

Finance Reimbursement Policy

Effective Date: January 2026

Version: 1.0

Department: Finance & Administration

Last Updated: January 2026

1. Purpose and Scope

This policy establishes guidelines for reimbursement of business-related expenses incurred by employees. It is designed to: - Ensure fair and transparent reimbursement procedures - Control business expenses and prevent fraud - Maintain compliance with accounting standards and tax regulations - Facilitate timely reimbursement of legitimate business expenses - Support employee productivity and business travel

Applies to: All full-time and part-time employees, contractors, and authorized representatives conducting business on behalf of the organization.

2. Reimbursable Expenses

2.1 Travel Expenses

Airfare & Ground Transportation: - Flights: Economy class; business class only with VP+ approval - Hotel: Maximum 5,000 per night (domestic); 10,000 (international) - Meals during travel: 1,500/day domestic; 2,500/day international (includes tips) - Taxis/Cab Services: Use company-approved services or standard rates - Parking & Tolls: Fully reimbursable with receipts - Travel Insurance: Reimbursable for international trips >5 days

Requirements: - Pre-approval required for travel > 50,000 - Booking through company travel portal when available - Receipts required for all expenses > 1,000

2.2 Client and Business Development

- Client entertainment meals: Maximum 3,000 per meal; up to 10,000/month per employee
- Business gifts: Maximum 2,000 per gift; 10,000/year limit per employee
- Conference/Event registration: Full cost if pre-approved
- Hosting business meetings: Venue, catering within budgeted limits

Documentation: - Purpose of meeting/entertainment documented - Attendees listed - Business outcome noted

2.3 Professional Development

- Training courses and certifications: Pre-approved courses only
- Books and learning materials: Maximum 5,000/quarter per employee
- Seminar/workshop registration: Pre-approval required if > 10,000
- Membership fees: Professional associations (pre-approved)

Conditions: - Employee must complete course/obtain certification - Results presented to manager within 30 days - Training relevant to current or planned role

2.4 Office Supplies and Equipment

- Stationery and office supplies: 2,000/month per employee
- Computer peripherals: Keyboard, mouse, monitor (pre-approval > 5,000)
- Headphones/webcam for remote work: Up to 3,000
- Software licenses: IT department to approve

Process: Purchase through procurement department when possible

2.5 Working from Home Allowance

- Internet reimbursement: Up to 1,500/month (with bill proof)
- Power/Electricity: Up to 2,000/month (if internet >3GB/month)
- Furniture: One-time, up to 10,000 (desk, chair, shelving)
- Lighting/Heating: Up to 3,000 (pre-approval required)

Eligibility: Approved remote workers; minimum 3 days/week working from home

2.6 Miscellaneous Business Expenses

- Client gifts and materials: Pre-approved by manager
- Business communication (postage, courier): Fully reimbursable
- Photography/videography for business purposes: Pre-approved
- Printing and document services: Within budget limits

3. Non-Reimbursable Expenses

The following are NOT reimbursable: - Personal meals and beverages (unless client entertainment) - Commute/travel to regular office location - Parking at office (unless pre-negotiated for client site) - Fuel for personal vehicle (use mileage reimbursement instead) - Speeding tickets, parking violations, or traffic penalties - Personal entertainment (movies, music, hobbies) - Alcohol and tobacco products (except for client entertainment within limits) - Personal care items (haircuts, gym, medical treatments) - Insurance (personal auto/health insurance) - Home furniture not pre-approved for remote work setup - Luxury

items (designer accessories, high-end gadgets) - Expenses for spouses/family members - Charitable donations - Club memberships (excluding professional associations)

4. Mileage Reimbursement

Personal vehicle mileage (when company vehicle unavailable): - **Rate:** 6.50 per km (domestic); 8.00/km (international assignments) - **Eligibility:** Pre-approved business travel only - **Documentation:** Route, purpose, start/end odometer readings - **Maximum:** 50,000/month per employee

Process: 1. Submit mileage log with expense report 2. Route verified for business reasonableness 3. Personal vehicle insurance must cover business use

5. Expense Submission and Documentation

5.1 Required Documentation

All expenses must be submitted with: - Original receipts (physical or digital) - Itemized invoices (for services > 5,000) - Business justification (purpose of expense) - Department/project code for allocation - Attendee names (for meals/entertainment) - Pre-approval evidence (if required)

Acceptable receipt formats: - Original paper receipts - Digital receipts (email confirmations) - GST invoices - Credit card statements (marked with business purpose)

5.2 Submission Timeline

- **Submission deadline:** Within 30 days of expense date
- **Late submissions:** Expenses >30 days old require VP approval; >90 days not reimbursable
- **Submission method:** Expense management portal or email to finance@company.com
- **Format:** Excel template provided; categorized expenses

5.3 Expense Report Checklist

- ☐ All receipts attached (originals or scanned)
- ☐ Expenses categorized correctly
- ☐ Business purpose documented for each expense > 1,000
- ☐ Department/project codes assigned
- ☐ No duplicate expenses
- ☐ Employee signature and date
- ☐ Manager approval obtained

6. Approval Workflow

6.1 Approval Authority

Expense Amount	Approver	Timeline
< 10,000	Direct Manager	3 business days
10,000 – 50,000	Department Head	5 business days
> 50,000	CFO/VP Finance	7 business days

Pre-approval Requirements: - Travel > 50,000: Approved before booking
- Client entertainment > 5,000: Approved before event - Professional development > 10,000: Approved before enrollment - Equipment/furniture > 5,000: Approved before purchase

6.2 Reimbursement Processing

- **Processing timeline:** 7–10 business days after approval
- **Payment method:** Direct bank transfer (preferred) or salary addition
- **Confirmation:** Email notification when processed
- **Queries:** Finance team responds within 3 business days

7. Special Circumstances

7.1 Corporate Credit Card

Employees with corporate cards: - Submit monthly reconciliation with supporting documents - Personal expenses must be separated and settled immediately - Card used for approved business expenses only - Violations may result in card revocation

7.2 Advance/Loan Against Expenses

For large anticipated expenses: - Submit request to Finance department - Loan approved up to 100% of budgeted amount - Deducted from reimbursement or salary (if not reimbursed) - Interest-free for advances < 100,000

7.3 Currency Conversion

For international expenses: - Use exchange rate on date of transaction (credit card/bank statement) - GST refunds/VAT reclaim: Processed separately by Finance - Tips and gratuities: Follow local customs; included in per-diem limits

8. Audit and Compliance

8.1 Internal Audits

- Monthly review of expense reports > 50,000
- Quarterly random audits of all employees
- Annual comprehensive audit by Finance team
- Compliance check against policy guidelines

8.2 Suspicious Expenses

Flags triggered by: - Multiple similar expenses in short timeframe - Expenses inconsistent with employee role - Missing documentation or receipts - Expenses exceeding category limits - Duplicate submissions

Action: Finance team investigates; manager notified; employee may be asked to provide additional documentation

8.3 Violations

First violation: - Written warning - Mandatory policy re-training - Expense claim approved with warnings documented

Repeated violations (2+): - Suspension of reimbursement privileges for 30–90 days - Formal disciplinary action - Possible termination for intentional fraud

Fraud/Deliberate Misrepresentation: - Immediate suspension of reimbursement privileges - Investigation and possible legal action - Disciplinary action up to termination - Fraudulent expenses recovered from employee

9. Special Allowances

9.1 Relocation Assistance

- **One-time relocation:** Up to 200,000 for inter-city transfers
- **Coverage:** Moving costs, temporary accommodation (30 days max at 5,000/day), travel
- **Approval:** HR + CFO
- **Condition:** Employee remains with company for 2 years; pro-rata recovery if departure <2 years

9.2 Medical/Emergency Travel

- Full reimbursement for emergency medical travel
- Accompanying family member: 50% of documented costs
- Priority reimbursement processing (within 3 business days)

10. Policy Review and Updates

- Policy reviewed annually in January
 - Changes communicated 30 days in advance
 - Historical expense reimburses remain under prior policy rules
 - Employee acknowledgment required for policy updates
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11. Contact and Support

For questions: - **Finance Department:** finance@company.com | Extension: [X] - **Procurement:** procurement@company.com - **Travel & Expenses:** expensereporting@company.com - **Appeals:** CFO office for reimbursement denials

Office Hours: Monday–Friday, 10:00 AM – 5:00 PM IST

Policy Owner: Chief Financial Officer

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Next Review Date: January 2027

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