

Expense Policy 2025

Corporate Expense Policy 2025

Document Version: 3.2

Effective Date: January 1, 2025

Review Date: December 31, 2025

Purpose and Scope

This expense policy establishes guidelines for business-related expenditures to ensure appropriate use of company funds while enabling employees to perform their duties effectively. This policy applies to all employees, contractors, and authorized representatives of the company.

General Principles

1. Business Purpose Requirement

All expenses must have a legitimate business purpose and be necessary for conducting company business. Personal expenses are strictly prohibited.

2. Reasonableness Standard

Expenses must be reasonable in amount and appropriate given the circumstances. When multiple options exist, choose the most cost-effective alternative that meets business needs.

3. Proper Authorization

All expenses must be pre-approved according to established authorization limits and submitted with proper documentation.

Authorization Limits

By Employee Level

- ****Individual Contributors****: Up to \$500 per expense
- ****Team Leads/Supervisors****: Up to \$2,000 per expense
- ****Managers****: Up to \$5,000 per expense
- ****Directors****: Up to \$15,000 per expense
- ****VPs****: Up to \$50,000 per expense
- ****C-Level****: Up to \$100,000 per expense

Special Categories

- ****Emergency Expenses****: Up to \$1,000 (with post-approval required within 48 hours)
- ****Technology Purchases****: Requires IT approval for amounts over \$1,000

- **Software Licenses**: Requires Security and Legal approval for new vendors

Travel and Entertainment

Air Travel

- **Domestic Flights (under 4 hours)**: Economy class required
- **International Flights (over 6 hours)**: Business class permitted
- **First Class**: Requires CEO approval
- **Advance Booking**: Minimum 14 days recommended for best rates

Accommodation

- **Daily Limits by City Tier**:
 - Tier 1 Cities (NYC, SF, London): \$350/night
 - Tier 2 Cities (Chicago, Boston, Seattle): \$250/night
 - Tier 3 Cities (Other major cities): \$180/night
 - Tier 4 Cities (Smaller cities): \$120/night

Ground Transportation

- **Airport/Hotel Transfers**: Reasonable taxi, rideshare, or shuttle service
- **Local Transportation**: Public transport preferred; rideshare acceptable
- **Rental Cars**: Required for multi-location visits or where public transport inadequate
- **Personal Vehicle**: \$0.58/mile (IRS rate) plus parking

Meals and Entertainment

- **Daily Meal Allowances**:
 - Breakfast: \$25
 - Lunch: \$35
 - Dinner: \$65
- **Total Daily Maximum**: \$125
- **Client Entertainment**:
 - **Per Person Limit**: \$150 for dinner, \$75 for lunch
 - **Alcohol**: Permitted in moderation with clients
 - **Group Events**: Requires prior approval for amounts over \$500

Office Supplies and Equipment

Standard Office Supplies

- **Monthly Budget per Employee**: \$75
- **Approved Vendors**: Use corporate contracts when available
- **Bulk Orders**: Coordinate with Office Manager for quantities over \$200

Technology Equipment

- **Laptops**: Standard models from approved list

- **Monitors**: Up to dual 27" monitors per employee
- **Peripherals**: Mouse, keyboard, headset as needed
- **Mobile Devices**: Company-provided phones for eligible roles

Software and Subscriptions

- **Individual Licenses**: Manager approval required
- **Team Licenses**: Director approval required
- **Enterprise Licenses**: IT and Finance approval required
- **SaaS Security Review**: Required for all new software vendors

Professional Development

Training and Conferences

- **Annual Budget per Employee**: \$2,500
- **Conference Attendance**: Limited to 2 major conferences per year
- **Certification Programs**: Reimbursed upon successful completion
- **Online Training**: Preferred when available and meets objectives

Professional Memberships

- **Industry Associations**: Up to \$500/year per employee
- **Certification Bodies**: Covered for job-related certifications
- **Publication Subscriptions**: Up to \$200/year per employee

Procurement Guidelines

Vendor Selection

- **Amounts Under \$5,000**: Department discretion with 3 quotes recommended
- **Amounts \$5,000-\$25,000**: Minimum 3 written quotes required
- **Amounts Over \$25,000**: Formal RFP process through Procurement

Contract Requirements

- **All Vendors**: Must complete vendor onboarding process
- **Data Processing**: Requires DPA (Data Processing Agreement)
- **Critical Services**: Business continuity assessment required

Expense Categories and Guidelines

Marketing and Advertising

- **Digital Advertising**: Performance tracking required
- **Trade Shows**: ROI analysis required for events over \$10,000
- **Promotional Items**: Unit cost should not exceed \$25
- **Brand Compliance**: All materials must follow brand guidelines

Research and Development

- **Equipment**: Depreciation schedule required for items over \$5,000
- **Prototyping**: Material costs tracked separately
- **Testing Services**: Competitive quotes for amounts over \$2,000
- **Patent Filing**: Legal review required

Facilities and Operations

- **Office Rent**: Market rate analysis required
- **Utilities**: Energy efficiency considerations mandatory
- **Maintenance**: Preventive maintenance preferred
- **Security**: Risk assessment required for all locations

Documentation Requirements

Required Documentation

- **Original Receipts**: Required for all expenses over \$25
- **Business Purpose**: Clear description required for all expenses
- **Attendees**: List required for all meal and entertainment expenses
- **Mileage Logs**: Required for personal vehicle reimbursement

Digital Submission

- **Expense System**: All submissions through corporate platform
- **Receipt Quality**: Clear, readable digital images required
- **Submission Deadline**: Within 30 days of expense incurrence
- **Monthly Reporting**: Department summaries due by 5th of following month

Prohibited Expenses

Strictly Prohibited

- Personal entertainment (movies, concerts, sporting events)
- Alcoholic beverages (except client entertainment)
- Luxury services (spa, premium car washes, etc.)
- Personal travel or vacation expenses
- Political contributions or lobbying expenses
- Gifts to clients exceeding \$100 value

Requires Special Approval

- Legal services (requires General Counsel approval)
- Consulting services (requires department VP approval)
- Real estate transactions (requires CEO approval)
- Charitable donations (requires HR approval)

Compliance and Monitoring

Expense Auditing

- **Random Audits**: 10% of expenses reviewed monthly
- **Pattern Analysis**: Automated flagging of unusual patterns
- **Compliance Scores**: Department-level tracking and reporting
- **Training Requirements**: Annual expense policy training mandatory

Violation Consequences

- **First Violation**: Coaching and retraining
- **Second Violation**: Written warning and manager review
- **Third Violation**: Performance improvement plan
- **Serious Violations**: May result in termination

Reimbursement Process

Standard Timeline

- **Submission Review**: 3-5 business days
- **Approval Process**: 2-3 business days
- **Payment Processing**: 5-7 business days
- **Total Timeline**: 10-15 business days from submission

Expedited Processing

- **Emergency Expenses**: 24-48 hour processing
- **Hardship Cases**: CFO discretionary approval
- **Travel Advances**: Available for international travel

Tax Implications

Taxable Benefits

- **Personal Use**: Any personal benefit is taxable income
- **Gift Cards**: Taxable to recipient
- **Non-business Meals**: Taxable if included in reimbursement
- **Spousal Travel**: Taxable unless business purpose documented

Record Keeping

- **Retention Period**: 7 years for all expense records
- **IRS Compliance**: Documentation must meet IRS requirements
- **International**: Additional requirements for cross-border expenses

Technology and Systems

Expense Management Platform

- **Primary System**: Concur Expense

- **Mobile App**: Available for iOS and Android
- **Integration**: Real-time sync with financial systems
- **Reporting**: Dashboards available for managers and finance

Approval Workflow

- **Automatic Routing**: Based on amount and expense type
- **Delegation**: Temporary approval delegation during absences
- **Escalation**: Automatic escalation for overdue approvals
- **Notifications**: Email and mobile alerts for all stakeholders

Frequently Asked Questions

Q: Can I use my personal credit card for business expenses?

A: Yes, but reimbursement follows standard approval and documentation requirements.

Q: What if I lose a receipt?

A: Submit an affidavit explaining the circumstances. Expenses over \$75 without receipts may be denied.

Q: Can I tip service providers?

A: Yes, reasonable tips (15-20%) are allowed for business meals and travel services.

Q: Are home office expenses reimbursable?

A: Only for designated remote workers and only for approved equipment and services.

Policy Owner: Chief Financial Officer

Review Committee: Finance, HR, Legal

Next Review: December 2025

Questions: Contact finance-policy@company.com

Document Classification: Internal Use

Version History: Available in corporate policy management system