

MSC (ASIA)
GLOBAL EXPENSE MANAGEMENT SYSTEM

1. Introduction

At MSC staff and consultants (hereinafter jointly referred to as travellers) undertake frequent work-related travel. It is imperative that MSC provides adequate support in terms of taking care of their expenses when on such travel. The Global Mobility Policy (GMP) clearly outlines the entitlement of travellers, vis-à-vis different kinds of travel-related expenses. This Global Expense Management System (GEMS) seeks to complement the existing GMP by way of providing clarity on matters pertaining to management of such expenses and the claims thereof.

MSC accords due respect to its staffs and consultants and expects observance of certain levels of professional maturity, financial integrity, prudence and reasonableness. Observing such professional standards will only help the travellers in getting their claims settled in a timely and smooth manner. We also understand that travellers may have to face different situations. Therefore, it's difficult to prepare an exhaustive list of all scenarios. Thus, it's all the more important for the travellers to observe high standards of professional prudence and financial integrity when submitting their claims.

2. Purpose

The purpose of this policy is to -

- 2.1. Ensure that travellers are able to manage their expenses in a streamlined manner, reducing the amount of time and effort in obtaining reimbursements thereof.
- 2.2. Provide clarity on procedures pertaining to claims in order to enable smooth and timely claim settlement.
- 2.3. Enumerate MSC Accounts department's expectations of the travellers regarding submission of claims with respect to travels.

3. Scope

This Expense Management Policy is applicable to all staffs and consultants who undertake any work-related travel anywhere across the globe as part of their engagement with MSC.

4. Policy

- 4.1. The entitlements made available to travellers of MSC as part of the GMP are, in nature, strictly 'on-cost' reimbursement of expenses incurred. This means that production of tax invoices/proper original bills is necessary for settlement of claims.
- 4.2. An illustrative list of exceptions to production of bills, i.e. the case(s) where production of actual bills are not required is as follows:

Type of Assignment ¹	Nature of Entitlement
Business Trip	➤ Incidentals
Short Term Assignment	➤ Incidentals ➤ Relocation Allowance
Long Term Assignment	➤ Relocation Allowance ➤ Tax Equalisation

¹ Refer to Section II of the GMP for definition of 'Type of Assignment'

- 4.3. Unless specified otherwise in a contract or an individual's assignment terms, the list of entitlements provided for in the GMP, read in conjunction with the subsequent release of FAQs of December 2, 2014, is exhaustive in nature, i.e. only that nature of expenses as contained therein can be claimed.
- 4.4. All entitlements contained in the GMP are meant for the respective travellers only. The entitlements can thus not be assigned, transferred to or used for the benefit of anyone other than the traveller himself/herself.
- 4.5. Only such claims that are complete in all respects, submitted in hard copies duly signed and together with all supporting documents will be accepted.
- 4.6. The GMP covers only those expenses that are incurred by a traveller during the course of, and pertaining to, the respective assignment for which claims are submitted. In cases where any traveller has incurred expenses for business development or any other reasons, which do not specifically pertain to his/her travel, the same falls beyond the scope of the GMP. Therefore, they must not be clubbed together with GMP claims. All such expenses can be claimed using correct form prescribed for the purposes (attaching proper original bills as supporting the claims).

5. Guidelines

Detailed guidelines regarding submission of travel related claims, including clarifications in respect of each of the line items provided for in the GMP, are given as under:

5.1. Hotels

- 5.1.1. All travellers must endeavour to stay only at one amongst the preferred list of hotels, which is published and updated from time to time. In case of any deviation, claims should be sent only after due approvals from the Admin Manager have been obtained.
- 5.1.2. Stay expenses will be reimbursed only on submission of complete itemised bill from the hotel.
- 5.1.3. In case of transits, expenses incurred at airport lounges etc. are permitted and will be reimbursed on submission of bills.
- 5.1.4. In case of MSC-arranged stay, travellers must ensure that they follow rooming and room-sharing arrangements made by the Admin department. Employees who incur such additional expenses should pay off the same at checkout time; else such additional costs incurred by MSC owing to a deviation in this regard may be recovered from the respective travellers.

5.2. Meals

- 5.2.1. All food and drink expenses essential to undertake any business travel will be reimbursable on cost upon submission of bills;
- 5.2.2. Alcohol expenses are not permitted under any circumstances and wherever incurred must be excluded from all claims;
- 5.2.3. Only the expenses incurred for own consumption during the course of business travel will be reimbursed;
- 5.2.4. Bills that are apparently meant for more than one person shall be liable for automatic disallowance or payment on a pro rata basis, However, in recognition of the fact that assignment at MSC often require employees to travel in a group consumption of meals in such situations will be permissible wherein:
 - Bills pertain to shared meals between co-travellers on the same assignment; AND
 - A declaration is made to that effect at the time of submission of claims; AND
 - Noting on the face of the original bill declaring the name of such co-travellers who've shared the meals is done.
- 5.2.5. In case, a traveller avails room service at the hotel of stay, the respective bills or duty slips for all room service must accompany the overall hotel bill.
- 5.2.6. Travellers must exercise due care, caution and diligence while sending their claims. All bills that are prima facie: a) not meant for own consumption (except as allowed herein); b) retail purchases that seemingly are not for consumption as a part of the travel (for e.g. appearing as meant to be carried back home for further personal use); or c) not reasonable or legitimate business expense in any other manner shall be liable for -

- Explanations called by the Accounts department of MSC;
 - Disallowance in case of non-satisfactory explanations; and
 - Escalation to concerned reporting manager as may be deemed fit.
- 5.2.7. Travellers must acknowledge that grocery/retail purchases or such other bills can prima facie appear to be personal in nature and may thus be scrutinised for reasonableness or genuineness in the manner stipulated herein.

5.3. Business Communication

- 5.3.1. Business communication covers expenses incurred towards both, the purchase of card/device and usage of mobile networks for phone and internet.
- 5.3.2. Required supporting documents include bills and used prepaid vouchers/cards.
- 5.3.3. MSC issues SIM cards as part of CUG connections and data cards for internet access to both, its staffs and full time consultants. Thus, during in-country travel, it is ordinarily expected that a traveller will not need to incur expenses of this nature.
- 5.3.4. However, in case such expenses are incurred in the course of in-country travel owing to some extraordinary situations, the traveller must obtain due approvals from Admin Manager and his/her DL before sending claims under this category.

5.4. Transport

- 5.4.1. Transport expenses covered under the GMP mean and include expenses incurred for commuting between hotel or other place of the traveller's stay and the client's site, including MSC's offices.
- 5.4.2. Expenses incurred for conducting market research, survey or any business related travel other than the above -
- Falls beyond the scope of GMP;
 - Are payable in full separately and thus payable over and above the reimbursable limits mentioned in the GMP for per diems;
 - Must be approved by the concerned DL;
 - DL's approval must accompany claims in respect thereof.
- 5.4.3. Proper bills must be submitted as part of the claims.

5.5. Airport Transfers

- 5.5.1. Proper bills must be submitted for reimbursements.
- 5.5.2. Usage of personal vehicles for airport transfers is not permitted. Thus neither any claims of fuel nor a 'rate-based per kilometre' claim will be accepted.

5.6. Laundry Expenses

- 5.6.1. Proper bills must be submitted for reimbursements.

5.7. Reimbursement Limits

- 5.7.1. All reimbursable limits, contained in the GMP, are only an upper cap and do not, per se, assign and thus should not be viewed as a right of claim aimed at exhaustion of the said limit to any traveller.
- 5.7.2. Although reimbursable limits are mentioned as a day-rate, the traveller has the option to treat amount of such entitlement for the period of the stay as a total entitlement. Thus, the upper cap is not strictly a daily limit but is used as a multiplier for the number of days of assignment to find out total entitlement.

5.8. Exchange Rates

- 5.8.1. Travellers' claims will be settled in the currency of their respective agreements under which they are covered for the respective claim.
- 5.8.2. All amounts will be converted from the currency in which expenses are incurred to the currency of payment in order to cover the costs incurred by the traveller.

- 5.8.3. In order to ascertain such costs, the traveller must furnish proof of exchange rate that needs to be applied. This can be in the form of any of the following:
- a) Bill/invoice of the currency exchange (issued by a banker or any other vendor that exchanges currency); or
 - b) Withdrawal slip of ATM machine together with copy of bank statement; or
 - c) Credit card slip together with the credit card statement; or
 - d) Some other such document that helps in identifying cost of the expense incurred in the currency of payment;
 - e) In the absence of any document, average bid rates for the period for which claims are being settled, will be used from www.oanda.com.
- 5.8.4. The cost of expenses incurred so determined as explained hereinfore, will be compared with, and be subject to, the reimbursable limits contained in the GMP. For the purposes of such comparison, the said limits will be converted to currency of payment using pre-determined exchange rates². The lower of the two amounts, shall be paid to the traveller.

5.9. Completeness and Accuracy

MSC remains committed to ensure that settlement of claims is a smooth and timely process. In this regard, the travellers are expected to ensure that they submit their claims in a timely and accurate manner. Incomplete forms and claims may result into unwanted delays. The following factors determine completeness of claims -

- 5.9.1. Correct claim form is used.
- 5.9.2. Claim form is filled completely, duly signed and submitted in hard copies by the claimant.
- 5.9.3. All supporting documents are attached to the form.
- 5.9.4. All bills submitted must be proper tax invoices (formal) bills.
- 5.9.5. All approvals as may be required in line with provisions contained herein have been obtained and copies thereof are attached.
- 5.9.6. A comprehensive checklist is annexed to this document to help the travellers in compiling their claims (refer Annexure-I).

6. Claim and Settlement Procedure

- 6.1. The claimant must first ascertain the capacity of his engagement with MSC for the specific assignment regarding which claims are being submitted. Such capacity can be either staff or consultant.
- 6.2. MSC prescribes separate forms for its staff and consultants.
- 6.3. Procedure for staff:
 - 6.3.1. The forms prescribed for usage by staff are specific to the respective entities within MSC.
 - 6.3.2. Depending upon the entity of employment, corresponding TE Claim Form must be used. E.g., if you are a staff of MSC India Foundation (MSIF), you will always use a TE Claim Form prescribed for MSIF. This will change only when you have applied for a Leave without Pay (LWP) and have been issued a short-term consultancy agreement from another MSC entity (upon which you should follow the procedure for consultants, prescribed herein).
 - 6.3.3. For advances against trips -
 - 6.3.3.1. An estimate of expected expenses for the duration of the trip must be prepared using the same form as is prescribed for claims. For preparation of such forms, all expected expenses must be counted. Incidentals, not being strict reimbursements, must be excluded. Amount equal to 80% of such calculated estimates will be paid as advance.
 - 6.3.3.2. Such completed form must be sent to the Accounts department in soft copy over email.
 - 6.3.3.3. All advances must be settled within 7 working days of the return of a staff from his trip for which such advance was given, failing which salary of the staff may be liable to be held back from payment.

² MSC announces the rates of conversion of currency from time to time. Such announced rates remain in force till the time of their revision.

- 6.3.3.4. Advances can be claimed for a maximum period of 4 calendar weeks. In the event of long duration travel, staffs are expected to keep settling their advances on a regular basis (and apply for fresh advances if needed).
- 6.3.3.5. No further advances will be given to any staff if there is any outstanding advance (pending settlement) against him/her, unless a written approval of the concerned DL and the Head of the Accounts Department is obtained.
- 6.3.4. For filling up the TE Claim Form, staffs must, notwithstanding anything, use accurate UAC for which they had worked. This must tally with the UAC that is mentioned in the DWP for the corresponding days/works.
- 6.3.5. In the event of the DWP being blank or not tallying with the claims submitted, the claims will be held back and not settled till the DWP is updated.
- 6.3.6. Staffs are required to fill the form with caution matching the same with supporting documents.
- 6.3.7. It is mandatory to attach boarding passes, train/bus tickets or such other document that enables the Accounts department to verify the days of travel.
- 6.3.8. The completed form together with all supporting documents should be printed, signed and sent across to the Accounts department for processing.
- 6.3.9. The Accounts department will reach out to the staff in case they require any clarification or explanation in connection with the claims.
- 6.3.10. All GMP related payments (including advances) would be settled within 5 working days (counted from the day such claims are considered to have been completed in all respects).

6.4. Procedure for Consultants:

- 6.4.1. There is a separate TE Claim form prescribed for usage by all Consultants of MSC.
- 6.4.2. For the purposes of Clause 6.4 and the sub-clauses thereunder, the term 'Consultants' include-
 - ❖ Full time Consultants of MSC;
 - ❖ Short term Consultants (cases where staffs under one of the entities of MSC proceed on LWP and thus issued a short term consultancy agreement from another entity for an equivalent period); and
 - ❖ External Consultants hired by MSC for provision of specific services.
- 6.4.3. In the TE Claim Form, consultant must select one of the legal entities to which it is sending the claims. This must tally with the entity that issued such agreement.
- 6.4.4. For advances against trips -
 - 6.4.4.1. An estimate of expected expenses for the duration of the trip must be prepared using the same form as is prescribed for claims. For preparation of such forms, all expected expenses must be counted. Incidentals, not being strict reimbursements, must be excluded. Amount equal to 80% of such calculated estimates will be paid as advance.
 - 6.4.4.2. Such completed form must be sent to the Accounts department in soft copy over email.
 - 6.4.4.3. All advances must be settled within 7 working days of the return of a staff from his trip for which such advance was given, failing which salary of the staff may be liable to be held back from payment.
 - 6.4.4.4. Advances can be claimed for a maximum period of 4 calendar weeks. In the event of long duration travel, staffs are expected to keep settling their advances on a regular basis (and apply for fresh advances if needed).
 - 6.4.4.5. No further advances will be given to any staff if there is any outstanding advance (pending settlement) against him/her, unless a written approval of the concerned DL and the Head of the Accounts Department is obtained.
- 6.4.5. For filling up the TE Claim Form, consultants must, notwithstanding anything, use accurate UAC for which they had worked. This must tally with the UAC that is mentioned in the DWP for the corresponding days/works. In cases of external consultant who do not appear in the DWP, they must obtain correct UAC from the DL in charge of the corresponding project.
- 6.4.6. In the event of the DWP being blank or not tallying with the claims submitted, the claims will be held back and not settled till the DWP is updated. In cases of external consultants,

the claims will be settled on basis of their agreements and terms and conditions mentioned therein.

- 6.4.7. Consultants are required to fill the form with caution matching the same with supporting documents.
- 6.4.8. It is mandatory to attach boarding passes, train/bus tickets or such other document that enables the Accounts department to verify the days of travel.
- 6.4.9. The completed form together with all supporting documents should be printed, signed and sent across to the Accounts department for processing.
- 6.4.10. The Accounts department will reach out to the consultant in case they require any clarification or explanation in connection with the claims.
- 6.4.11. All completed claims will be processed within 5 working days.
- 6.4.12. All claims will be subject to deduction of taxes as applicable under the Income Tax Act, 1961 of India and rules formed thereunder.

Frequently Asked Questions

Ques 1: I have booked my stay at a hotel that is not included in the approved list.

Answer: Stay at a hotel that is not mentioned in the list of approved hotels needs approval from the Admin Manager of MSC. Please ensure that such approval is obtained before claims are sent to the Accounts for processing. The approval email from Admin Manager must be appended to the claim documents.

Ques 2: How does the daily entitlement limit function as an upper cap?

Answer: Although, entitlements for different expenses are indicated as a day limit, a day-by-day limit is not enforced. This means that any traveller has a kitty calculated by multiplying the daily limit with the number of days of travel. Claims will be disallowed if the total claims exceed such a kitty for any corresponding expense.

Ques 3: I have bills for expenses that I shared with my colleagues.

Answer: In case of shared bills, there is an option that one person claims the bills, declaring at the back of the bill names of colleagues with who the bill was shared. In such case, the entire amount will be paid to the person claiming it, provided that the expenses claimed do not exceed the kitty for the person. In case, the colleagues want to claim expenses separately for the same bill, then the person who has the original bill must ensure that names of the sharing colleagues and division of bill amongst them are detailed at the back of the bill. Such declaration must be signed. All other colleagues must produce a photocopy of the said bill after such signed declaration on the bill has been done. In absence of such declaration, all photocopy bills will be disallowed.

Ques 4: I paid expenses of a MSC colleague who was not part of an official travel.

Answer: Shared expenses are only allowed in case all the participating colleagues are on official travel. E.g. if you have treated a MSC colleague for dinner who was not on official travel, the same will not be permitted. In case such an expense was incurred for official purposes, MSC will reimburse it. However, such cases fall outside the scope of GMP and thus must be claimed (in a separate form) after obtaining approval from your DL for the claim.

Ques 5: I have bills that, either fully or partly, don't pertain to MSC colleagues

Answer: All expenses incurred for friends, family, acquaintance or anyone who is not from MSC will not be entertained under any circumstances whatsoever. If claims are made for such expenses, they will be disallowed and also reported for disciplinary action to concerned DL or such reporting manager as may be applicable. In case of external consultant, such claims will be deemed serious breach of trust result in immediate discontinuation of the Contract and any further engagement with MSC. The consultant may be blacklisted from further engagements in addition to disallowance of claims.

Ques 6: I don't have tax invoices or formal bills but I incurred expenses.

Answer: Incidentals have been provided in the GMP primarily to cater for expenses that are incurred without proper bills or receipts.

Ques 7: What do I do in case I have incurred expenses on behalf of MSC that are in the course of business, but outside of GMP.

Answer: If official expenses are incurred in the nature of business development, client interaction, procurement of goods or services, travel expenses otherwise than transport covered under GMP (refer to **Clause 5.4** of this Policy) or such other nature as may be required they will fall beyond the scope of GMP. Thus, the claims for such expenses must be made separately in the form prescribed for the purposes. However, claims for such expenses must only be made after they have been approved by a) the Admin Manager in respect of travel; or b) the concerned DL in other cases.

Ques 8: What are my entitlements if I stay in different cities in a day?

Answer: Incidentals are dependent upon night stay. So, the place of night stay will determine the amount of incidental payable. Perdiems (entitlement for Meals and Transport), however, are dependent on days.

So, for the purposes of determining the amount of entitlement for meals and transport for a day, place of (following) overnight stay will be used. In case, there is no following overnight stay, the place of previous overnight stay will be used.

Ques 9: What do I do if there was no overnight stay but I to and fro within a day?

Answer: In the event of an intra-day journey, all expenses incurred in the course of the travel will be reimbursed as provided for in the GMP.

Annexure - I
Checklist for submission of Claims

Nature	Points to check/documents to be attached
Claims	<ul style="list-style-type: none">• Correct TE Claim form is used;• Form is filled accurately and signed by the claimant;• Proper bills for all expenses claimed are attached to form
Detailed Work Plan	<ul style="list-style-type: none">• DWP must be updated for the period corresponding to claims;• Correct UAC has been used which must tally with the DWP
Proof of Journey	<ul style="list-style-type: none">• In case of flight, boarding cards;• In case of train/bus, original tickets;• In case of taxi/others, proper detailed bill of vendor giving complete details of travel
Stay at approved hotel or not	<ul style="list-style-type: none">• Check with list of approved hotels;• In case, hotel of stay is not included in such list, printout of email from Admin Manager approving stay at such hotel
Official expenses	<ul style="list-style-type: none">• Only that nature of expenses have been claimed that are permitted as per the GMP;• Separate form has been used for official expenses outside the scope of GMP. Such form must be filled accurately, signed and counter signed by the concerned DL for approval thereof• All personal bills have been excluded from claims