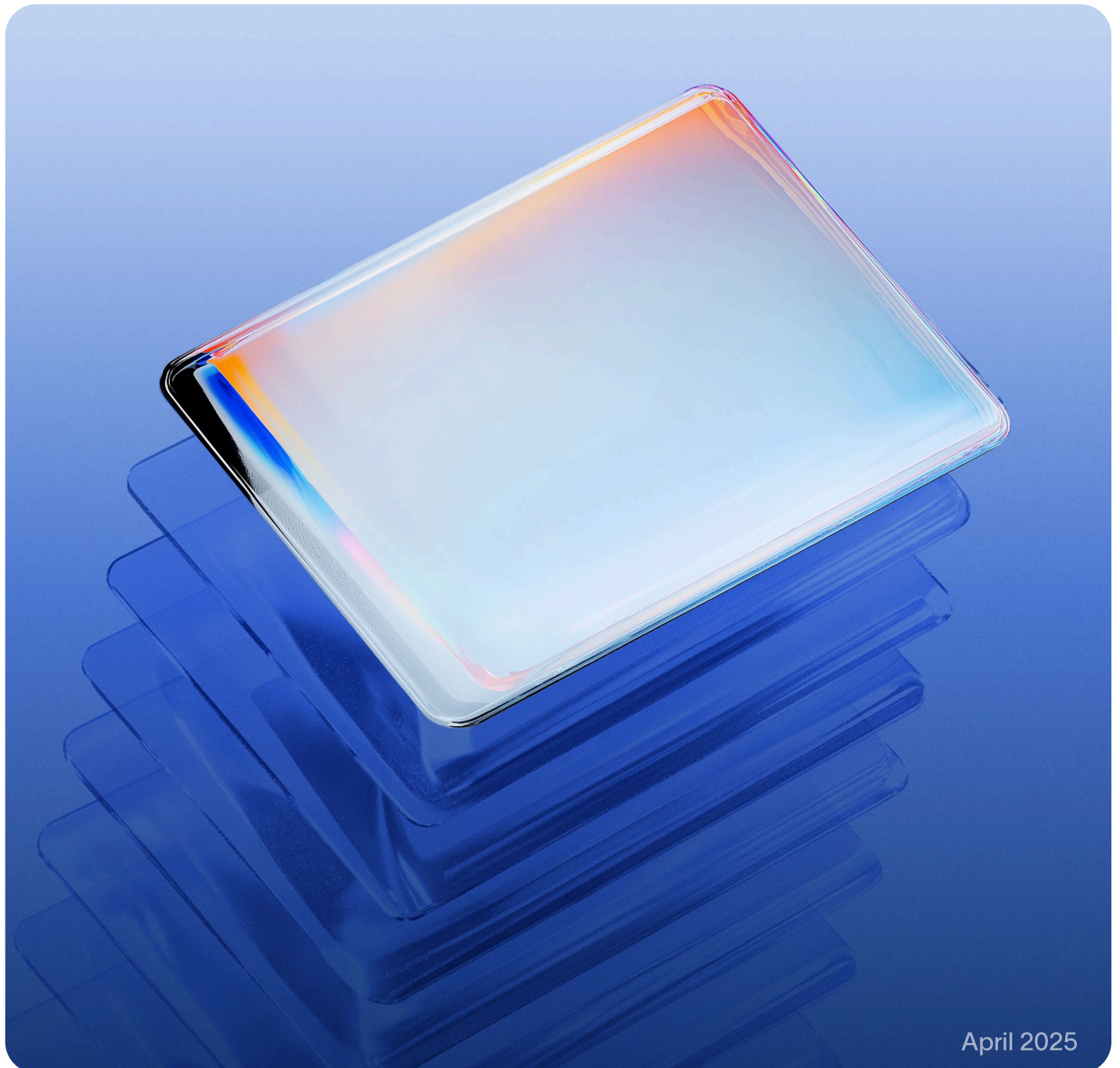


Fraud, fines, and forensic audits

ramp ↗

The true cost of legacy corporate cards and expense management



April 2025

Executive summary

Despite increased automation and rapid adoption of technology, finance teams still spend far too much time managing expenses and watch too many dollars disappear to out-of-policy and fraudulent spend. The average 200-person company consumes more than 330 hours per year processing expense reports, according to Ramp data, and fraud annually costs businesses an average of \$50,000, per ACFE's 2024 Report to the Nations.

For already-stretched-thin finance teams, this translates to hours every week in outdated expense management platforms; slow, illogical workflows; constant frustration when out-of-policy spend shows up. Teams sit back with no choice but to wait for monthly statement cycles to end before closing the books, and delays around critical reporting grow like mold at the bottom of a koi pond.

Perhaps of even greater concern is the lack of visibility and glacial pace creates hidden risks—more opportunity for fraud, failed audits, noncompliance with regulations, no ability to quickly rein in spending—that can silently erode a company's financial health.

Investing in the right technology can mitigate many of these issues with solutions that offer intelligent cards with granular controls, real-time visibility into transactions, and automated reconciliations. Consider popular fitness chain Barry's, which operates across 14 countries. After moving to a modern corporate card and expense management system, Barry's cut 400 hours per month on expense reports, saved \$20,000 through new, real-time insights, and shaved five days off its monthly close.

Barry's experience reflects the tremendous opportunity for medium-sized and large companies to save substantial time and money by overhauling their expense management framework. But it also highlights the untapped potential and open vulnerabilities that underpin companies still mouldering on legacy card and expense systems. This report walks through the risks of those systems and how finance teams can begin the transition away from outdated systems to connected, high visibility, and low-risk workflows that promote compliance and financial efficacy.

Monthly finance team time savings from large companies using Ramp

36 hrs

Monthly cost savings when large companies use Ramp

\$22k+

Key vulnerabilities in legacy corporate card and expense systems

-  Transaction delays prevent timely financial decisions
-  Increased vulnerability to fraud
-  Problems with compliance and audits

The quantifiable reality

- Expense reimbursement fraud occurred in 13 percent of asset misappropriation cases and lasted an average of 18 months before detection, making it one of the most enduring types of fraud ([ACFE, 2024](#)).
- U.S. credit card debt grew to more than \$1.21 trillion in Q4 2024, an increase of more than \$45 billion from the previous quarter. These rising debt levels increase the risk of financially burdened employees resorting to expense fraud to cover out-of-pocket business expenses ([Federal Reserve Bank of New York, 2025](#)).
- Modernizing travel and expense systems saves real time and money. In the past six months, large companies using Ramp to improve their financial operations saved an average of 36.47 hours per month across their finance team. Between cash back and time saved, those companies saved an average of \$22,033 per month.

This report lays out a network of risks and remediations for finance leaders using legacy card and expense systems. It draws on expert insights and empirical research to illuminate the path from legacy and complex finance workflows to intuitive, strategic systems that reduce vulnerabilities and increase spend visibility.

Introduction

The world of corporate card and expense management remains trapped in the mid-2000s, stymied by bloated legacy systems and incumbent players unwilling to innovate. Finance teams wrestle with expense systems that have remained fundamentally unchanged for decades while employees spend hours digging up old receipts and painstakingly filling in fields for each transaction.

Consider Eventbrite's experience: Obtaining a corporate card once took three weeks, involved multiple approvals, and required physical card delivery. Its legacy system meant employees couldn't make urgent purchases and administrative tasks consumed productivity.

Fears of a recession and general economic uncertainty that's led to major market shifts by the day has elevated improved expense control to a critical strategic imperative. Valuation Research Corporation notes that venture capital (VC) fund managers are now steering companies toward liquidity and profitability—often at the expense of aggressive growth. Between rotting card and expense management infrastructure and a clear need for greater efficiency, the need for modern expense and corporate card solutions has never been greater.

All of this has left CFOs and their peers thinking there must be a better way to manage corporate expenses that will spark a positive chain reaction for the rest of the finance function—and indeed there is. This report will break down four critical vulnerabilities in legacy expense systems and present best-in-class solutions for each one.

"The old-school expense management systems create a fundamental dilemma. They either rely on reimbursements, which have significant problems, or they rely on giving out cards without proper oversight."



Dave Wieseneck

Former CFO and
early Ramp customer

Transaction lag and delayed financial insights

Transaction lag, or the gap between when an expense occurs and when finance teams see it, is one persistent issue with legacy corporate card and expense management systems. This delay, which can range from days to weeks, creates cascading problems throughout the organization.

Legacy corporate cards typically operate on monthly billing cycles, meaning transactions only appear every 30 days when a statement is produced. Even with digital feeds, transactions often take one to three business days to appear in expense systems, according to Stripe, with data reconciliation and categorization adding more time.

This leads to three major problems for the finance team:

1. Delayed month-end close

Finance teams can't close the books until they have a record of all transactions and can make sure they've all been captured. This delays financial reporting and means leadership can't ground decisions in the latest data, while FP&A teams can't accurately project cash flow or implement timely corrections to budget variances.

2. Inability to detect misuse in real time

When transactions take days to appear, there's no way to address potentially fraudulent or out-of-policy spending. By the time anyone identifies suspicious transactions, employees may have already made more questionable purchases.

3. Receipt collection challenges

Transaction lag also complicates receipt collection and expense documentation. This makes incomplete documentation more common, making policy enforcement and audit compliance significantly more difficult.

This information gap fundamentally undermines the strategic value finance teams can provide to their organizations.

"It might take you months to even figure out that something is happening in your system that you don't want to happen," Ramp Head of Risk Sri Srinivasan says.

"But with a modern card and expense management system, that is almost real time. You're able to sense these patterns, set up alerts to see if something is happening, and prevent it quickly."

Fraud and compliance vulnerabilities

Expense fraud is the fourth-most common occupational fraud in the U.S. and Canada, costing companies an average of \$50,000 per case, according to ACFE research. The cost to investigate and remedy fraud, along with reputational damage, could make this number even higher.

Yet expense fraud remains an oft-overlooked threat to organizational integrity. Legacy corporate card and expense management systems make it easier to commit fraud through weak controls, poor visibility, and manual verification.

David Shapiro, a former FBI agent and current John Jay College professor, explains that expense fraud takes many forms:

-  **Existence issues**
Claiming entirely fictitious expenses that never occurred.
-  **Authorization issues**
Submitting expenses that exceed spending limits or weren't approved.
-  **Valuation issues**
Intentionally inflating the amount of legitimate expenses.
-  **Completeness issues**
Including personal charges alongside legitimate business expenses without disclosure.
-  **Disclosure issues**
Failing to disclose when expenses were shared or partially covered by other means.
-  **Obligation issues**
Claiming expenses that were paid by another party.

Preventive vs. reactive approaches

Consider the impact of a single expense report with a legacy system. Sarah, a sales manager, submits expenses from a recent conference totaling \$4,750 on her personal credit card. Under the company's outdated reimbursement model, her expenses won't be reviewed for 30 to 45 days.

Before

Without a capable expense management system, Sarah might:

- Slightly inflate meal expenses to help cover an upcoming credit card bill.
- Manipulate receipts, which generative AI has made far easier.
- Need to fill out extensive forms for lost receipts.

When the finance team finally reviews her report, reconciling the errors or identifying fraud will be challenging as there's no easy way to cross-reference expenses. The finance team is likely juggling many other expense reports, and some may be a higher priority.

After

If Sarah uses a leading corporate card and expense management solution she:

- Charges expenses to a corporate card, eliminating the need to front any money.
- Uploads restaurant receipts via an app right away.
- Must stay within certain food and drink spending limits for transactions to be approved.

Smart approval workflows and AI capabilities that can detect subtle transaction anomalies, trigger real-time fraud alerts, and automate compliance checks help the finance team quickly review and approve her expenses.

These proactive controls manifest in multiple strategic ways. Intelligent corporate card systems can now implement granular spending limits, merchant category restrictions, and instant approval workflows. Virtual cards can be generated with precise, time-limited permissions. Real-time notifications alert managers to potential policy violations the moment they occur, rather than weeks post-transaction.

Shapiro, drawing from his extensive background in fraud investigation, succinctly sums up the value of modern solutions: "An ounce of prevention is worth a pound of cure."

Compliance and audit challenges

Legacy systems pose serious compliance risks—especially for public companies governed by Sarbanes–Oxley (SOX). SOX requires management to maintain effective internal controls for financial reporting and for auditors to assess their adequacy. In short: companies must track employee spending and are accountable for any misuse, intentional or not.

Manual processes lead to three major compliance issues:

- **Documentation gaps**
Lost or illegible receipts and inconsistent records.
- **Weak controls**
Manual approvals allow policy violations to slip through.
- **Reconciliation errors**
As volume grows, so do miscategorized expenses and potential reporting misstatements.

For public companies, these issues aren't just inefficient—they're risky. SOX violations can trigger failed audits and regulatory penalties, and even delays can be a red flag to regulators.

"If it takes longer to publish your financials, that alone signals to regulators you don't have control over your business," says Srinivasan.

The risks multiply for multi-entity or global companies where rules differ by business unit, adding significant complexity.

Modern expense platforms reduce these risks through automated controls, unified policies, and complete digital audit trails across all transactions.

"One of the biggest problems is all of this is manual, document-based reconciliation."



Sri Srinivasan
Head of Risk at Ramp

Limited visibility into spend

Legacy systems provide little insight into spending patterns, preventing finance leaders from regularly gathering insights that will help them identify ways to optimize costs.

Without comprehensive spending visibility, companies miss critical opportunities in several areas:



Duplicate or unnecessary subscriptions

It's easy to overspend on software subscriptions or services when teams can't see what others have already purchased. Ramp data shows that modern expense systems have saved businesses more than \$2 billion, much of it by cutting redundant spend.



Vendor consolidation opportunities

Multiple expense systems fragment spending across organizations and make it difficult to identify opportunities to consolidate vendors and negotiate volume discounts.



Budget variances and anomalies

Legacy systems typically provide only after-the-fact reporting, making it difficult to proactively reduce overspend.



Spending patterns and trends

Without easy access to historical spending data and analytics, finance leaders struggle to identify seasonal patterns or changing business needs and adjust plans accordingly.

"You can think of a CFO trying to figure out why this department is spending on this particular thing more than any other department," Srinivasan says. "And that kind of visibility takes hours and days of reconciliation of information to even be able to generate."

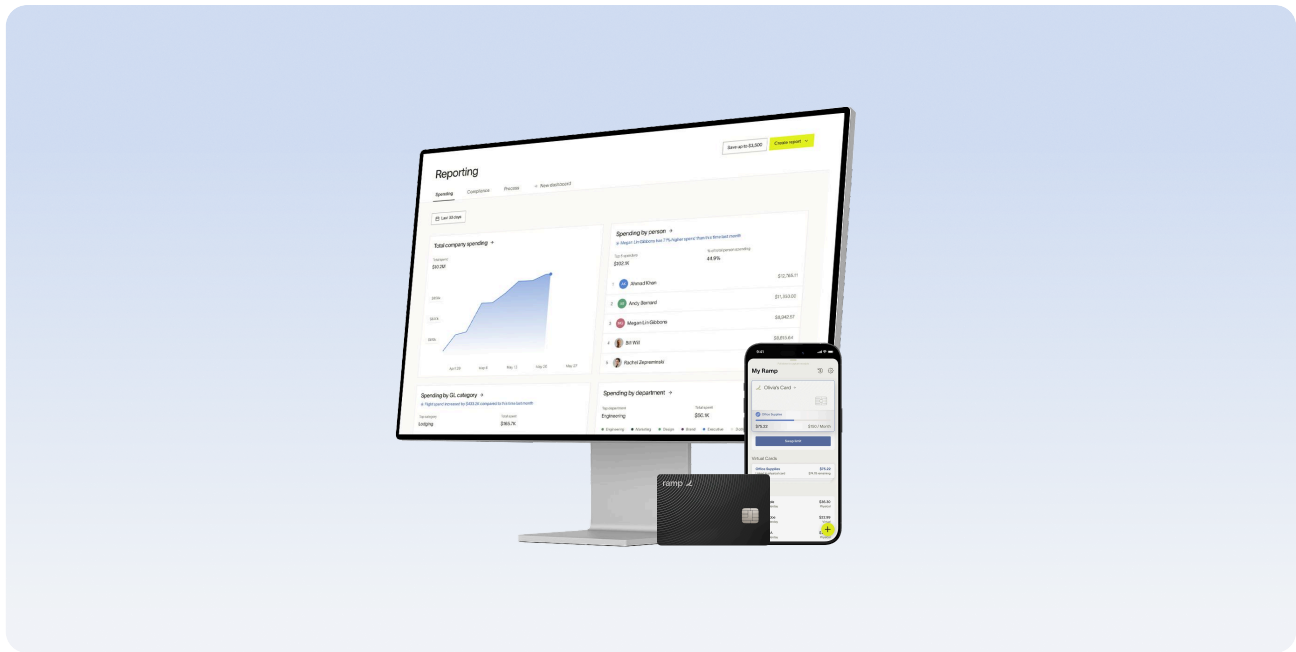
Leading corporate card and expense management platforms solve this challenge through comprehensive data collection, sophisticated analytics, and real-time reporting that vastly improve how businesses understand and manage their spending.

"The less digitalized the legacy systems are, the harder it is going to be for you to create visibility. When it is digitalized, are you able to summarize it at a department level, at a company level, at an individual level?"

Sri Srinivasan

Head of Risk at Ramp

The modern alternative



Real-time transaction visibility supercharges finance

Unlike legacy systems that may take days to reflect transactions, modern platforms capture spending information instantly.

"You're able to sense these patterns, set up alerts to see if something is happening, and prevent fraud quickly," Srinivasan says.

This visibility delivers several key benefits:

1. Accelerated month-end close

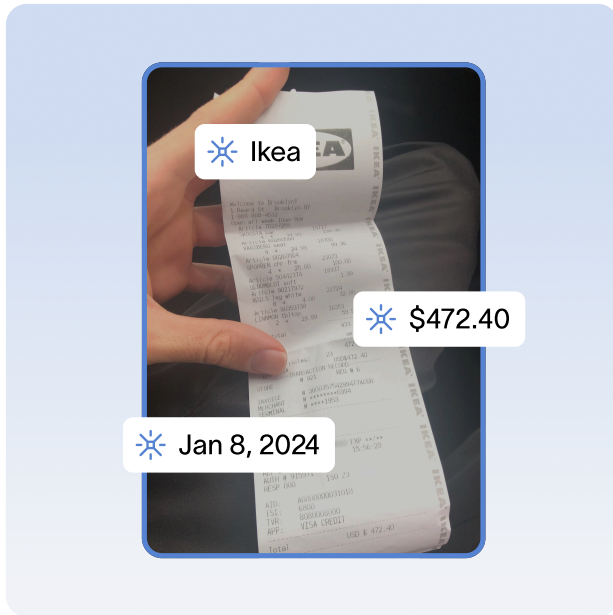
With all transactions automatically flowing into an integrated accounting system, finance teams can close the books faster without waiting for transactions to clear or expense reports to be submitted. That means leadership gets more timely access to critical performance data.

2. Improved cash flow management

Real-time visibility into all organizational spending provides finance leaders with an accurate, current view of cash position, eliminating surprises.

3. Timely receipt capture

Modern systems prompt employees to submit documentation at the time of purchase from their smartphone, when the receipt is handy and they can remember the details.



Automated reconciliation

Modern corporate card and expense management systems use intelligent automation to eliminate labor-intensive reconciliation processes.

"When reconciliation is automated, finance teams don't have to wait until the month's end to know where they are with regards to spend. They also avoid the time-consuming practice of matching receipts with expenses or tracking down employees and their managers for questions."

Dave Wieseneck

Former CFO at Ramp and early Ramp customer

Modern platforms can automate time-consuming processes including:

1. Receipt matching

The system automatically pairs digital receipts with the correct transactions, eliminating the need for manual matching.

2. Transaction categorization

AI-powered algorithms analyze transaction data to automatically categorize expenses according to predefined rules, reducing the need for manual coding. Srinivasan describes how Ramp can intelligently process receipts: "We can use LLMs to see that everybody is on a trip to San Diego. The memo is auto-coded; then you just select a button, and it's coded. When you summarize the data, the pattern has already emerged for you."

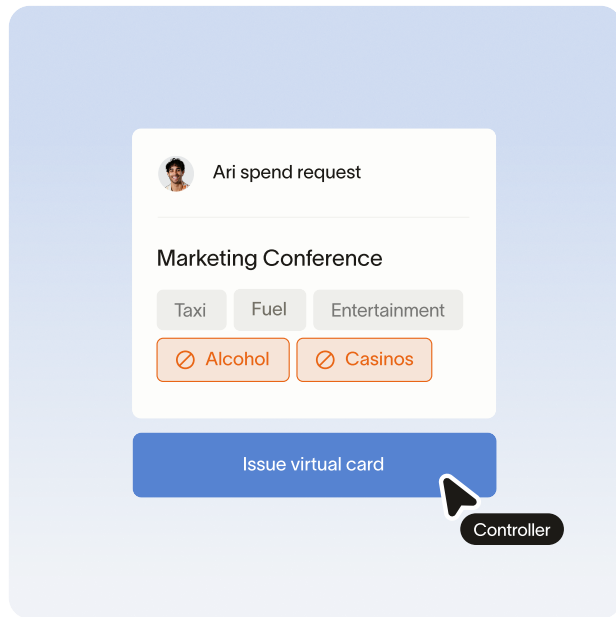
3. Integration with accounting systems

Expense data flows seamlessly into financial systems of record, eliminating the need for manual data entry or export/import processes that can introduce errors

4. Exception flagging

The system automatically identifies transactions requiring additional review based on policy rules, unusual patterns, or missing information, allowing finance teams to focus their attention where it's needed most.

The potential time savings are huge, especially for larger, more complex organizations: Enterprise companies save an average of 38.5 hours per month through receipt matching alone—nearly a full week of work for one person—according to Ramp data. Automated reconciliation also means less manual data entry and therefore fewer errors in expense coding and allocation.



Cards with proactive policy controls

Today's leading systems prevent policy violations by halting unauthorized spending on intelligent cards instead of just catching it later. Companies using modern corporate cards report 77 percent higher policy compliance compared to legacy systems, according to Ramp benchmarks.

This preventive approach offers several distinct advantages:

1. Preset spend limits

Modern systems allow finance teams to establish spending limits at multiple levels—daily, weekly, monthly, or per transaction—and automatically enforce these limits by declining transactions that exceed the limit.

2. Merchant category restrictions

Cards can be configured to work only at approved vendor types, preventing employees from using company funds at inappropriate merchants or for personal purchases.

3. Custom approval workflows

For expenses that require additional oversight, admins can set up custom approval workflows based on factors like expense amount, expense category, or department. These workflows can be tailored to align with department- and job level-specific rules.

4. Virtual cards

Instantly issue virtual cards for specific purchases, vendors, or online transactions that have precise spending limits and expiration dates. Employees can easily add virtual cards to Apple Pay, Google Pay, and other digital wallets so they can be used right away while also providing enhanced security through tokenization.

5. More flexible underwriting

With modern cards, underwriting decisions are often based on factors such as cash on-hand rather than credit history or time in business. This makes corporate cards and all the benefits that come with them accessible even to growing companies and new ventures.

"I remember our Amex rep said, 'I can't underwrite you until you've been around for a year,'" Wieseneck says.

These controls simplify expense management by removing uncertainty for employees and eliminating the need for finance teams to chase down policy violations. The result: A more efficient expense process with fewer exceptions, less back-and-forth, and greater overall compliance.

Conclusion

The corporate card and expense management function has fundamentally transformed into a critical strategic lever for organizational efficiency, financial control, and employee experience. Modern platforms can save valuable time and money by decreasing fraud, overspend, and processing tasks while providing strategic insights that help drive additional savings.

The financial implications of using a modern corporate card and expense management platform are substantial. Fitness brand Barry's saved 400 hours every month previously spent filling out expense reports and \$20,000 through improved spending insights. Ramp has helped customers save more than 20 million hours and \$2 billion. These aren't incremental improvements—they represent fundamental reimagining of financial operations.

A platform to increase visibility and compliance

Ramp is the finance automation platform and corporate card designed to help businesses of all sizes save time and money. Unlike legacy corporate card and expense management systems, Ramp combines smart corporate cards with integrated expense management as part of a comprehensive financial operations platform that provides:



Real-time visibility

All transactions appear instantly in the dashboard, providing finance teams with immediate insights into company spending.



Proactive controls

Smart corporate cards enforce spending policies before purchases occur, preventing out-of-policy expenses rather than catching them after the fact.



Automated workflows

AI-powered receipt matching, expense categorization, and approval routing eliminate manual tasks and accelerate processing times.



Integrated finance operations

Beyond corporate card and expense management, Ramp unifies procurement, bill pay, and reporting to create a comprehensive finance automation platform.