Frontiers in Business, Economics and Management
ISSN: 2766-824X | Vol. 9, No. 3, 2023

Optimization of Expense Reimbursement Process of Financial Sharing Center

-- A Case Study of P Business Service (Chengdu) Co., LTD

Li Liu*

College of Economics and Management, Sichuan University of Science & Engineering, Zigong 643000, China
* Corresponding author

Abstract: In recent years, the financial sharing center has become a hot spot, many large multinational enterprises set up their own financial sharing center, what is more, the financial sharing center is set up as a separate company, in order to more convenient division of rights and responsibilities, but also can widely accept the business of other enterprises, in order to increase their own revenue. In these financial sharing centers, expense reimbursement is an important part, and the scientific and smooth process is the key to determine the working efficiency of employees. Therefore, constantly optimizing the expense reimbursement process of the financial sharing center has become one of the important tasks of the financial department. This paper takes P Business Service (Chengdu) Co., Ltd. as an example to specifically describe how to optimize the expense reimbursement process to improve work efficiency.

Keywords: Shared center, Expense reimbursement, Process optimization.

1. Introduction

With the rapid development of big data and cloud accounting, enterprises have formed a trend of establishing financial sharing centers. Expense reimbursement has attracted both academic and practical attention. Taking P Business Service (Chengdu) Co., Ltd. as an example, we will discuss how to optimize the expense reimbursement process.

2. Expense Reimbursement Status

Various enterprise groups have adopted diversified development directions and international development strategies to acquire and merge domestic and foreign small and medium-sized enterprises, so as to achieve their own sustainable development and enter other markets [1].

However, some large group enterprises have numerous branches or multiple business lines, so the problem of financial treatment is more prominent, with the increasing number of financial personnel, uneven financial level and repetitive financial treatment behavior [2].

As the financial sharing center of P Company has a wide business scope and involves different regions, it may lead to the separation of reimbursement personnel and reimbursement review personnel, resulting in regional differences. The examination of bills by the staff of the financial sharing center is mainly based on electronic images, and the bills in the electronic images need to be examined one by one. There are many reimbursement examination points, and the work is rather complicated. Each expense group usually provides services for 1-5 shared service organizations, and the reimbursement review rules of each shared service organization also differ. The differences in bill review rules lead to low audit efficiency of employees and high error rate [3].

Similarly, P Company is currently responsible for the expense reimbursement of the entire Chinese mainland, Hong Kong and Macao. It can be roughly divided into two directions. One direction is responsible for the whole mainland, with A separate reimbursement group for Beijing, a separate reimbursement group for Shanghai, and a separate group for expense reimbursement personnel in other mainland cities; the other direction is a group for Hong Kong and Macao (hereinafter referred to as Group A). Meanwhile, all reimbursement documents are stored locally. That is, Hong Kong or Macao, paperless for the expense reimbursement handlers in the mainland. At the same time, Team A is also responsible for the whole Hong Kong and Macao receivables collection reminders. This paper will mainly introduce the expense reimbursement process optimization of Team A.

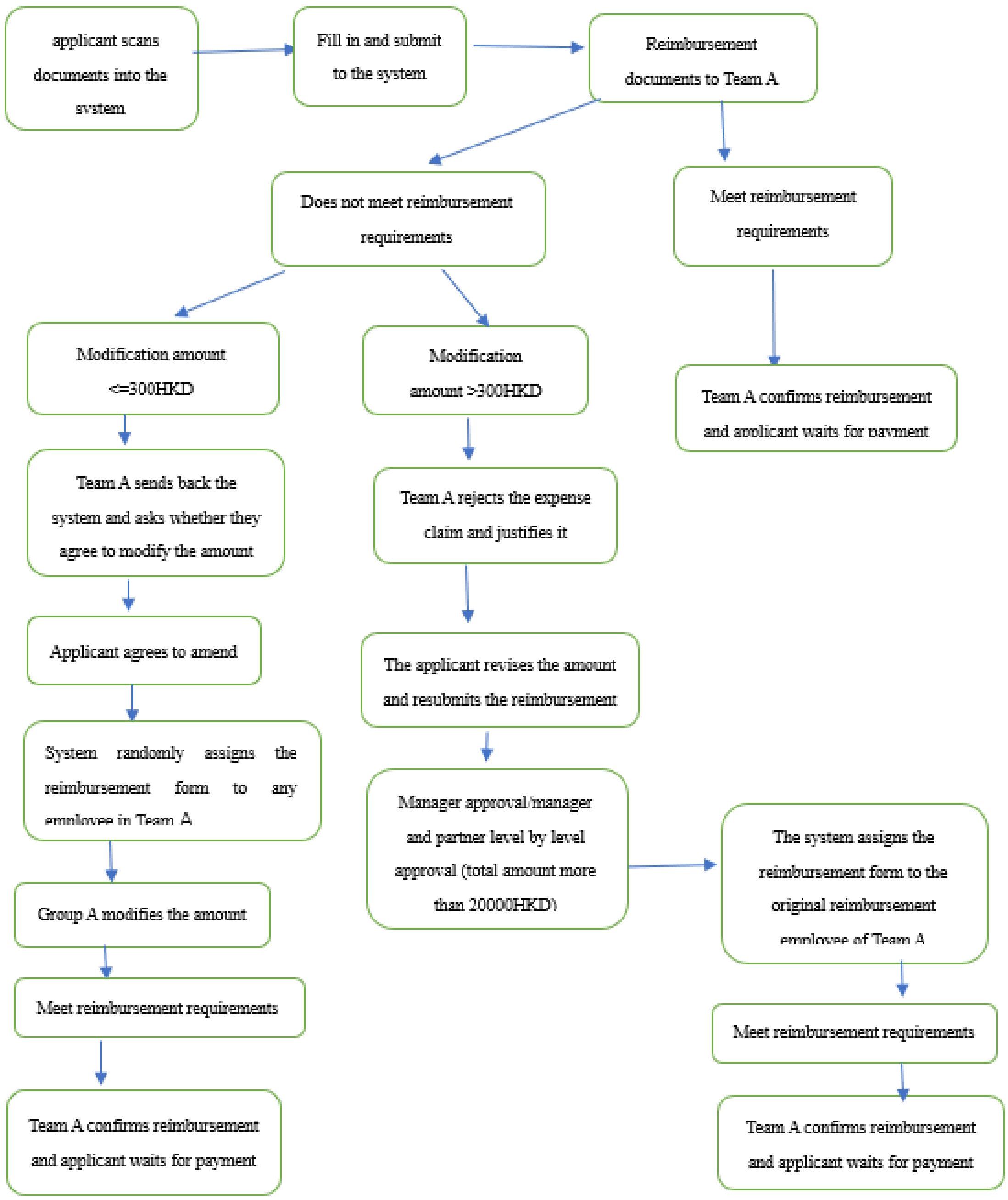
3. Problems in Expense Reimbursement

3.1. Heavy workload and insufficient manpower

Compared with the small amount of reimbursement in Macao, the amount of reimbursement in Hong Kong is huge. The daily workload of each staff member in Team A is 150-200. When the date of reimbursement is approaching, the amount of documents will even increase to more than 200. Even if the efficiency of each employee in Team A becomes the highest in the whole reimbursement team, there will still be overtime every Thursday. At the same time, they were also burdened with the work of receivables collection by mail, which had to be completed by 3 PM every day, so the expense reimbursement work was arranged to be completed last every day.

3.2. There are loopholes in the reimbursement principle, and some employees have dishonest behaviors

Based on the financial system of Hong Kong and Macao, the group of P Company provides the rule of "trust employees". Therefore, handwritten receipts can be reimbursed, and the date and amount written in pencil can also be reimbursed. Even if there is no receipt, the employee applying for reimbursement can still be reimbursed as long as the employee "confirms" the real occurrence of the event in the reply email. In this way, some dishonest employees will apply for more reimbursement, which will be an extra cost for the company. At the same time, the company will face the risk of punishment when it is audited.



3.3. Individual employees have insufficient understanding of the reimbursement system, resulting in errors in the amount and content of application

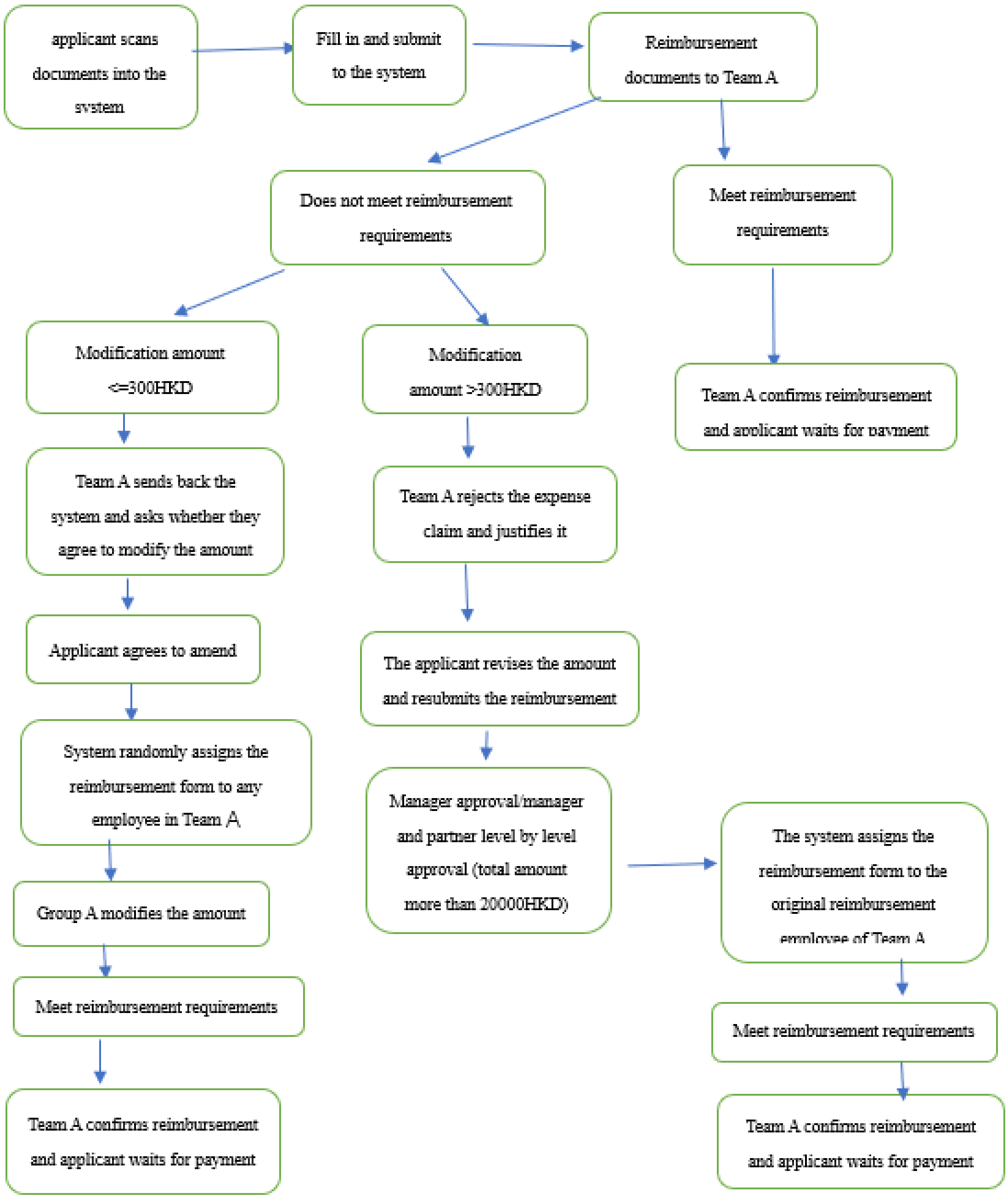
In general, some new employees or employees who do not often apply for reimbursement do not have sufficient understanding of the reimbursement system, and there will often be mistakes in the amount or content of the application. If the amount of error reaches HK $250, the reimbursement application will be rejected by the system, and the applicant will have to make changes and submit it again. However, if the total amount reaches HK $20,000, the reimbursement application will need to be approved by the partners, which is a meaningless but time-consuming thing for busy partners.

4. How to Optimize the Expense Reimbursement Process

In order to solve the "period redundancy" phenomenon in the financial shared service Center, the Group can set daily or limited time to make payment, so as to ensure the timely payment of the business that can be completed on weekdays, so as to reduce the sudden increase in the workload of the financial staff in the shared service Center due to interest conflicts. The group needs to develop relevant reward and punishment system to severely crack down on this series of vicious phenomena such as maliciously delayed account payment and deliberately increased workload of the center due to internal staff's dissatisfaction with the sharing center [4].

At the same time, for some dishonest employees, how to overcome their behavior of over reimbursement, it is also very important.

New process: The authority of Group A to modify the amount has been increased, and it has the right to modify the amount of HK $300 or less, so as to reduce the number of rejected reimbursement applications and improve the working efficiency of Group A.



As to why the limit of the amount of modification by Group A should be raised, the reasons are as follows: The simultaneous travel allowance for Hong Kong and Macao is calculated according to the number of travel nights, for example, for 5 days and 4 nights, then the travel allowance is 250*4=1000HKD (auditor or audit assistant), or 300HKD*4=1200HKD (deputy manager and manager). Many employees do not know how to calculate the number of travel days. It is usually calculated according to the daytime amount of the business trip, which often leads to the revision of 250HKD or 300HKD. However, the authority of Team A is insufficient, so it is often necessary to reject the reimbursement documents and return them to the applicant. However, the total amount involved in the business trip often reaches 20000HKD. The amount of 20,000 HKD needs to be approved by the partners. Once rejected, these documents will completely repeat the previous approval process, which will waste the time of the approving staff and prolong the time for the applicant to receive reimbursement.

Therefore, only A small amount of money is modified, which greatly saves time and energy for Team A staff and the applicant, so that everyone can better work and serve the customers.

At the same time, it is added that the applicant must copy and fill in the system one by one, that is, the sequence of each reimbursement and the scanned attachments should correspond one by one, otherwise the reimbursement will not be reimbursed. In this way, the time of processing the reimbursement form can be saved and the working efficiency of Team A can be improved.

5. Summarize

Although the expense reimbursement is relatively simple, it is an essential link for the enterprise. At the same time, almost all employees are involved. Therefore, a good reimbursement process and system is conducive to improving the efficiency of reimbursement and conducive to the financial management of the enterprise. It is hoped that every necessary enterprise can carry out corresponding process optimization, so as to improve the overall benefit of the enterprise.

References

[1] Yanxiu Liu,Ying Liu(2023). Discussion on Optimization of Expense reimbursement Process of Financial Sharing Service Center .Cooperative Economy and Technology, no.2,p159-161.

[2] Jing Wu(2021). Thoughts on improving the management level of personal reimbursement in financial sharing Center .China's collective economy,no.5,p135-136.

[3] Xingchen Guo(2023). Business process Optimization of financial sharing Center based on RPA technology . Financial and literary circles, no.1,p62-64.

[4] Xiaoye Kang, Xinke Zhu, Haixia Zhu, Zili Zhu(2019). Research on Business process Optimization of financial Sharing Center . Chinese business theory,no.2,p178-179.