

Expense Policy

Company: {Your Company Name Pvt. Ltd.}

Version: 1.0

Effective Date: January 1, 2024

Applies To: All employees, contractors, and interns incurring business expenses

Jurisdiction: India (update for other locations if applicable)

1) Purpose

This policy defines how employees may incur, claim, and get reimbursed for business expenses. It ensures fair, consistent, and lawful practices while controlling company costs.

2) Scope

- Applies to: Travel, meals, lodging, transportation, client entertainment, training, office supplies, and other pre-approved expenses.
 - Excludes: Personal purchases, unapproved upgrades, fines, penalties, or any expense not related to business purposes.
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3) General Principles

- Expenses must be: **Reasonable, necessary, pre-approved, and documented.**
- Employees are expected to spend company money as carefully as their own.

- Falsification of claims is grounds for disciplinary action.
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4) Approval Workflow

1. **Pre-Approval:** Travel and large expenses (above INR ₹10,000) require manager approval.
 2. **Submission:** Upload receipts via HRIS/Expense tool within 10 business days.
 3. **Review:** Manager validates; Finance audits.
 4. **Reimbursement:** Paid with next payroll cycle.
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5) Categories & Limits

- **Travel:** Economy airfare only. Use corporate tie-ups where available.
 - **Accommodation:** Hotel category capped as per employee level.
 - **Meals:** Daily limit INR ₹1,500 (local), INR ₹3,000 (international).
 - **Local transport:** Prefer ride-share/cabs; personal vehicle reimbursed at ₹15/km with prior approval.
 - **Client entertainment:** Max INR ₹5,000 per client per occasion; itemized receipts required.
 - **Training/Certifications:** Pre-approved as per L&D policy.
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6) Non-Reimbursable Expenses

- Alcohol (unless client-approved event and permitted by law).

- Room service movies, minibar, spa, gym charges.
 - Family/friend travel costs.
 - Traffic fines or penalties.
 - Donations, political contributions, personal memberships.
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7) Documentation

- Original receipts required for all expenses >INR ₹500.
 - Credit card slips alone are insufficient; itemized invoices mandatory.
 - Missing receipts must be justified in writing; frequent lapses may lead to denial.
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8) Corporate Cards

- Where issued, must be used only for company expenses.
 - Employees must reconcile statements monthly.
 - Misuse may result in revocation and disciplinary action.
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9) Reimbursement Timeline

- Standard processing: **15 working days** post-submission.
 - Delays due to incomplete documentation are employee's responsibility.
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10) Policy Governance

- **Owner:** Finance Department.
- **Review cadence:** Annually or upon regulatory changes.
- **Exceptions:** Must be approved by CFO in writing.