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Travel & Expense Policy Template

Expenses Policy Template

Please note that this template is for informational purposes only and is not legally binding. It should be used as a guideline only, and details should be adjusted to align with your organisation's specific procedures and circumstances.

We recommend consulting with legal or HR professionals to ensure that your final policy complies with applicable laws and meets your company's unique requirements.

1. Purpose and Scope

Start your policy with an introduction that explains its purpose and scope. For example:

The purpose of this Travel & Expense Policy is to provide clear guidelines for employees who travel on behalf of **[Company Name]**. This policy ensures that travel expenses are controlled, reasonable, and reimbursable, while also maintaining fairness and transparency across the organisation.

This policy applies to all employees, contractors, and consultants who incur travel-related expenses while conducting business on behalf of **[Company Name]**.

2. Travel Booking Procedures

This section should outline how employees are expected to book their travel arrangements. For example:

Employees must follow these procedures to ensure that travel is booked efficiently and within company guidelines.

Preferred booking method

Your company can specify the approved method for booking travel.

For instance, all travel arrangements (flights, accommodations, car rentals, etc.) could be booked through a designated travel management platform or an approved travel agency.

Advance booking requirement

You may choose to encourage employees to book travel in advance.

For example, you could suggest booking travel at least **[X]** days ahead to secure the best rates.

Travel class

Specify the type of travel class your company allows.

For example, if economy fare is the standard, you might say: *"Employees should book economy class for flights unless otherwise approved for business class by [Approving Authority] for flights exceeding **[X]** hours."*

3. Expense Categories and Reimbursement

Detail what types of expenses are reimbursable and set clear spending limits. For example:

The following categories can be customised to outline the types of expenses that are eligible for reimbursement under your policy.

Airfare

Specify the standard class for flights. For example:

*"We will reimburse the cost of standard class travel for all domestic and international flights. Any upgrades, such as to business class, must be pre-approved by **[Approving Authority]**."*

Ground transportation

Define the acceptable methods of ground transportation. For instance:

"Local transportation during business trips, including taxi fares, car rentals, and public transportation, will be reimbursed. However, employees are expected to use public transport where viable.

Compensation for using personal vehicles will be made at the following rates:

- *45p per mile for cars and vans*
- *24p per mile for motorcycles*
- *An additional 5p per mile per passenger."*

Parking and car-related expenses

Outline how parking and related expenses are handled. For example:

"Reasonable parking costs, toll payments, and other car-related expenses will be reimbursed. Employees should submit a valid fuel receipt, dated within two weeks of the journey, along with their expense report."

Accommodation

Set the standard for accommodations. For example:

*"Accommodation for overnight stays will be reimbursed for up to three-star hotels or equivalent. Any stays in luxury hotels or upgrades must be pre-approved by **[Approving Authority]**."*

Meals

Clarify how meal expenses will be reimbursed. For instance:

"Meal expenses will be reimbursed based on the following HMRC guidance rates:

- *£5 for breakfast if the journey starts before 6 am*
- *£5 for one meal during a 5-hour travel period*
- *£10 for two meals during a 10-hour travel period*
- *£15 for a late evening meal if the employee works past 8 pm."*

Other incidental expenses

List any other incidental expenses that are reimbursable. For example:

"Reasonable expenses such as parking fees, tolls, and tips will be reimbursed. However, personal expenses, such as laundry, in-room entertainment, or personal care items, are not reimbursable."

4. Non-Reimbursable Expenses

List the expenses that are not covered under your company policy. For example:

The following expenses are not eligible for reimbursement and should be covered by the employee.

- **Costs for non-employees:** Expenses for individuals accompanying employees who aren't company staff.
- **Unauthorised upgrades:** Upgrades to services like first-class without prior approval.
- **Unapproved trips or meetings:** Costs from business trips or meetings that lack authorisation.
- **Personal activities:** Expenses for personal leisure activities such as spas or sightseeing.
- **Personal items:** Purchases of personal products like gifts or clothing.
- **Lost belongings:** Losses of personal items, covered by travel insurance.
- **Damages caused:** Any damages to services or locations visited.
- **Fines or penalties:** Fines incurred, such as traffic violations, won't be reimbursed.

5. Expense Reporting and Documentation

Provide clear instructions on how employees should report their expenses. For example:

Employees must follow the procedures below to ensure timely and accurate reimbursement of their travel expenses.

Expense report submission

Your company should clarify how expenses should be submitted, whether manually (e.g., by emailing the finance team) or through an expense management software like ExpenseIn.

Also, set a deadline for submission. For instance:

*"Employees must submit expense reports through ExpenseIn within **[X]** days of returning from a business trip. Late submissions may result in delayed reimbursement."*

Required documentation

Specify what documentation is required for reimbursement. For example:

- *Our company name on it where possible*
- *Merchant name*
- *Date*
- *Product name*
- *Amount*
- *VAT value."*

You can digitise the expenses with the [ExpenseIn app](#), so you don't need to store the original receipt."

Approval process

Outline the approval process for expense reports. For instance:

*"Expense reports must be reviewed and approved by **[Manager/Supervisor]** before reimbursement is processed. Any expenses exceeding pre-set limits require additional approval from **[Approving Authority]**."*

6. Travel Advances

Explain the process for requesting and settling travel advances. For example:

Employees may request a travel advance for significant out-of-pocket expenses expected during the trip, following the guidelines below.

Requesting advances

Your company can set the procedure for requesting advances. For example:

*"Employees may request a travel advance for significant out-of-pocket expenses expected during the trip. Advance requests must be submitted at least **[X]** days before the travel date."*

Settlement of advances

Define how advances will be settled. For instance:

*"Advances will be deducted from the final reimbursement amount. Any unused advance must be returned within **[X]** days of the trip's completion."*

7. Travel Safety and Insurance

Outline the safety measures and insurance coverage provided by your company. For example:

Employee safety is a top priority. This section covers the travel insurance provided and the procedures to follow in case of an emergency.

Travel insurance

Specify the insurance coverage your company offers. For instance:

"[Company Name] provides travel insurance for all employees travelling on company business. This insurance covers medical emergencies, trip cancellations, and other unforeseen circumstances. Employees are not required to purchase additional travel insurance."

Emergency procedures

Provide instructions for handling emergencies. For example: *"In the event of an emergency while travelling, employees should contact [Emergency Contact/Support Team] immediately. The travel management platform should be used to report any issues or changes in travel plans."*

8. Policy Compliance and Consequences

Describe how compliance with the policy will be monitored and the consequences of non-compliance. For example:

[Company Name] expects all employees to comply with this policy. Regular reviews will be conducted to ensure adherence, and non-compliance may result in disciplinary action.

Compliance monitoring

Explain how compliance will be monitored. For instance: " ***[Company Name]*** *will regularly review compliance with this travel and expense policy. Employees found to be non-compliant may face disciplinary action, including delayed or denied reimbursements.*"

Consequences of non-compliance

Specify the consequences of not following the policy. For example: *"Failure to adhere to this policy may result in **[specific consequences, e.g., disciplinary action, mandatory training]**."*

9. Policy Review and Updates

State how often the policy will be reviewed and updated. For example:

This policy will be reviewed annually to ensure it remains relevant and effective. Updates will be communicated to all employees.

This policy will be reviewed annually and updated as necessary to reflect changes in company procedures, travel trends, and legal requirements. Employees will be informed of any updates to the policy.

10. Employee Acknowledgement

Require employees to acknowledge their understanding and agreement to comply with the policy. For example:

By submitting expenses for reimbursement, employees acknowledge that they have read and understood the Travel & Expense Policy and agree to comply with its terms.

Pro Tip: Using an expense management software like ExpenseIn can help with compliance by ensuring that employees cannot submit an expense without first accepting the company's policy.

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Ready to simplify your travel expenses? ExpenseIn can help. Our user-friendly platform simplifies the entire process, saving you time and improving accuracy.

Experience the Difference

See ExpenseIn in action and discover how it can transform your expense management. Book your demo now and join the many organisations that have enhanced their experience with ExpenseIn.

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Book a demo