

TMC Mileage Audit lowers the cost of processing mileage claims at Microsoft.

Consultants Fleet Operations use TMC's system to save time and money for their major client, Microsoft.

fleetoperations* Microsoft UK, in common with other large businesses, has multiple car benefit schemes. While this gives staff plenty of flexibility and choice, it also means that administering allowances and mileage payments can be costly and cumbersome for the company.

Historically, Microsoft's drivers submitted paper claims and kept mileage logs on spread sheets, which they sent in at year-end for P11D purposes. Depending on which scheme they belonged to, drivers claimed either a fuel-only mileage rate when driving on business or a higher rate that also partly covered their car's running costs.

One problem was that many drivers would apply the wrong mileage rates to their claims, adding to the already time-intensive task of processing expenses in accounts payable. Additionally, many drivers could claim mileage allowance relief (MAR) from HMRC at the end of each year with the help of Microsoft's auditors, but sifting through thousands of spreadsheet mileage logs to answer queries also added time and costs.

Automating the process

Fleet Operations, the consultancy firm that manages Microsoft's car benefit and related payroll functions, brought in TMC to reduce the scope for error and save time by automating key parts of the expenses process.

Drivers now report business journeys to TMC's online Mileage Audit System. The system is much more than simply a mileage logging tool and it has allowed Microsoft to eliminate both paper expense forms and separate mileage logs.

Ross Basnett of Fleet Operations explains. "All we have to do now is to keep TMC updated with each driver's details - which scheme they are on and what car they drive.

"Mileage Audit does the rest.

Whenever TMC receive any report of a journey from one of Microsoft's employees, they can link it to the correct scheme. Drivers don't need to know what mileage rate to use, as TMC automatically applies the correct rates and then generates an electronic claim file that we provide to Microsoft's payroll department."

With all journey details now captured electronically on a single system, information is much easier to retrieve and analyse. Microsoft's auditors now receive a single annual file from TMC containing all the data they need to process MAR claims.

"If HMRC do have a query, the information is all there," said Mr Basnett. "The TMC logging system shows much more detail than the previous process we used, as the driver has to log the reason for the journey as well as the start and finish point. It's much neater and of course much better from an audit perspective as well."

Car allowance solution

The capabilities of the TMC Mileage Audit system don't stop with fuel and mileage. The system has also enabled Fleet Operations to streamline the way Microsoft pays car allowances.

Drivers who receive car allowances are allowed to 'trade down' to a car costing less than their allowance and to receive the difference as a monthly cash payment with their salary. In the past, poor data control by a previous leasing company led to delays that saw some drivers waiting months for payments.



Now, the allowances and trading-down adjustments for every eligible employee are loaded on to the TMC system. TMC calculates the payments for around 2,500 drivers each month and delivers a payroll-ready file to Microsoft after double-checking with Fleet Operations that the amounts are correct.

"It means that everyone gets paid the right amount at the right time, which historically did not happen," said Mr Basnett. "And in the past, payments were calculated manually whereas with TMC they are calculated using the Mileage Audit System so we can pretty much guarantee the payroll file is always accurate."

Adding value

Improving car allowance payments was an added-value solution put forward by TMC, said Mr Basnett.

"We originally took them on to handle the mileage reimbursement function and they saw the opportunity to improve the car allowances as well and suggested it to us. TMC are very proactive like that."

Summary

Company: Microsoft UK

Fleet size: 2,500

Issue: Costly and cumbersome processes for administering mileage expenses and car allowance payments

Solution: TMC Mileage Audit

Outcome: Major reductions in workload for line managers, payroll and accounting departments.

Speedier, more accurate settlement of mileage expenses and payment of car allowances

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TMC is Europe's leading Mileage Audit specialist, providing online, automated systems that enable company car and grey fleet drivers to accurately record their business and private mileage. TMC's solutions reduce administration costs, support compliance with Occupational Road Risk requirements and are fully HMRC approved.



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