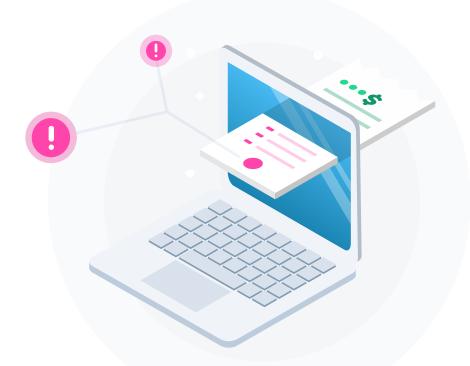# How to proactively enforce your T&E policy with AI

Having a clearly worded, well-communicated, and regularly updated travel and expense policy is the first step to ensuring compliance.

However, even with the most airtight policies, compliance concerns inevitably arise. Some employees intentionally flout the rules, while others aren't aware of them or simply make mistakes when submitting expenses.

These problems are exacerbated by the fact that most companies don't have the time or resources to review every expense prior to reimbursement. It's often left up to managers to approve or reject each expense report, and more often than not, they'll approve an expense report just to get it off their desks. To combat this, many organizations rely on post-payment partial audits. Even with this process, a significant portion of expenses (sometimes as high as 90%, according to our data) go unexamined. Even if an out-of-policy expense is found, it's often too late to claw back that spend.

With artificial intelligence (AI), you can proactively enforce your company's T&E policy and still catch all instances of errors, waste, and fraud. Here are a few out-of-policy items that AI can look out for.

Six ways AI can enforce your T&E policy

1 OVER-THE-LIMIT EXPENSES

AI notifies you if any receipt on an expense report goes over a set limit, so you can double-check exorbitant expense reports. And because the definition of "exorbitant" varies by spend category (for example, a $1,000 dinner might raise eyebrows, while a $1,000 flight might be necessary), you can set thresholds by category. Spend categories can be specified further by amount and merchant, for example, requiring receipts only for airfare purchases over $500 from the approved corporate travel agency .

2 MISMATCHED RECEIPTS

AI automatically makes sure that everything on an expense report — e.g., amounts, dates, merchants, currency — aligns with the receipts your employees turn in. This type of double-checking seems obvious, and is easy for AI to do, but takes up way too much time for finance teams to do manually.

3 UNSANCTIONED CREDIT CARD USE

Many companies prefer or mandate that employees only use corporate cards for business expenses. In this case, AI scans all receipts to find and flag any personal card usage.

4 VIOLATIONS OF PER DIEM LIMITS

Daily limits for meals and other travel expenses are standard parts of nearly every corporate spend policy. AI can flag reports where meal costs exceed those set limits. You can also specify if you want the software to flag all over-the-limit spend, or only certain levels — for example, if an employee goes over the meal limit by a dollar or two, most finance teams would prefer to auto-approve that expense.

5 **DUPLICATE EXPENSES**

AI can automatically flag if two employees submit the same expense twice (for example, for a meal or car rental) so that your company doesn't wind up paying double. The same goes for a single employee submitting the same expense twice (whether it's a mistake or an attempt to game the system).

6 **OUT-OF-POLICY MERCHANTS**

Odds are your spend policy doesn't look kindly upon employees expensing visits to strip clubs or spas. However, you'd be surprised at how often people get away with this. AI can flag any, ahem, questionable business receipts for further review. Artificial intelligence can even suss out the DBA names commonly used by strip clubs on receipts — for example, AI knows that "K-Kel, Inc." isn't the name of a restaurant, but the DBA name for the strip club Spearmint Rhino.

Exceptions for certain purchases can be configured by department or job title as well – for example, you can set smartphone purchases to be flagged for all employees except those with the title VP or above.

Conclusion

WIth AI, you can audit 100% of your T&E spend prior to payment and still detect which expenses don't comply with your policy. Low-risk spend is automatically approved for payment (speeding up reimbursement time for your employees), while reports with red flags are passed on to your team for further review.

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AppZen delivers the leading AI-driven platform for modern finance teams. The AppZen Platform is built on 7 years of learning from thousands of online sources, thousands of customers and billions of financial documents and transactions like invoices, contracts, expense and accounting data. Starting with business spend, we automate manual process, uncover problems and optimize decision making at scale for finance organizations around the globe, including one-third of the Fortune 500. The AppZen Platform combines patented computer vision, semantic analysis, and deep learning to understand financial transactions in business context and make decisions before those transactions happen. It is a must-have for CFOs and their teams to comply with policy and regulations, streamline process, and reduce spend.

Over 1,650 enterprises have standardized on AppZen, including four of the top five banks, four of the top ten media companies, four of the top ten pharmaceutical manufacturers, two of the top five aerospace companies, and six of the top ten software providers. Visit us at www.appzen.com and follow us on Twitter @AppZen

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