

# Finance Reimbursement Policy

**Effective Date:** January 2026

**Version:** 1.0

**Department:** Finance & Administration

**Last Updated:** January 2026

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## 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.

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## 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

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## **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)

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#### 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

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#### 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

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## 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
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## 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

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## 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

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## 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)
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## **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

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**Policy Owner:** Chief Financial Officer

**Effective Date:** January 2026

**Next Review Date:** January 2027

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