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Certificate in Corporate Travel Management

## Expense Management in Corporate Travel

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### **\*\*Accrual Basis of Accounting:\*\***

A method of accounting where revenues and expenses are recorded when they are incurred, regardless of when cash changes hands. This is in contrast to the cash basis of accounting, where revenues and expenses are only recorded when cash is received or paid. In the context of expense management in corporate travel, accrual basis accounting provides a more accurate picture of a company's financial position by matching revenues with the expenses incurred to generate those revenues.

### **\*\*Advance Payment:\*\***

A payment made in advance of the provision of goods or services. In the context of corporate travel, advances may be provided to employees for expected travel expenses, such as meals, transportation, and lodging. Advance payments must be properly accounted for to ensure that they are correctly reported as assets until the expenses are incurred, at which point they are reclassified as expenses.

### **\*\*Approval Workflow:\*\***

A series of steps and actions that must be taken in order for an expense report to be approved. This workflow typically involves the employee who incurred the expenses, their manager, and the accounting department. The approval workflow helps ensure that expenses are properly reviewed and approved, reducing the risk of fraud and errors.

### **\*\*Audit Trail:\*\***

A record of all financial transactions that have occurred within a system. In the context of expense management, an audit trail includes all expenses reported, approvals given, and payments made. An audit trail is important for ensuring financial accountability and transparency, as it allows for the easy tracking and verification of all financial transactions.

### **\*\*Corporate Card:\*\***

A credit card provided by a company to its employees for use in business-related expenses. Corporate cards can help streamline the expense management process by providing a clear record of all expenses incurred, and can also provide additional benefits such as travel insurance and rewards points.

### **\*\*Direct Costs:\*\***

Costs that can be directly attributed to the production of a good or service. In the context of corporate travel, direct costs may include the cost of airfare, lodging, and transportation. Direct costs are important to track as they can have a direct impact on the profitability of a business trip.

### **\*\*Expense Management System:\*\***

A software system used to track, approve, and pay for employee expenses. An expense management system can help streamline the expense reporting process, reduce errors and fraud, and provide real-time visibility into travel expenses.

**\*\*Expense Policy:\*\***

A set of guidelines and rules that outline what expenses can be reimbursed and how they should be reported. An expense policy is important for ensuring that employees understand what expenses are allowable, and for providing clear instructions on how to report and submit expenses for reimbursement.

**\*\*Expense Report:\*\***

A document that details all expenses incurred by an employee during a business trip. An expense report typically includes the date, description, and amount of each expense, as well as any necessary receipts or documentation.

**\*\*Indirect Costs:\*\***

Costs that cannot be directly attributed to the production of a good or service, but are still necessary for the operation of a business. In the context of corporate travel, indirect costs may include the cost of employee time spent planning and coordinating travel, as well as the cost of office supplies and equipment.

**\*\*Receipt Management:\*\***

The process of collecting, organizing, and storing receipts related to business expenses. Receipt management is important for ensuring that expenses can be accurately tracked and reported, and for providing the necessary documentation for tax purposes.

**\*\*T&E (Travel and Entertainment) Expenses:\*\***

Expenses incurred while traveling for business or entertaining clients. T&E expenses may include the cost of airfare, lodging, transportation, meals, and entertainment. T&E expenses can be a significant portion of a company's overall expenses, and proper management is important for controlling costs and ensuring financial accountability.

**\*\*Travel Booking Tool:\*\***

A software application used to book travel arrangements, such as flights, hotels, and rental cars. A travel booking tool can help streamline the travel booking process, reduce costs, and provide real-time visibility into travel arrangements.

**\*\*Travel Policy:\*\***

A set of guidelines and rules that outline what travel arrangements are allowable and how they should be booked. A travel policy is important for ensuring that employees understand what travel arrangements are allowable, and for providing clear instructions on how to book travel arrangements in accordance with company policy.

**\*\*VAT (Value Added Tax):\*\***

A tax levied on the sale of goods and services. In the context of corporate travel, VAT may be charged on expenses such as hotel stays and meals. It is important to track VAT expenses as they may be eligible for reimbursement or tax credits.

**\*\*Zero-Based Budgeting:\*\***

A budgeting approach that requires each expense to be justified for each new period. In the context of corporate travel, zero-based budgeting can help ensure that only necessary expenses are approved and that costs are kept under control.

Sources:

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