

Policy 02: Global Expense & Reimbursement Policy

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Document Owner: Finance Department

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1. General Principles

Practical AI Corp reimburses employees for reasonable and necessary expenses incurred while conducting company business.

2. Travel Policy

2.1 Air Travel

- Domestic flights (< 6 hours) must be booked in Economy Class.
- International flights (> 8 hours) may be booked in Premium Economy.
- Business Class is only permitted for executive leadership or with written pre-approval from the CFO.
- Flights should be booked at least 14 days in advance whenever possible to secure the best rates.

2.2 Lodging

- Maximum nightly rates (excluding taxes):
 - * Tier 1 Cities (SF, NYC, London, Tokyo): \$300/night
 - * Tier 2 Cities (Austin, Chicago, Berlin): \$250/night
 - * All other locations: \$150/night
- Airbnb/Vrbo is permitted if the total cost is lower than a comparable hotel.

2.3 Ground Transportation

- Use public transit, Uber/Lyft, or taxis.
- Rental cars should only be booked if public transport/rideshare is cost-prohibitive or unavailable. Compact or Intermediate class.
- Personal Mileage: Reimbursed at the current IRS standard rate for business miles driven. Gas is not reimbursed separately for personal vehicles.

3. Meals & Entertainment

3.1 Individual Meals

- Daily Allowance (Per Diem limit): \$75 per day while traveling.
- Breakfast: \$15 | Lunch: \$20 | Dinner: \$40.

3.2 Team Meals

- Team lunches/dinners must be approved by a Director level or above.
- Limit: \$35 per person (lunch), \$60 per person (dinner).

3.3 Client Entertainment

- Reasonable expenses for entertaining clients are reimbursable.
- Alcohol is permitted but should be kept moderate.
- VP approval required for events exceeding \$500 total.

4. Non-Reimbursable Expenses

The following are strictly non-reimbursable:

- Traffic or parking tickets.
- Personal grooming/toiletry items.
- In-flight Wi-Fi (unless critical for urgent business).
- Minibar purchases.
- Airline club memberships or lounge access.

- Commuting costs between home and the primary office.

5. Expense Submission & Reimbursement

5.1 Receipts

- Receipts are required for any single expense over \$25.
- Receipts must be itemized (credit card slips showing only the total are not accepted).

5.2 Submission Deadline

- Expenses must be submitted via the 'Expensify' portal within 30 days of the expense date.
- Expenses submitted after 60 days will be considered taxable income or may be rejected.

5.3 Approval Workflow

- Expenses < \$1,000: Direct Manager approval.
- Expenses > \$1,000: Manager + Department Head approval.

6. Audits

All expense reports are subject to random audits by the Finance team. Fraudulent claims will result in disciplinary action, up to and including termination.