

Ensuring Compliance With Corporate & Inland Revenue Requirements

The benefit of deploying an electronic expense management solution extends far beyond simple productivity improvements. By using expense@work to enforce best practice procedures, the powerful reporting capabilities inherent in the product can be used to deliver detailed expense information to management and external parties such as auditors, the Inland Revenue or Customs & Excise.

Introduction

In deploying an electronic expense management solution sufficient consideration must be given to how the system will assist in the enforcement of corporate expense guidelines.

Of equal importance is the way in which the system is used to produce reports and queries for management and external organisations such as the Inland Revenue or Customs & Excise.

expense@work has been designed to facilitate these needs as follows:

- expense@work is highly configurable and uses coding intelligence to interface to back office systems such as finance or payroll.
- The intelligent workflow engine permits Authorisers to review and amend incorrect coding entries.
- The advanced reporting capabilities of expense@work allow the production of sophisticated reports and enquiries which detail the taxable nature of expenses.

Expense Headaches

No matter how sophisticated the reporting capabilities of an expense management system, the accuracy of those reports is wholly dependent on the data entered by the employee at the point of expense entry.

expense@work removes the guess work and potential for human error by allowing organisations to prescribe the way in which items are entered and subsequently mapped to external data sources such as finance. This then ensures the accuracy and completeness of the data for internal reporting and taxation compliance.

Entertainment & Travel

When capturing entertainment and travel expenses, it is important to accurately identify the tax status. To facilitate this:

- Different expense types can be flagged as taxable and non taxable events with automatic routing as appropriate.
- For items such as "entertainment", expense forms capture data such as client and event purpose.
- expense@work will prohibit inconsistent or omitted entries such as not allowing client entertainment to be entered unless the client details are also included.

- expense@work knows if an employee is using a company or private car and applies a different mileage rate as appropriate.
- Subsistence allowances and incidental expenses can be catered for, with different tax treatments being applied depending on the amounts involved and the number of staff present.

Once the taxable status of an item has been identified, expense@work can then deal with it in different ways depending on company policy.

For example the expense can be flagged as a P11D item and interfaced to payroll or other external systems for statutory compliance purposes.

	Cost To You	Tax Deducted	Taxable
E Mileage Allowance	50	13	38
N Other Items	240	60	180
O Expenses Paid			
Travelling & Subsistence Payments	100	25	75
Entertainment	200	50	150
General Expenses	50	13	38
Home Telephone	0	0	0
Other Expenses	43	11	32

Fig 1: expense@work can assist in the production of P11D reports