

Research on Optimization of Expense Reimbursement Management in S Company under Financial Sharing

Qionghui Zheng

East China Jiaotong University, Nanchang 330013, China.

Abstract: In recent years, with the emergence of emerging information technology, building financial shared service centers has become the latest way to transform financial management models. With the gradual maturity of theoretical research and the support of many successful case experiences of enterprises, more and more Chinese enterprises are building financial shared centers to promote financial transformation. However, after establishing a financial sharing platform, S Limited Liability Company did not achieve the expected results, especially in its expense reimbursement management. Expense reimbursement management is one of the most important aspects of enterprise management, and its optimization is of great significance. Therefore, based on in-depth research on S Company, this article studies its reimbursement management under financial sharing, explores existing problems, and proposes optimization solutions to improve the financial management level of the enterprise and promote the optimization of the expense reimbursement process.

Keywords: Cost Management; Financial Sharing; Process Optimization

Introduction

In the era of "building a world-class enterprise financial management system", establishing a financial shared service center is a trend in the financial management of large and medium-sized enterprises in China. Through continuous practice, the financial shared management system has become an important means to promote organizational structure adjustment, management change, and business model innovation. It has been widely applied in the field of financial management, and has achieved significant results in optimizing resource allocation, reducing enterprise costs, and improving management efficiency.

1. Development background of expense reimbursement management under financial sharing

Financial Sharing (FSSC) is a new management model. Robert Gunn (1993) first defined the concept of shared services^[1]. Mezihorak (2018) believes that the establishment of a financial sharing center has changed the relationship between group companies and subsidiaries, enhancing the control and dominant position of the group headquarters^[2]. Zhao L (2021) believes that the optimization of financial sharing centers must be continuously carried out by studying the development process of ZTE's financial sharing centers^[3].

From the perspective of the 40 year development process of broad accounting informatization, Liu Qin and Yang Yin (2019) believe that China's accounting informatization is generally divided into three stages: accounting computerization, accounting informatization, and accounting intelligence as time dimensions. Therefore, this article divides the development process of the expense reimbursement system into four stages based on this, namely the traditional manual stage, the accounting computerization stage, the accounting informatization stage, and the accounting intelligence stage.

2. Analysis of the current situation of expense reimbursement management in S company under financial sharing

As a leading enterprise in the construction industry in China, S Co., Ltd. is one of the few construction enterprises with "Four Specialties and Seven Grades" in the industry. Before establishing a financial sharing platform, Company S adopted a more traditional expense reimbursement model. The traditional mode is generally based on the traditional Financial software and the whole expense reimbursement process is completed manually. There are many pain points: for management, accurate budget control cannot be carried out in advance, and there is a lack of data feedback; For employees, the reimbursement process is complex and requires prepayment, resulting in poor experience and complex expense standards; For grassroots financial personnel, the frequency of reimbursement business is high and the amount is small, requiring a lot of review, payment, bookkeeping, and archiving work.

3. The main problems in the expense reimbursement process of Company S

From the above background, it can be seen that although the establishment of a shared platform has achieved centralized online processing of business, the actual business chain has become longer. According to a report released by S company, expense reimbursement is the most commonly used feature on shared platforms and is closely related to employees' daily work. However, the specific issues that still exist are as follows:

3.1 The expense reimbursement process is cumbersome

The financial sharing platform integration system is very familiar to financial personnel. However, for non finance department business personnel, issues such as how to select forms and the details that need to be noted in the original vouchers are relatively unfamiliar. Therefore, employees jokingly claim that after the establishment of financial sharing, there is a trend for companies to become "all staff accountants". However, in reality, when it comes to expense reimbursement, non-financial employees often need to ask the finance department if they don't understand anything personnel or office personnel can easily lead to slow expense reimbursement.

3.2 The review chain is too long

For reimbursement employees, after submitting the process online, they also need to print out the reimbursement form and submit the invoice to the finance department for review. In addition, most reimbursements require the corresponding information to be filled out on the reimbursement form, and the project secretary needs to sign it first and then verify it layer by layer. The entities involved in online expense reimbursement by Company S include employees, department heads, financial personnel, chief accountants, project managers, project secretaries, auditors of the financial sharing center, and fund review positions. Therefore, multi-level approval leads to slow receipt of reimbursement funds, affecting employees' personal financial arrangements, and causing dissatisfaction with the platform's reimbursement system and company organizational management structure.

3.3 Insufficient budget management

The cost budgeting process is as follows: Firstly, the Business Development Department, Engineering Technology Department, Cost Management Department, and Safety and Quality Supervision Department of the company release budgets for each department based on the announced project contract amount and expected output value, including output value plans, inspection prices, project responsibility cost budgets, and research expense expenditure plans; Secondly, it will be reviewed by the company's fund management leadership team. After review, the approved funding budget will be allocated to the Engineering Project Management Department. Then, the management department decomposes the budget into various expense details and fills them in the expense budget detail table. After the review, notify the Fund Management Office for filing. Although the cost budgeting process mentioned above is very strict, it is difficult to implement.

4. Optimization of expense reimbursement management process in S company under financial sharing mode

Through in-depth research on Company S and analysis of the existing expense reimbursement process, identify problems, analyze

the reasons, and optimize the specific expense reimbursement process according to the following ideas.

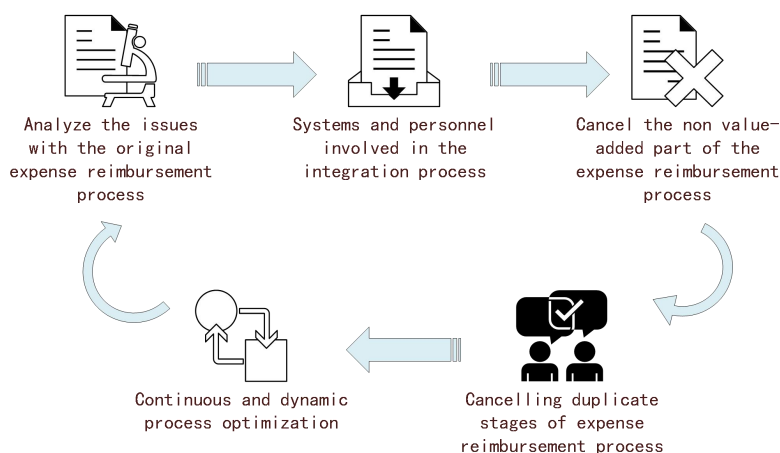


Figure 1 Optimization ideas for expense reimbursement process

4.1 Simplify the approval process chain and solve the slow expense reimbursement process

Regarding the issue of lengthy approval chains and reduced work efficiency in the original approval process, the new business process has simplified the approval process. In advance applications, the approval chain length is automatically generated based on specific business amounts and matters. For example, if a single business budget is less than 1000 yuan, it is reviewed and approved by the department head, and if it is more than 1000 yuan but less than 5000 yuan, it is approved by the project manager and project secretary, Above 10000 yuan, approval is shared by project department leaders and finance, greatly shortening the pre budget approval chain. It can also solve the inconvenience caused to business and financial personnel by small and high-frequency expense reimbursement businesses such as travel expenses and office expenses.

4.2 Introducing OCR recognition technology to promote financial intelligence

It is necessary to address the issues of time-consuming, and error prone input of invoice information by business personnel; The authenticity of invoices still needs to be queried across multiple systems; Financial audit invoice information sharing has a large business volume and low work efficiency. S Company has introduced OCR recognition technology and conducted a series of explorations and applications, discovering that it can effectively solve the issue of invoice review in expense reimbursement. The specific solution direction is as follows: OCR identification and gold tax system interface. By combining OCR recognition with the golden tax system interface, the system can automatically identify the QR code or invoice code and invoice number in value-added tax special invoices, obtain the full face information of the invoice, and automatically fill in a batch in the shared platform reimbursement form.

4.3 Promote "human-machine collaboration" mobile reimbursement

In order to further improve the efficiency of employee expense reimbursement business and strengthen fund control, the company has collaborated with Beijing Siyuan Company to develop an "intelligent reimbursement system". After testing and application, we have embarked on the path of utilizing intelligent technology to achieve mobile rapid reimbursement "human-machine collaboration". The intelligent reimbursement system uses RPA process automation and OCR Optical character recognition technology to transform the traditional manual reimbursement mode into a set of "human-computer cooperation" intelligent processing mode review rules, and realizes the intelligent recognition of mobile bills, automatic filling, automatic document review, one button reimbursement, and background automatic review, so as to realize rapid reimbursement of employees. The specific audit process is shown in Table 1.

Table 1 Verification content of intelligent document review for travel expenses robot

Intelligent document review and verification of travel expenses robot

1	When the number of business trips exceeds 1, verify if there are accommodation ticket rules
2	Travel closure verification rules
3	The ticket date should be greater than the earliest departure date of the itinerary
4	Verify if the ticket package data exists in the image
5	Department Budget Verification Rules
6	Verify if the invoice invoicing date exceeds X days
7	Verification rules for five-star hotels
8	Verify the invoice header of the special and general invoice
9	Invoice Violation Word Verification Rules
10	Verification of the impact of itinerary details and train tickets
11	Verify whether to upload sales list rules when bulk purchasing

5. Research Prospects

In order to strengthen the precise decision-making of enterprises, they will continuously explore the value of data. The application of new technologies is often a long and tortuous process, and the path of optimizing expense reimbursement management is far from over. Sharing will continue to be updated and improved. For financial sharing platforms, how to optimize, improve efficiency, and generate value for the enterprise is always the top priority. For financial personnel, it is important to anticipate the trends in financial management system changes, how to transition from accounting personnel to technical financial personnel, and so on. The optimization of business processes not only involves the optimization of technology and systems, but also involves the optimization of personnel.

References

- [1]Gunn RW, Carberry DP, Frigo Robert, Behrens. Shared Services-Major Companies are re-engineering their accounting functions[J]. *Management Accounting*,1993,22-28.
- [2]Petr Mezihorak. Competition for control over the labour process as a driver of relocation of activities to a shared services centre [J]. *Human Relations*, 2018, 71(6): 822-844.
- [3]Zhao L, Jin S, Huang W. Financial Shared Service Center Development in China [J]. *Asia-pacific Journal of Convergent Research Inter change(APJCRI)*, 2021:1-17.