

## A Message from the President

Summer is here and hopefully things are not quite as busy. Along with taking a breather, you might find that it is a good time to review the business systems your company has in place.

Recently, several customers have contacted us about ways of improving their system for tracking employee travel and entertainment (T&E) expenses. We decided to turn these requests into a project, looking at a number of products to determine their benefits to companies of various sizes. We were pleased to find that there are a number of excellent and reasonably priced products available.

Perhaps you are also wondering about different ways that your business can manage employee spending and adhere to a budget. We thought that this newsletter might be a good place to share our findings on T&E solutions. As always, if you want more information we would be happy to talk with you about your requirements and make a recommendation.

Enjoy the summer!

*Debbie Mazzullo*



## Why Consider an Automated Travel and Entertainment Solution

In many small and mid-size businesses, the travel expense reporting process is a manual, time-consuming, and inefficient process involving Excel spreadsheets and photocopied receipts. There is usually some sort of a review and approval process with a manual check for adherence to the company's travel policy. The process can seem never-ending.

This system works, but you may not be aware that there are technologies available that cost less than \$10.00 per person/per month that offer significant benefits that include:

- ability for employees to enter expenses and receipts and access expense report entries from anywhere there is an internet connection
- ability to submit expenses and receipts using smart phone technology
- elimination of paper copies of expense reports & receipts
- easy uploading and attachment of scanned or photographed receipts
- enforcement of travel policy with alerts
- direct link to travel-booking
- direct link to the company's corporate bank card
- currency conversion for international travel
- approval workflow
- reporting tools and expense analytics
- integration that allows export of expense report data which can be imported directly into Payroll, Accounts Payable and General Ledger systems

Mazzullo, Inc. took an in-depth look at five automated T&E products. Most of them have the capabilities listed above, but one product might be more suited to your company's specific needs. The bottom line is the product that is right for your company will save time and money, provide increased control and an audit trail.

For further information, please contact us.

## Exciting Happenings at Mazzullo, Inc.

### User Group

Information from the April 22, 2010 User Group is available at [www.mazzullo.com](http://www.mazzullo.com). The topic was Express Connect and EFT processing.

The next user group date will be **July 22, 2010**. We will be showing Certify T&E and demonstrate how to get these 5 commonly asked for reports in Accpac:

- check register with invoices paid
- G/L transaction list spanning fiscal years
- identification of G/L batch for an AP invoice
- list of reversed checks
- outstanding check list

Please call or email [laura@mazzullo.com](mailto:laura@mazzullo.com) if you can attend. This user group will only be held virtually.

### Save the Date July 13-15, 2011 Sage Summit is coming to DC!

Sage's annual customer conference will be held at the Gaylord National Resort. Sage Summit provides educational and networking opportunities that simply can't be found elsewhere. We are fortunate that the conference will be held in our own backyard. The last conference was held in Atlanta, Georgia and was attended by 1,200 Sage customers. We are planning on hosting the Mazzullo Customer Conference at Sage Summit and hope that all of our customers will be part of this exciting opportunity, so please mark your calendars. To find out more, please visit <http://www.sagesummit.com/thankyou/>.

## Travel & Expense Related Fraud

According to the Association of Certified Fraud Examiners, 22.1% of all fraudulent disbursements were expense reimbursements. In many cases, the T&E fraudsters took advantage of their organizations repeatedly – each time becoming bolder. Eventually, many become so bold they get caught – but far better to be prepared and to have the systems in place to prevent it from occurring in the first place.

## Common Fraudulent Expense Related Activities:

**Mischaracterized expenses** - the employee falsely claims a personal expense as a business expense or claims another employee's purchase as his or her own (a meal, parking, taxi ride, etc.), or attempts to circumvent spending limits by deliberately miscategorizing an expenses.

**Overstated expenses** - the employee falsifies the amount of an item, especially common when receipts are not required or missing.

**Multiple reimbursements** - the employee files the same item on different reports over time, sometimes to multiple approvers.

**Fictitious expenses** - the employee fabricates false expenses.

**Payment cards** - can allow the same person to order, pay for and receive goods allowing this method to be easily open to fraud.

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# Q&A

## **Q. What are the most important features or capabilities to look for when selecting a travel and expense management system?**

**A.** The most important thing is to select a solution that can support the best practices desired for your business and your industry. Consider what elements make your company's requirements unique: do you have remote employees, do your employees need to enter expenses from mobile devices, does your company have existing T&E policies, do you have corporate credit card programs, etc. The T&E systems we looked at had similarities but there were some differences. One of the systems was designed for larger firms and offered third party fraud auditing. Another system offered the ability to manage Purchases and Accounts Payable in addition to the Expense reporting module. A portable scanning device was offered by another company, allowing employees to scan receipts directly to their expense report. Knowing the requirements of your company will help in deciding which product you should choose.

## **Q. Can I make direct deposits of reimbursed expenses to my employees' bank accounts?**

**A.** Yes. Most travel and expense automation systems have integration with a third party product that facilitates a direct deposit to the employee's bank account. The actual cost of processing a direct deposit is less than the postage required to mail a reimbursement check to an employee and requires no internal accounting processing effort.

## **Q. How does a T&E automation system interface with our accounting solution?**

**A.** In most cases, there is a file export from the T&E system followed by an import into the Accounts Payable, Payroll or General Ledger.

## **Q. How would my company support the investment in a T&E automation system?**

**A.** The return-on-investment attributable to these solutions are in soft dollars -- not hard cash -- but these savings can be significant. Employees can spend time doing something other than working on an expense report and because it is self-service, they can do their own research. Approvers can easily access employee expense reports to do line item approval and accounting staff will save significant time in the processing of the expense reimbursements. Additionally, if rules are built in to the T&E system you can catch things that might currently be slipping by unnoticed. With the implementation of a direct reimbursement system, the process can in fact require very little accounting personnel time. In addition, a web-based T&E system can significantly help companies that lack an IT staff.

