



Business Travel Guide

A comprehensive guide to optimise travel expenses



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Introduction

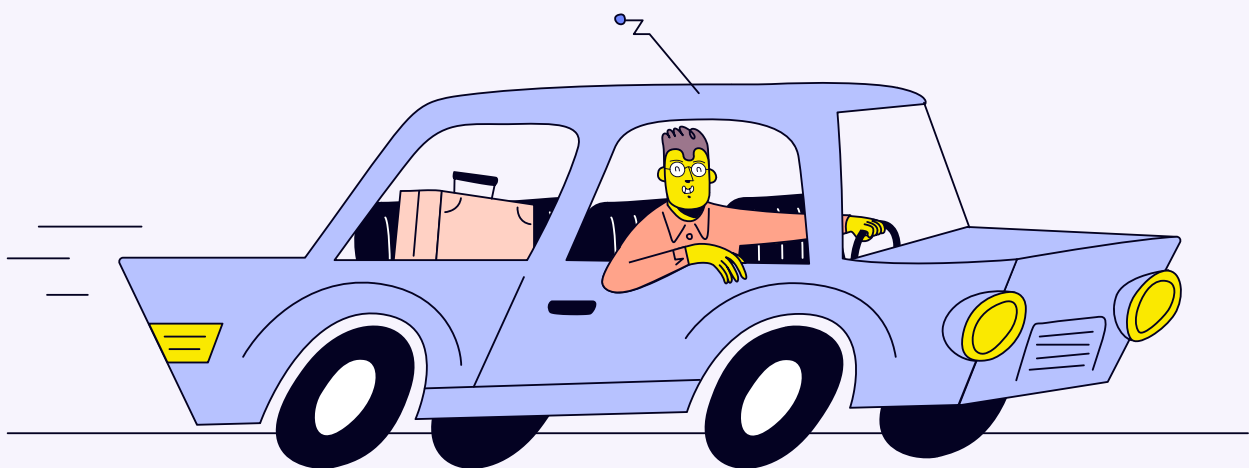
Business trips are a fact of life for many professionals. Whether it's visiting clients, attending conferences, or meeting business partners, business travel not only contributes to company growth, but it also provides an opportunity to strengthen personal relationships.

So it's no wonder that after the massive drop in business travel during the pandemic, it's coming back with a vengeance. In fact, [two-thirds of UK companies plan on increasing spend on business travel by 50% in 2023](#).

As studies show, most employees perceive business trips to be a work benefit. [85% of business travellers](#) say work travel is important, and a perk they look for when searching for a new job.

But business trips also have their pitfalls, and all the rules and regulations complicate matters. **And most companies still don't manage business travel efficiently.** Unclear processes and lengthy expense reports not only cause frustration and loss of time for the travellers themselves, but business travel also increases the finance team's workload. The right tool can remedy the situation and make business trips more pleasant for everyone involved.

After all, business travel should be an asset and growth lever, not a burden.



Travel expenses in the UK: the basics

What are business trips?

Business travel is any travel that an employee undertakes on behalf of the company in order to achieve specific company goals. Business trips can include travel within the home country or abroad.

The reasons for business travel are very diverse and could include visits to customers, business partners or suppliers, participation in conferences, training courses, or audits. For a trip to be recognised as a business trip, a number of requirements must be met.

Prerequisites for a business trip

1. **Business reason:** The trip should be carried out in the interest of the employer and be business-related.
2. **Working hours:** During the trip, employees should participate in business activities during working hours.
3. **Travel duration:** The duration of the trip should be reasonable to achieve the business objective.
4. **Travelling expenses:** Travel expenses should be reasonable and necessary; no unnecessary or luxurious expenses.
5. **Approval:** The trip should be approved by a supervisor or Human Resources

What are travel expenses?

As the name suggests, travel expenses are expenses incurred during a business trip. When an employee travels for business, they usually pay out of pocket and then submit their receipts to the corporate finance team to get reimbursed for those business travel-related costs. But not all expenses incurred in connection with a business trip are automatically reimbursable.

For example, the cost of buying a new suit for a trade show can't be claimed as a travel expense. Remember: these expenses must be necessary and reasonable in order to get reimbursed.

Business travel expenses that may be reimbursed include:

- Transportation costs
- Accommodation costs
- Meal costs
- Other / extra costs

NOTE:

Companies are not legally obligated to reimburse travel expenses. However, most do so out of goodwill. If the employer doesn't reimburse any costs, employees can deduct the costs incurred from the business trip as [income-related expenses in their own tax return](#).

How are travel expenses reimbursed?

Business travel expenses, incurred by the company as a result of employees working away from home, are reimbursed to the employee after the trip (at the latest). As a rule, travel expenses are reimbursed either at a flat rate or on the basis of actual costs.

Flat rate vs actual cost

1. Reimbursement of actual costs

Actual travel reimbursement means that employees are reimbursed the exact cost based on supporting documents (e.g. train tickets, restaurant or fuel receipts, etc.) from the company.

2. Reimbursement of flat-rate costs

Flat-rate reimbursement means that companies reimburse employees based on a standardised, or flat, amount decided ahead of time. The [current guidelines](#) are dictated and published by HMRC.

Reimbursing meal expenses

Anyone who travels for work usually has higher food expenses than someone in the office or working from home.

Since it can be quite a hassle to refund every single item, business travelers can easily claim a flat-rate, tax-free amount, regardless of the actual expenses. The amount depends on the location and destination of the trip.

[Here are the guidelines for the UK](#) as of 2023:

Minimum journey time	Maximum amount of meal allowance
5 hours	£5
10 hours	£10
15 hours (and ongoing at 8 pm)	£25

Reimbursing overnight expenses

Employees staying overnight during a multi-day business trip need a place to sleep. Hotels, holiday apartments and the like can be booked and paid for in advance by the employer; in this case, a refund is not required. If employees advance the accommodation costs, the post-trip accommodation bill must be submitted to the finance team. If agreed in advance, the costs will be reimbursed in full.

Find the HMRC's guide for business travel outside of the UK here: [Expenses rates for employees travelling outside the UK](#).

Reimbursing travel expenses

Travel expenses are incurred on almost every business trip. There are various ways to reimburse travel expenses, depending on the means of transport used: the costs of a taxi, flight or public transport can be proven by receipts and reimbursed in full. If possible, the company books and pays for the flights before departure. This way, employees don't have to make any advance payments.

If employees use their private vehicle, the so-called [mileage allowance](#) will be reimbursed in accordance with the HMRC's guidelines.

Vehicle	First 10,000 business miles in the tax year	Each business mile over 10,000 in the tax year
Cars and vans	45p	25p
Motorcycles	24p	24p
Bicycles	20p	20p

NOTE:

These flat rates come from [HMRC's approved mileage rates](#) and there is a supplemental allowance for each additional employee in the car.

If employees use a company car, the costs aren't reimbursed via the mileage allowance. They are also not tax deductible as income-related expenses. The costs for the company car have already been paid and are borne by the company.

Reimbursing other travel expenses

In addition to the travel, meal, and accommodation costs, there may be other expenses for a trip, such as:

- Paid WiFi
- Business-related phone calls
- Tickets for events relevant to the activity in question
- Parking fees
- Charges for storing or transporting baggage

These extra travel costs can also be reimbursed by the company. Here, too, each company decides individually which costs it recognises as work-related.

What does an effective travel policy look like?

Travel expense guidelines (also called a company travel expense policy) are internal regulations related to business travel. These guidelines determine which business travel expenses can be reimbursed and the rules that must be observed when booking, carrying out, and billing trips.

The company travel policy governs the entire travel process, from beginning to end.

Effective travel policies lead to a win-win situation for both the company and the traveller. Good guidelines clear up ambiguities and misunderstandings on both sides.

Checklist for an effective travel policy

The essentials of a good travel policy include:

- ☐ Purpose of the travel policy
- ☐ Booking process
- ☐ Upper limits for costs (arrival and departure, overnight stays, meal costs...)
- ☐ Special rules for more expensive destinations, long-haul flights, etc.
- ☐ Bonus programmes, partners, and preferred travel providers
- ☐ Approval process for out-of-policy travel requests
- ☐ Eligible expenses and non-reimbursable expenses
- ☐ Preferred accommodation and types of transport
- ☐ Travel expense report, reimbursement process, and proof of payment guidelines
- ☐ Travel insurance at home and abroad
- ☐ Health and safety guidelines
- ☐ Information on specific destination countries
- ☐ Travel behaviour and ethics, including rules of conduct
- ☐ Contacts for emergencies, questions, etc.

Efficient expense management for business trips

Digital expense management tools help companies and employees **plan, execute, and manage business trips**. Expense management software provides an easy-to-use platform that allows employees to quickly and easily upload and approve invoices and receipts, and helps finance teams monitor expenses and budgets.

Challenges of manual travel expense management

Many companies still rely on manual processes to manage and reimburse travel expenses. Preparing for (and then following up on) business trips is not only tedious and error-prone, but costs valuable time. In addition, it's difficult to keep track of all the expenses.

Disadvantages for employees	Disadvantages for finance teams
Manual receipt entry ✗ Holding on to receipts ✗ Manual travel expense claim	Wastes time ✗ Chasing receipts ✗ Manual travel expense claim
No transparency ✗ No overview of incurred expenses ✗ No overview of existing budget	More errors ✗ Higher risk of errors with manual entry ✗ Wrong accounts
Non-compliance with travel policies ✗ Misunderstanding travel policies ✗ Problems complying with travel guidelines	Hard to monitor ✗ Difficulty tracking travel expenses ✗ Compliance with travel guidelines at risk
Tedious processes ✗ Long approval process ✗ Long waiting times until money is refunded	Shared company card ✗ Less overview of payments ✗ Increased risk of abuse

Efficient expense management for business trips

Benefits of an expense management tool

An expense management tool offers companies many benefits when managing business travel (and other corporate expenses). Digital software provides **transparency, efficiency, compliance, and cost control**. And much more!

Benefits for employees	Benefits for finance teams
Automatic receipt entry ✓ Easy document capture with OCR technology ✓ No manual data entry	Saves times ✓ Automated process ✓ No chasing receipts
Complete transparency ✓ 100% overview of all expenses ✓ Full overview of budget	Prevents errors ✓ Automatic data entry ✓ Fewer careless mistakes
Adheres to travel policy ✓ Better compliance with travel policy ✓ No unnecessary expenses	Total control ✓ Tracks expenses ✓ Real-time monitoring in one platform
Quick and painless processes ✓ No money advanced ✓ Expense claims are completely eliminated	Smart card management ✓ Lower risk of fraud ✓ Individual limits
Fast reimbursements ✓ No long waiting times ✓ Money is reimbursed quickly	Optimises costs ✓ Automatic verification of expenses ✓ Unnecessary expenses are reduced

Optimised business travel

Smart expense management tools automate and digitise travel expense management so that business trips are easy and efficient for both the finance team and travelling employees.

Let's learn more about the individual features that make this possible.

1. Smart company cards for business trips

At Spendesk we recommend a combination of:

- Virtual cards for online payments such as booking plane or train tickets, and
- Physical cards with fixed budgets for on-the-go expenses

Employees (almost) never have to pay in advance. That's how it should be!



Instructions: virtual cards

1. If the employee finds suitable train tickets before their next business trip, for example, **they request the corresponding amount directly via the platform**, instead of using a shared corporate credit card.
2. The person responsible for the budget receives a notification immediately and can **confirm the request with one click** (or reject the request, if the budget was exceeded or for any other reason).
3. After the request is approved, **the platform generates a single-use virtual card**. Employees can now pay for the ticket securely online.
4. After booking the ticket, the employees simply **drag & drop the receipts** onto the platform. The receipt can also redirect to a **specially set up email address**.
5. **Expenses are digitally recorded in real time**. The finance department has full control over all expenses, and managers keep track of the budget.

6. Travel expenses can be processed directly for the tax return, thanks to the platform's integration with the accounting system.



Instructions: physical cards

1. The employee takes their physical debit card with them on a business trip so the finance team doesn't have to advance money.
2. If the employee needs to spend more, the person responsible for the budget receives a notification immediately and can process the request to **confirm card top-ups**.
3. Employees can **pay for travel with their own smart company card** e.g. for taxis or public transport tickets.
4. After paying, the employee **photographs and uploads the receipt**. All important data is automatically extracted using OCR technology.
5. Again, the finance team can **view and process everything in real time**. All data is transferred to the accounting system.

NOTE:

Company cards can be blocked for certain times – for example, for payments after 11 p.m. or on weekends. This ensures that employees do not use the card for private expenses.

2. Automated meals and mileage allowances

Manually calculating additional meal expenses or miles can get confusing quickly. Expense management software does the calculation for you automatically. Meal expense calculations are always based on the current rates given by HMRC.



Instructions: additional meal expenses and mileage allowance calculator

1. Employees enter the travel information and the tool **automatically calculates the amount**: the daily and mileage allowances employees are entitled to travel to and from the destination, accommodation and meals – both at home and abroad.
2. The request is **forwarded to the person responsible for the budget** who will review (and ideally approve) the information.
3. The finance team has **access to all the information** about the expense and can immediately reimburse employees with the appropriate amount if necessary.

3. Expense reports on the go

Occasionally, employees forget their company credit card or their travel budget hasn't been approved yet. It can also happen that card payments are simply not possible. So what happens when business travellers have to advance the cost?



Instructions: digital expense report

1. To make things as smooth as possible, the employee simply takes a picture of the corresponding receipt and submits it via the app or browser - immediately, easily, and from anywhere.
2. The document is scanned by **OCR technology**, and then recorded and forwarded directly to the person responsible for the budget. Once the issue is confirmed, the finance team can review it and **plan the transfer**.
3. The employee **has money back in their bank account soon** without having to wait long.

Spendesk: the complete solution for travel expenses

Business travel doesn't have to be complicated. Through the combination of virtual and physical cards, automated meal and mileage allowance calculation, and digital expense reports, business travel can be a breeze from beginning to end – for employees, managers, budget owners, and finance teams.

Spendesk benefits include...

- **Suitable payment methods:** Spendesk offers modern payment methods so that teams can easily pay both online and on the go. Plus, expenses can be assigned and billed faster.
- **Built-in policies:** Not all employees always remember the guidelines for business trips. With Spendesk, these are already taken into account thanks to individual approval processes and spending limits.
- **No more manual expense reports:** Spendesk eliminates time-consuming paperwork. Employees can simply photograph receipts and upload them via the app.
- **Your preferred providers:** Spendesk works with all online travel providers including popular sites like AirBnb, Booking.com, SkyScanner, and ride-hailing services like Uber or Lyft.

"Spendesk definitely makes travelling very easy. I don't need to worry about spending my own money. I know that I already have a budget in place that I can spend from, and I don't need to worry about when the company is going to pay me back."



Lola Oguntokun

Talent Acquisition Manager, Silverfin



Brought to you by Spendesk

Spendesk offers modern businesses the control and visibility they need over their travel spend. With our advanced tools, you can automate expense reports, capture receipts instantly, and provide employees with secure prepaid credit cards for spending on the go.

Finance teams save days on data reconciliation every month and can easily set clear rules for travelling employees.

Travellers no longer have to pay out of pocket or keep a stack of receipts with them throughout the trip. Instead, they can focus on the business at hand.

It's the easiest way to manage travel expenses.

[Try Spendesk](#)

