

Employee Travel Expense Policy Template

What Is a Travel Expense Policy?

An Employee Travel Expense Policy outlines the rules, procedures, and expectations for incurring, documenting, and reimbursing business expenses during work trips. This policy is integral to maintaining financial transparency, ensuring compliance with regulations, and promoting responsible spending within the organization.

What a Travel Expense Policy Should Include

A robust Employee Travel Expense Policy should cover various dimensions of travel expenses, leaving no room for ambiguity:

- **Eligible Expenses:** An explanation of what expenses are eligible for reimbursement. This encompasses broad categories like transportation, accommodation, meals, and more.
- **Documentation Requirements:** This covers the documentation and expense reports employees must submit. This includes detailed guidelines on receipt submission, emphasizing the importance of original, itemized receipts.
- **Approval Process:** A section explaining the approval process. It should also clearly delineate the consequences of non-compliance with the approval process.
- **Travel Advances:** If applicable, elaborate on the process for requesting travel advances. Specify the conditions under which advances will be granted.
- **Per Diem Rates:** Provide employees with a comprehensive breakdown of per diem rates. Include the rates for meals and incidental expenses and the methodology for determining these rates.
- **Travel Booking Guidelines:** Offer detailed guidance on booking travel arrangements. This includes preferred vendors, class of travel, any restrictions or requirements for booking in advance, and considerations for travel itineraries.

- **Travel Insurance:** Specify the travel insurance coverage provided by the organization and any circumstances under which employees might need to procure additional coverage.
- **Non-Reimbursable Expenses:** Create an exhaustive list of expenses that will not be reimbursed. This can range from personal entertainment to unauthorized upgrades and expenses.
- **Expense Report Submission Deadline:** Define the timeline for submitting expense reports post-travel. Clearly communicate the repercussions of late submissions and specify any exceptions.
- **Currency Exchange Guidelines:** For international travel, provide detailed guidelines on currency exchange.

Purpose of a Employee Travel Expense Policy

- **Cost Control and Budget Alignment:** Travel expense policies establish guidelines to control and manage travel-related expenses, aligning them with your organization's budgetary constraints.
- **Transparency:** These policies foster transparency between employees and the organization by delineating eligible expenses and required documentation.
- **Compliance:** Travel policies ensure that all travel-related expenditures adhere to local laws, regulations, and internal organizational rules.
- **Consistency:** Travel policies promote fair and consistent treatment of all employees in matters related to expense reimbursement.
- **Efficiency:** Streamlining the expense reimbursement process, these policies aim to reduce administrative work and processing delays.

Please note: The sample policy on the following pages is for informational purposes only and does not constitute legal advice. It is a generic template that may not suit your circumstances. When adopting or revising a policy, consult legal counsel to ensure compliance with all applicable laws and regulations.

Employee Travel Expense Policy Template

Our company wants to ensure your business travels are as smooth and hassle-free as possible. This Employee Travel Expense Policy is designed to provide clear guidance on managing expenses related to your work travel.

We understand that business travel is often exciting but can also be challenging to navigate when it comes to expenses. That's why we've put together this policy to help you understand what expenses are eligible, how to document them properly, and how to get reimbursed promptly.

Our company values efficiency, accountability, and responsible spending. By following the guidelines outlined in this policy, you'll help us manage our resources effectively and represent our company in the best possible light during your travels.

1. Transportation

Employees are eligible for reimbursement for the following transportation expense categories during authorized travel:

- **Airfare:** Please book economy class for all air travel, unless otherwise approved. Any additional fees for luggage or special services must be justified and documented.
- **Car Rentals:** Rentals should be standard or economy class with necessary insurance coverage. Additional expenses such as fuel and tolls are reimbursable with appropriate documentation.
- **Taxis:** Reimbursement is available for taxi fares incurred for transportation to and from airports, meetings, and other business-related locations.
- **Public Transportation:** Our corporate travel policy fully covers train and bus fares. This does not apply to everyday commuting costs incurred by local employees.
- **Accommodations:** Our company will cover reasonable hotel room expenses up to our predefined limits. Any additional charges (e.g., internet, parking) must be documented for reimbursement.
- **Meals:** The per diem rate for meals and incidental expenses is [input rate here]. Receipts are not required for meal expenses within the per diem limits.
- **Other Incidental Expenses:** We will cover reimbursable expenses directly related to the business purpose of the trip, such as parking fees, tolls, dry cleaning, and internet charges.

2. Documentation Requirements

To facilitate prompt and accurate reimbursement, employees must submit the following documentation with their expense reports:

- **Receipts:** Please provide original receipts for all employee expenses, including business meals, accommodation, and transportation. Receipts must clearly indicate the date, vendor, and items purchased.
- **Invoices:** Invoices are required for pre-booked accommodations and any other expenses. Invoices must detail the services provided and corresponding costs.
- **Travel Itinerary:** Please provide a detailed company travel itinerary, including dates, locations, and the business purpose of the trip. Any changes to the itinerary must be documented and justified.
- **Approved Expense Authorization:** In some instances, supervisors may approve expenses exceeding predefined limits. Documentation should include details on the necessity and benefits of the expenses.

3. Approval Process

Expense reports must be submitted to the employee's supervisor or designated approver within [specified timeframe] days of the trip's completion. Approvers are responsible for:

- **Policy Compliance:** Approvers must ensure pricing and expenses comply with the organization's travel expense policy.
- **Accurate Documentation:** Supervisors must verify that all the necessary documentation is attached and accurate. Human resources may request additional documentation or clarification when necessary.
- **Business Relevance:** Approvers must confirm that expenses are directly related to the business purpose of the trip, evaluating the necessity of expenses in achieving business objectives.
- **Amount Limits:** Human resources will confirm expenses do not exceed predefined limits without proper justification and approval — approving or denying exceptions based on the merit of the justification provided.

4. Travel Advances

Employees may request a travel advance for anticipated expenses related to an upcoming business trip. To request an advance:

- Employees must submit a request form [available on the organization's intranet] at least [specified timeframe] days before the trip.
- The advance amount will be deducted from the employee's subsequent expense reimbursements.

The organization reserves the right to deny advances based on the nature of the trip and historical compliance with the policy. Please visit our company's booking tool for additional information.

5. Per Diem Rates

Per diem rates for meals and incidental expenses will be based on the location of travel (including domestic travel and international) and the organization's predefined rates. Detailed guidelines and rates are available on the organization's expense management tool [provide link].

- **Determining Per Diem Rates:** Rates vary based on the location of travel, with higher rates for more expensive cities. Rates for meals and incidental expenses are separated to provide clarity.
- **Per Diem Exclusions:** Per diem rates do not cover expenses such as transportation, accommodation, or other non-meal-related costs. Employees must submit separate documentation for these expenses.

6. Travel Booking Guidelines

Employees are responsible for booking their travel arrangements per the organization's guidelines. Preferred providers, acceptable class of travel, and any specific requirements for booking in advance are detailed on the organization's intranet [provide link].

- **Preferred Vendors:** Employees are encouraged to use preferred vendors to take advantage of negotiated rates and streamline the reimbursement process. Exceptions may be granted with justification and prior approval.
- **Class of Travel:** Economy class is the default for domestic flights unless there is a specific business justification for a higher class. International flights may allow for business class based on the organization's guidelines and the duration of the flight.
- **Booking in Advance:** Employees should book travel in advance to secure favorable rates. Last-minute bookings may be reimbursed with documented justification.

7. Travel Insurance

The organization provides travel insurance coverage for employees during authorized business travel. Key points related to travel insurance include:

- **Coverage Details:** The organization's travel insurance covers medical emergencies, trip cancellations, and other unforeseen circumstances. Employees are not required to obtain additional travel insurance unless engaging in high-risk activities not covered by the organization's policy.

High-Risk Activities: Employees engaging in high-risk activities during business travel must obtain additional insurance coverage at their own expense. High-risk activities include but are not limited to extreme sports or activities with a higher likelihood of accidents.

8. Non-Reimbursable Expenses

The following expenses will not be reimbursed under any circumstances:

- **Entertainment Expenses:** Personal expenses incurred for entertainment or leisure activities during the business trip. This includes tickets to shows, movies, or other recreational activities unrelated to business objectives.
- **Unauthorized Upgrades:** Upgrades to transportation or accommodation without authorization will not be covered. Employees must adhere to the predefined class of travel and accommodation unless exceptional circumstances justify an upgrade.
- **Non-Business-Related Activities:** Expenses incurred during activities unrelated to the business purpose of the trip will not be covered. Any costs associated with personal side trips or leisure activities are the sole responsibility of the employee.

9. Expense Report Submission Deadline

Employees must submit their expense reports within [specified timeframe] days of the trip's completion. Late submissions may result in delayed reimbursement, and expenses submitted beyond [specified timeframe] days may not be reimbursed.

- **Consequences of Late Submissions:** Late submissions may result in delayed reimbursement due to extended processing times. Expenses submitted beyond [specified timeframe] will only be reimbursed if accompanied by valid and documented justifications.
- **Exceptions:** Exceptions to the submission deadline may be considered for extenuating circumstances. Employees must request an extension in writing, explaining the reasons for the delay, and obtain approval from their supervisor or the designated approver.

10. Currency Exchange Guidelines

For expenses incurred in foreign currencies, employees must adhere to the following guidelines:

Acceptable Exchange Rates: Use the organization's predefined rates or guidelines for currency exchange. Rates should be obtained from reputable sources, such as banks or currency exchange services.

Documentation Requirements: Provide documentation of the exchange rates used for converting foreign currency expenses. This documentation should accompany the expense report and clearly indicate the source and date of the exchange rates.

Exception for Unstable Currencies: In cases of unstable currencies, employees may use the most recent exchange rates available at the time of expense submission. Any fluctuations in exchange rates must be explained and documented.

Frequently Asked Questions

- **Can I book my travel with any vendor?**

While employees have the flexibility to book their travel, the organization recommends using preferred vendors listed on the company's travel management tool to take advantage of negotiated rates and ensure compliance with the travel expense policy.

- **What happens if I submit my expense report late?**

Late expense report submissions may result in delayed reimbursement. Expense reports submitted beyond [specified timeframe] may not be reimbursed.

- **Are there restrictions on the class of travel?**

Employees are expected to book economy class for domestic flights unless there is a specific business justification for a higher class. International flights may allow for business class based on the organization's guidelines.

- **Can I request a travel advance?**

Yes, employees can request a travel advance for anticipated expenses. Reimbursement requests must be submitted at least [specified timeframe] days before the trip.

- **What expenses are not reimbursable?**

Expenses such as personal entertainment, unauthorized upgrades, and additional costs incurred during non-business-related activities will not be reimbursed. Refer to the non-reimbursable expenses section for a detailed list.