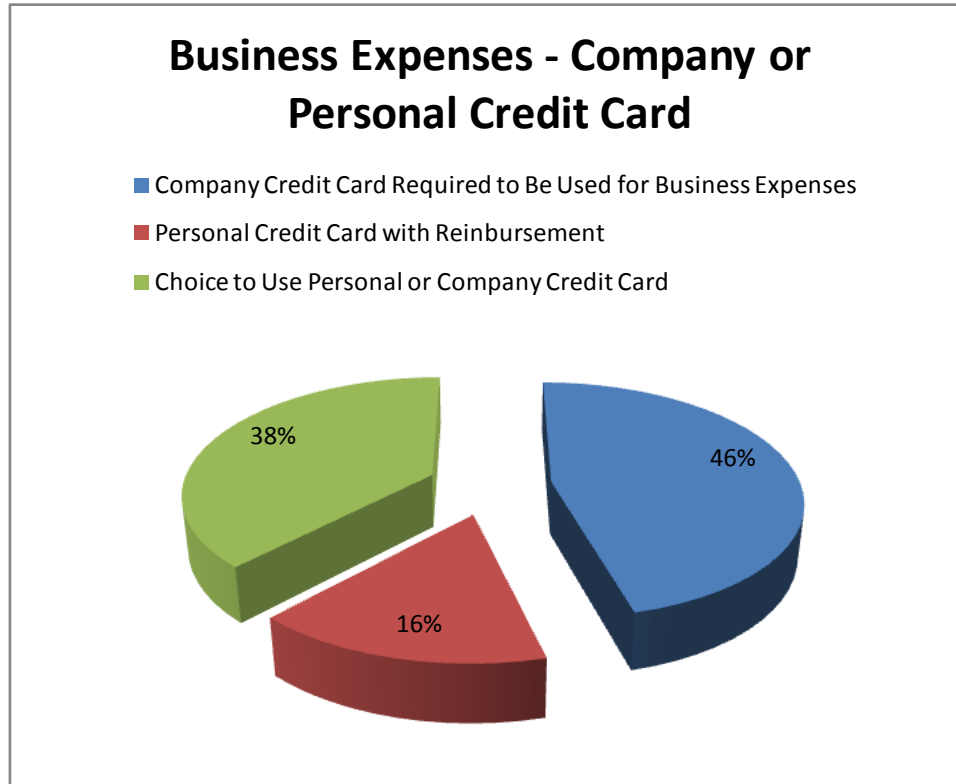




Credit Card Use for Business Expenses - Company versus Personal Card

At your organization, how do employees with significant business expenses (e.g., those who travel, executives, sales, etc.) pay for them?



Twenty four companies responded:

- 46% are issued a company credit card and use that for all expenses,
- 16% use their own credit card for expenses and receive reimbursements, and
- 38% have a choice to use either card.

If employees are required to use a company credit card, what happens with the rewards/points earned?



Fourteen companies responded:

- 28% employees retain the rewards from using the company credit card,
- 36% companies own the rewards/points associated with the credit card, and
- 36% companies did not have rewards programs associated with the credit card.

Additional Information and Comments Provided

- Only executives have company cards and are required to use them. Those below executive level use their own personal credit cards and then request reimbursement.
- Employees who are issued a company credit card must use the company card otherwise expenses will not be reimbursed. The only exception is for charges made to a personal card because the company card was not accepted by the vendor. Employees who do not travel frequently and are not issued a company credit card may use their personal credit card.
- Travel must be booked through the company agency in order for travel to be reimbursed.
- Most salaried/professional employees are issued a Corporate card. They are supposed to use their corporate card for business expenses but they can use a personal credit card/cash and be reimbursed with a receipt. The corporate card is actually issued in their name so they are required to submit expenses on time otherwise it will impact their own credit score. So we also let them sign up for any reward programs as well.
- A few years ago all traveling employees were required to migrate over to a corporate-issued American Express card. Amex offers employees the option to purchase a points plan adder

(~\$50/yr.) so they can accrue them as they travel. These can be used for personal use. Otherwise, there are no points associated with their Amex T&E expenditures.

- Currently employees use their own cards and get reimbursed. We are starting a pilot program soon that requires the use of the corporate card for business expenses.
- Expense premiums like frequent flyer mileage or hotel points are left to the discretionary use of the buyer, no matter what media they use for the purchase, as long as those value premiums are awarded in their names. On a related point, certain general business transactions like large supply house purchases frequently bring "premium awards" like handheld vacuums, flashlights, courtesy bags and other de minimis convenience items; they are dispensed to staff in turn, rather than retained by the coordinator of office supplies.
- We have a recognition program to "reward" those people that utilize the company credit card as opposed to their personal credit cards. Additionally, there is much less overhead on receipts, etc. required when the company card is utilized versus the personal one. This leads to a clear and distinct value proposition for employees in time spent on administrative overhead. [e.g. no receipts required for airfare purchases, for example, with corporate credit card, versus scanning, e-mailing, checking on same purchases made with a person card]. We've thought of this as a change management exercise. It is very easy to tell all new employees that they can only use the corporate card for travel and entertainment expenses. Over the past 2-3 years, we've successfully been able to merge most folks over to the corporate card due to the administrative ease of using such. We've also received high-level buy-in and announcements from our CFO at All Hands, etc. talking about why this is important to him, personally. This has helped jumpstart adoption when we initiated the change.
- We use the company credit card system to accrue air miles to purchase business flights or upgrade executive flights. It definitely did not end up as the travelers credit. Reasonable I think (response from the United Kingdom).
- There are rigorous policies in place that generally mean anything beyond merely occasional and incidental business expenses must be charged to company rather than personal credit cards. The rewards earned are always retained by the company. It seems to me inappropriate if employees were incentivized to increase their personal gains by increasing costs to the company (response from the United Kingdom).

Sources

- Members of the New England Compensation Consortium
- Members of the Sales Compensation Management LinkedIn group
- Members of the (global) WorldatWork Community