

Expense Reimbursement Policy

Effective Date: April 7, 2025

Last Revised: April 7, 2025

Policy Owner: Finance Department

Purpose

This policy establishes guidelines for business-related expense reimbursements to ensure proper use of company funds, compliance with tax regulations, and consistent treatment of expenses across the organization.

Scope

This policy applies to all employees, contractors, board members, and authorized representatives of [Company Name] who incur business-related expenses on behalf of the company.

General Principles

1. **Business Purpose:** All expenses must be directly related to the conduct of company business and must be necessary, reasonable, and appropriate.
2. **Approval:** All expenses must be approved by the authorized approver before reimbursement.
3. **Documentation:** Original itemized receipts and appropriate documentation must be provided for all expenses.
4. **Timeliness:** Expense reports must be submitted within 30 calendar days of incurring the expense or returning from travel.
5. **Cost Effectiveness:** Employees are expected to make cost-effective choices when incurring business expenses.

Reimbursable Expenses

Travel Expenses

Transportation

1. **Air Travel:**
 - Economy/Coach class for flights under 5 hours
 - Premium Economy permitted for flights over 5 hours

- Business class requires VP-level approval
- Bookings should be made at least 14 days in advance when possible

2. Ground Transportation:

- Use of personal vehicle: Reimbursed at the current IRS mileage rate
- Rental cars: Economy or Midsize only; upgrades require justification
- Ride-sharing/Taxis: Use when more economical than alternatives
- Public transportation: Encouraged when practical

Lodging

1. Hotel Selection:

- Standard room at moderate business-class hotels
- Maximum rates by location (see Appendix A)
- Company-negotiated rates should be used when available

2. Duration:

- Limited to the nights needed for business purposes
- One additional night permitted when early morning/late night travel would be required otherwise

Meals and Entertainment

1. Business Meals:

- Reasonable costs based on location (see Appendix B for guidelines)
- Maximum per diem rates apply
- Alcoholic beverages limited to 2 per person
- Detailed receipt with attendees and business purpose required

2. Entertainment:

- Must have clear business purpose
- Requires Director-level pre-approval
- Detailed documentation of attendees and business purpose required

Office Expenses

1. Office Supplies:

- Standard supplies under \$100 can be purchased without pre-approval
- Items over \$100 require manager pre-approval

2. Professional Development:

- Training, conferences, and certifications relevant to current role
- Professional membership dues
- Must be approved by department head

3. Telecommunications:

- Business calls made on personal devices
- Internet expenses for remote workers (per Remote Work Policy)

Non-Reimbursable Expenses

The following expenses will not be reimbursed:

1. Personal expenses and personal travel extensions
2. Spouse/family travel expenses
3. Flight insurance or seat upgrades
4. Laundry service for trips less than 5 days
5. In-room entertainment and mini-bar charges
6. Traffic or parking violations
7. Excessive meal costs
8. Annual credit card fees
9. Childcare or pet care expenses
10. Gifts for employees (use the formal Recognition Program instead)

Expense Report Submission Process

1. Documentation Required:

- Completed Expense Reimbursement Form
- Original itemized receipts for all expenses over \$25
- Explanation for any missing receipts
- Clear business purpose for each expense
- Appropriate cost center/account codes

2. Submission Method:

- Submit via the Expense Management System
- Attach digital copies of all receipts

- Retain original receipts for 90 days after submission

3. Approval Process:

- Direct manager approval required for all expenses
- Expenses over \$2,500 require Director approval
- Expenses over \$5,000 require VP approval
- Travel expenses require pre-approval via Travel Request Form

4. Payment Timeline:

- Properly submitted and approved expenses will be reimbursed within 10 business days
- Direct deposit is the preferred reimbursement method

Corporate Credit Cards

1. Eligibility:

- Employees who regularly incur business expenses of \$1,000 or more per month
- Must be approved by Department Head and Finance

2. Usage Requirements:

- Business expenses only
- Monthly reconciliation required
- Same documentation standards as reimbursement requests
- Personal charges prohibited

3. Violations:

- Misuse may result in card revocation and disciplinary action
- Outstanding personal charges must be repaid immediately

Compliance and Auditing

1. All expense reports are subject to audit by Finance and Internal Audit.
2. Random audits will be conducted quarterly.
3. Fraudulent submissions will result in disciplinary action up to and including termination.

Policy Exceptions

Exceptions to this policy require written approval from the CFO or designee.

Appendices

- Appendix A: Maximum Hotel Rates by Location
- Appendix B: Meal Expense Guidelines
- Appendix C: Mileage Reimbursement Form
- Appendix D: Corporate Card Agreement

Related Policies

- Travel Policy
- Corporate Credit Card Policy
- Delegation of Authority Policy
- Remote Work Policy

For questions regarding this policy, contact the Finance Department at finance@companyname.com or ext. 4567.