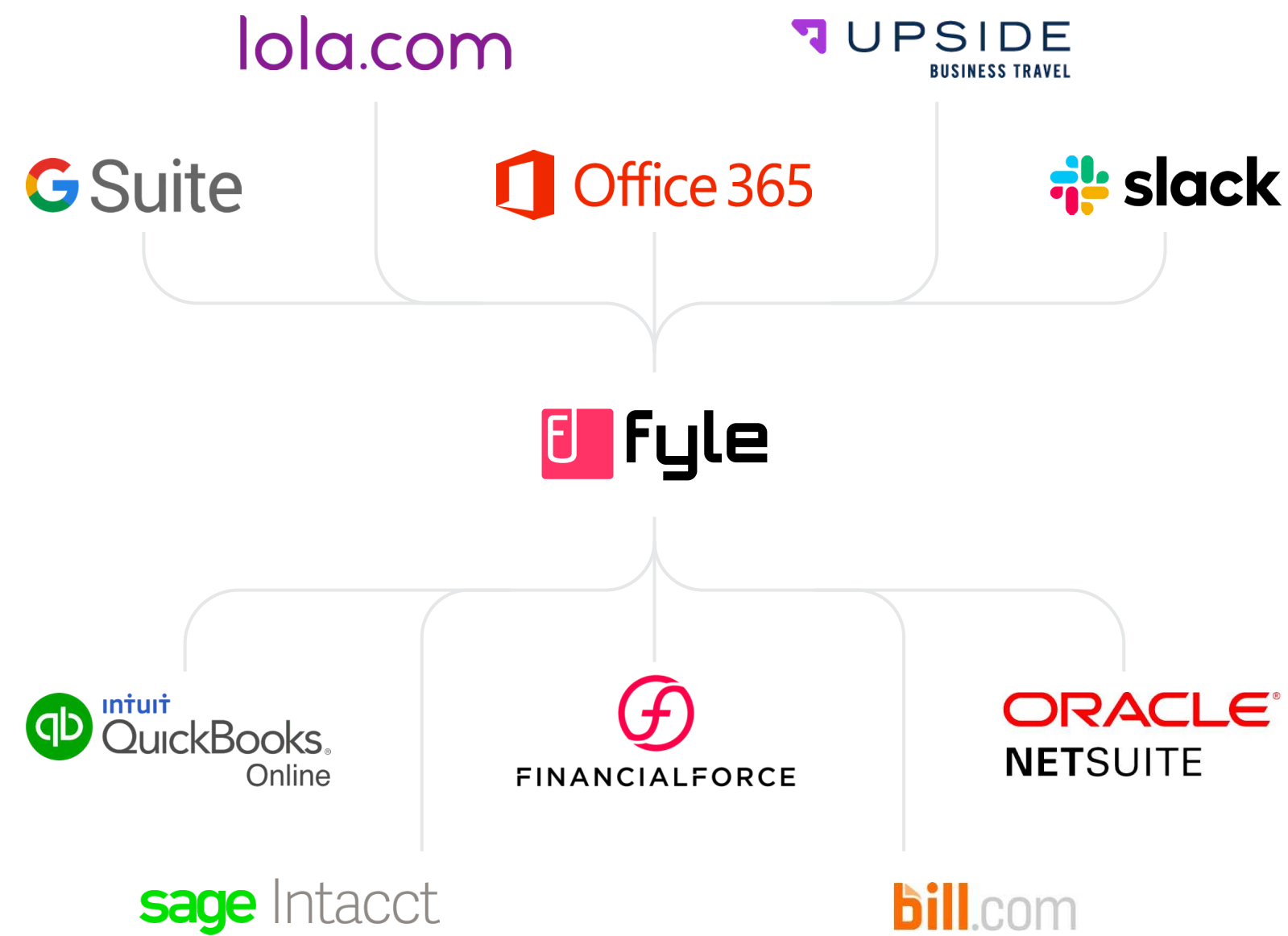
An automated expense management software also allows businesses to manage different card programs and get direct bank feeds from the providers. This enables companies to track all card spends and transactions while also gaining complete visibility into its usage in real-time.

The screenshot displays the 'Manage Cards' interface with the following components:

- Manage Cards Header:** Includes 'Export' and 'Delete Card Transactions' buttons.
- Card Management Table:**

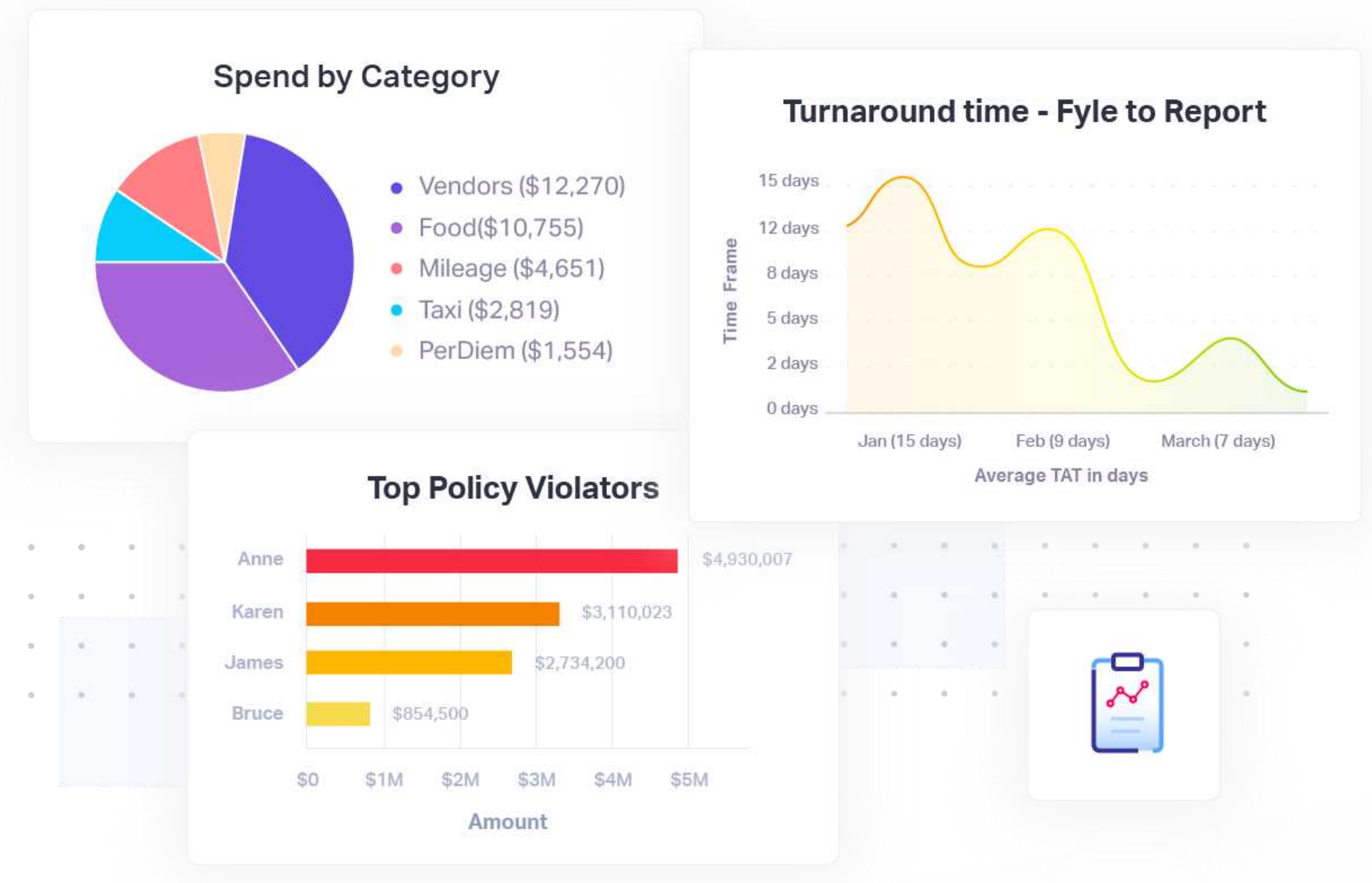
Card Provider	Bank	Account Number	Employee
Amex	American Express	xxxx-3112	Assign to

Card Program	Total Cards	Assigned Cards	Unassigned Cards
Corporate Gold	3	2	1
Corporate Platinum	5	3	2
- Card Provider List:** Includes checkboxes for Amex, Master Card, and Visa, with an 'Add New Card' button.
- Reconciled Expense Modal:** Shows a receipt for 'MICROSOFT Store' with a 'Matched to a transaction from card ending with 3111' confirmation. A note states: 'Automatically created from your company's card feed'.
- CARD STATEMENT:** Displays account details for 'xxxx-3111' and a billing cycle from '20 Jun - 20 Jul 2020'.



Integration with preferred software

The ability to seamlessly integrate with other software can help you further streamline and simplify your expense management process. You can sync and move data around employees, expense details, payments, cards, and more. You can also save time and address specific challenges by integrating with your preferred ERP, [accounting software](#), or other tools to ensure seamless collaborations.



Advanced data analytics

If you want to make an informed decision, you must rely on what the numbers tell you. [The advanced analytics](#) feature that comes with top expense management software gathers all the information related to your company spend. The feature allows you to view spends based on categories such as department, projects, employee level, etc. It also helps Finance teams understand employee spend behavior to identify potential risks or opportunities.

Your 2021 checklist for an expense management software

Here's an infographic to help you pick the best expense management software that benefits both your employees and your Finance department:



	Employees	Finance department
✓	Intuitive mobile app Fast and easy-to-use app to report expenses on-the-go	Cloud storage Access, view, and approve expense report from anywhere
✓	Reporting in bulk Ability to report multiple expenses at once	Automatic card reconciliation Reconcile expenses without manual interventions
✓	Accurate receipt scanning Manage Receipts, anywhere, OCR-based scanning to cut down manual data entry	Approval workflow Customizable workflows to suit your company hierarchy and needs
✓	Receipt management Stress-free receipt tracking and storage	Real-time fraud checks Ensure compliance with automatic policy checks
✓	Mileage tracking One-click tracking and logging of work mileage	Policy configuration Set up complex company policies within the system
✓	Automatic report submission Report error-free expense reports on-time	Data analytics Accurate, real-time insights into employee spends
✓	Email plugins for online receipts Submit expense report directly from the mailbox	Accounting software integration Seamless integration with preferred software

Choosing the right expense management software for your organization

Here are some pointers to keep in mind when you decide to purchase an expense management software:



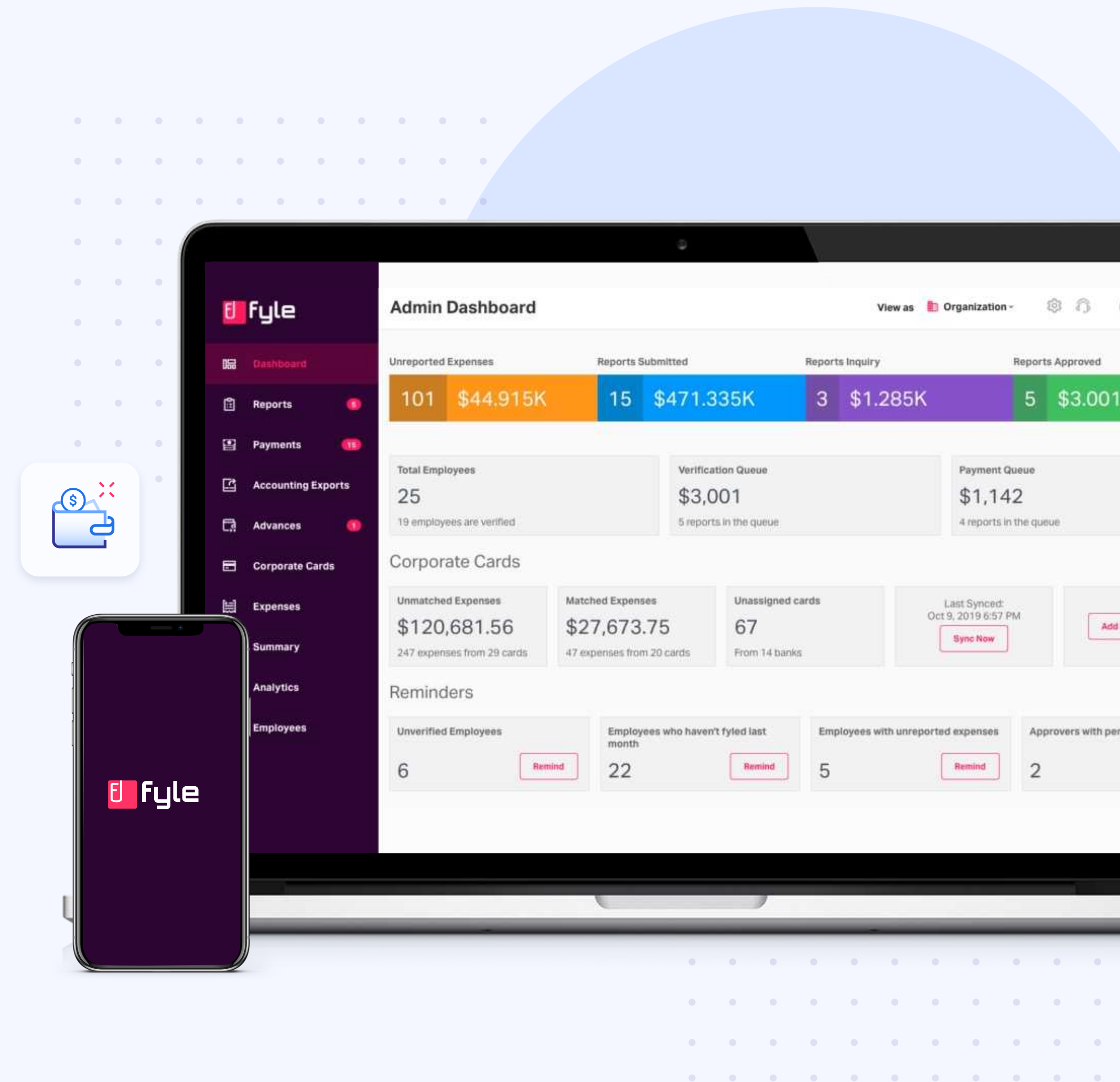
Discovery and planning phase:

List out your current expense management challenges and what you hope to achieve with an automated expense management software. Do you want to make expense reporting easier for your employees? Are you looking for a solution to help your Finance team with incoming expense reports? Or do you want to increase efficiency by digitizing your expense management process? Whatever your requirements are, proceed with your goals in mind.



Define your ideal expense management software features:

Based on your business goals, look at the various options available. Make a list of solutions with features that will help you achieve your goals and conduct a good comparison between them.





Read user reviews:

The market is saturated with different types of expense management software, and each has its pros and cons. Read user reviews on [customer-based review platforms](#) to know more about the software's ease of use, integration, customization, scalability, and quality of support.



Get in touch with the provider:

Ask about the cost structure for purchase, set up, and customization. Look into ongoing and indirect fees for upgrades, customer support, software



Work with your management team:

After narrowing down your list to a couple of options, sign up for free trials or schedule demo calls. Pick a group of people from your company that will have to deal with the changes and get them to try the software with you. Keep testing, gather feedback, and eliminate software that doesn't suit your business needs.



Experience the new-age of expense management:

Sit back and relax as your expense management software takes care of all your expense management woes.

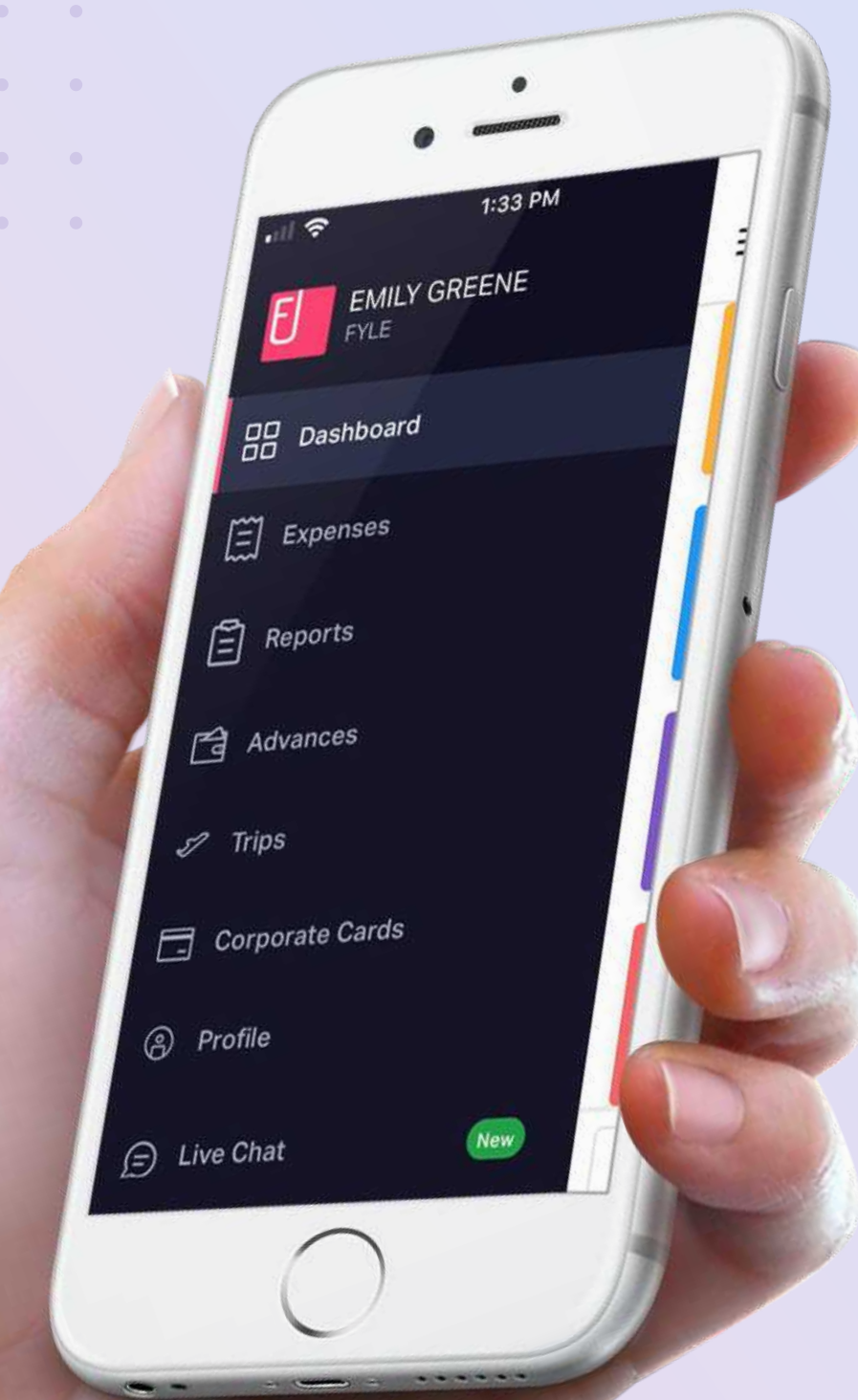


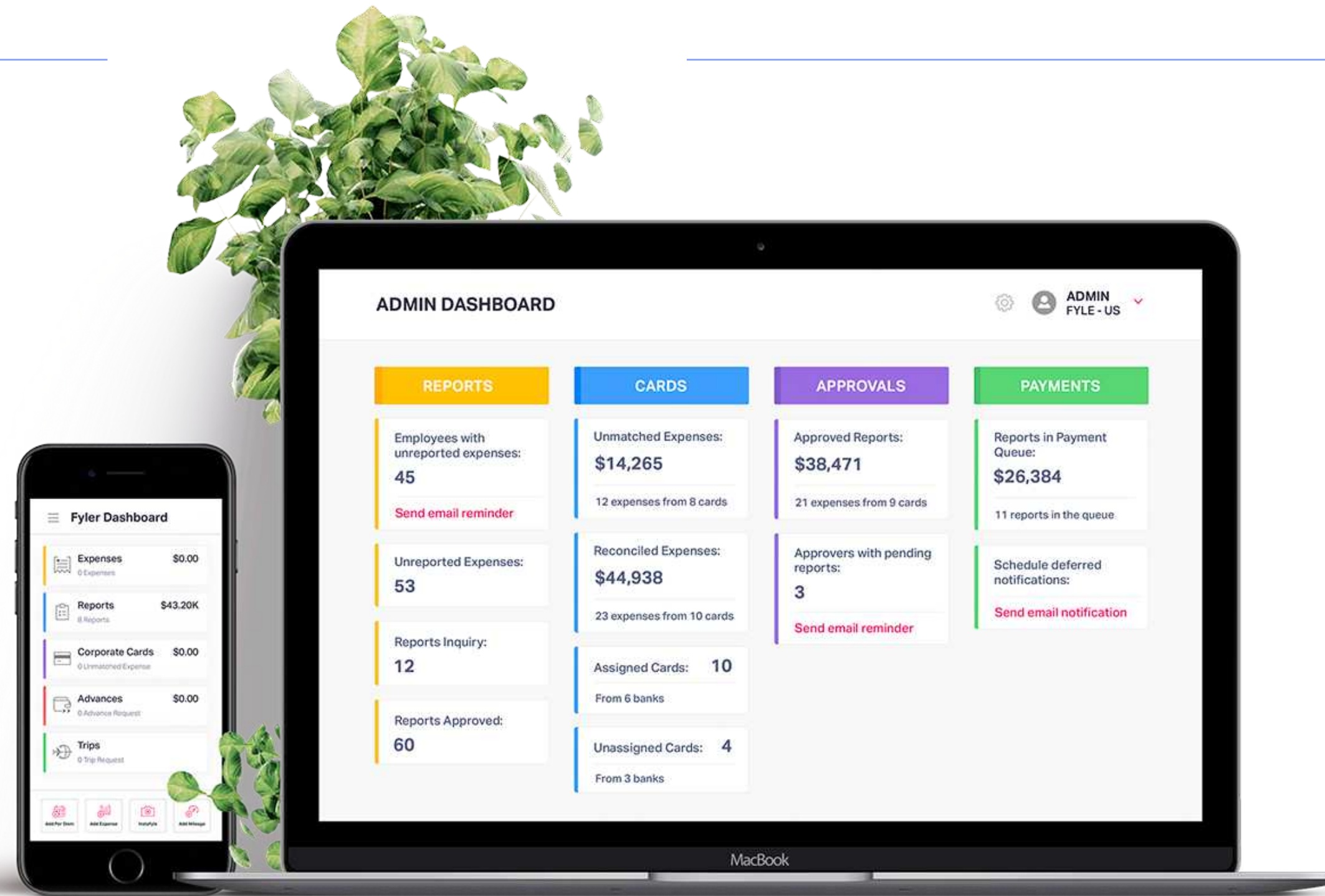
The bottom line

Choosing the right expense management software can make the life of your employees and management teams easier. Fyle comes with receipt scanning, real-time policy checks, auto-reminders, automated workflow set-up features, and more.

As your expense management software, Fyle can help with your financial operations and help cut or save costs wherever possible. You can view and keep track of the entire process through an intuitive dashboard and access your employee expense reports with our mobile app. With Fyle, it is easier to take care of routine manual tasks while ensuring efficiency, accuracy, and compliance.

Expense management tasks can be that simple with Fyle. So, why not see it in action by [scheduling a demo](#) with us? Let's start simplifying your expense management today!





Closing notes

It's 2021, and neither your employees nor your finance teams have to struggle with expense management. Make sure you're ticking all the right boxes when choosing an expense management software to make your employees' lives easier.

Know someone who could use the checklist? Feel free to share.



Fyle is a trusted expense management automation partner for Finance teams across 83 countries and counting!



We're backed by some of the leading Venture Capital firms like Tiger Global, Steadview Capital, and Recruit Holdings. We've raised over \$10 million in venture capital over the last five years.

We are a team of about 80+ people passionate about ensuring not a second of your time is spent managing business expenses.

[Get a demo](#) with us to find out how we can help you automate reconciliations, payments, and everything expense management while delivering a phenomenal experience to your employees.

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