

## COMPANY POLICY BUSINESS CLAIMS/REIMBURSEMENT

Purpose	This policy defines and explains the process for reimbursement claims for any out-of-pocket expenses or any other business-related expenses that employees have incurred on behalf of the employer
Scope	Applicable to all permanent and contract employees employed by the Company inclusive of foreign workers and expatriate employees.
Revision date	
Issued by	HR Department
Approved by	Managing Director

### Contents

- 1.0. The Company shall reimburse employees for out-of-pocket or any other business-related experience incurred by the employee subject to conditions spelled out in this policy.
- 2.0. The types of reimbursable expenses are as follows but are not limited to;
  - a) Travel for business purposes including local transportation (based on approved travel mode/arrangement and approved travel entitlements)
  - b) Conference fees
  - c) Medical treatment incurred during business trips
  - d) Accommodations while attending meetings, conferences and other business purposes
  - e) Office supplies
  - f) Approved software or equipment required for work
  - g) Professional certification/membership fees
  - h) Parking and toll
  - i) Mileage
  - j) Work-related outings, meals, or entertainment
  - k) Any other expenses approved by the company
- 3.0. The non-reimbursable expenses are as follows but are not limited to;
  - a) Lost personal property
  - b) Unauthorized meals/entertainment
  - c) Fines incurred
  - d) Pay-per-view TV and newspapers
  - e) Unofficial calls/communication charges
  - f) Unauthorized flight upgrades, accommodations, etc.
  - g) Expenses for spouses who accompany employees on business trips
  - h) Personal purchases
  - i) Expenses incurred by a spouse or other non-employee
  - j) Meals or entertainment during unauthorized business meetings

- k) Ad-hoc expenses that have not been approved prior to it being incurred
- l) Mini-bar contents
- m) Visiting tourist attractions or entertainment outlets
- n) Laundry unless for business travel exceeding five (5) days
- o) Unauthorized gifts of any type.
- p) Any expenses that are not listed in this policy and without prior approval from an immediate superior.

- 4.0. Employees should always seek clarification before incurring a work-related expense where reasonably possible and where reasonably needed except for routine expenses that is incurred due to the nature of the job/tasks.
- 5.0. For ad-hoc expenses, prior approval from superiors shall be obtained before incurring a work expense. Employee shall state justification for such expense and shall be supported by immediate superior. This will facilitate a smooth approval process upon submission of such claims.
- 6.0. All expenses shall follow prescribe limits based on prevailing company policies/guidelines/practices unless prior approval has been obtained from superior or approving parties such as Human Resources or Finance Department.
- 7.0. For special cases, the approval of the Managing Director is required prior to the reimbursement of expenses. This includes the above budget cost incurred or any expenses that are not covered in this policy.
- 8.0. Employees are encouraged to avoid overspending or incurring unnecessary costs unless unavoidable. Employees are advised to keep their immediate superior notified of such expenses.
- 9.0. Expenses incurred in foreign currencies shall be reimbursed based on prevailing exchange rates provided by Bank Negara Malaysia at the time of processing of the claims. The Company shall not be held responsible for any loss of value due to fluctuating exchange rates.
- 10.0. Employees shall be required to submit all claims within seven (7) working days after the expenses are incurred or seven (7) days upon returning to the company. Submissions exceeding seven (7) days shall be justified and shall be subject to approval by Managing Director. Employees are advised to submit the claims promptly.
- 11.0. All claims shall be made with a duly completed Expense Claim form along with original receipts. An incomplete claim form or absence of receipt(s) shall render the claim rejected or not paid in full. Photocopies of receipts are permitted in situations where original receipts are lost or were not provided to the employee.
- 12.0. All claims for reimbursement shall be first approved by the immediate superior before submission to Human Resources for final approval before reimbursement is made.
- 13.0. Entertained expenses shall be on a 'need to' basis and must not be carried out indiscriminately, excessively or in a lavish manner. In an exceptional case, where the

employee is asked to entertain clients, visitors or government officials, prior approval shall be first obtained from the immediate superior unless in unavoidable circumstances. Entertainment expenses involving dignitaries or political office holders shall be approved by the Managing Director.

- 14.0. Where applicable, statutory contributions and/or tax deductions shall be made in accordance with prevailing regulations/laws.
- 15.0. The Company reserves the right to amend this policy from time to time and shall notify all employees when such amendment has been made and has been approved by the Management.
- 16.0. Should there be a translation of this policy into other languages, the English version of this policy shall be authoritative in the event of any dispute or confusion.

This sample policy/letter/document is merely a sample or guidance. Companies are advised to practice caution when drafting its HR documentation and shall always be in compliance with the Employment Act and Industrial Relations Act as well as past case laws so as to ensure the policy does not violate or infringe the prevailing employment regulations. Companies are encouraged to adopt best practices to be attractive employers and promote a productive and competitive operating landscape. The author shall not be held liable for any damages or claims arising from the usage of the contents of this document.

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