

Business Expenses Policy

Scope

This policy applies to all employees who incur business-related expenses on behalf of the company. Reimbursement is subject to approval, documentation, and compliance requirements. This policy covers travel, meals, entertainment, and other business expenses. Consultants and contractors should refer to their agreement for expense terms. The Finance department owns this policy; managers are responsible for approving expenses within their authority.

Definitions

- Business expense: A cost incurred while conducting company business that is reasonable, necessary, and properly documented.
- Per diem: A daily allowance for meals and incidental expenses when traveling, in lieu of itemized receipts.
- Pre-approval: Authorization obtained before incurring an expense, required for amounts above certain thresholds.
- Itemized receipt: A receipt showing individual items purchased, not just a total.

Reimbursable Expenses

Travel

- Flights: Economy class for domestic travel. Business class permitted only for flights over 6 hours; pre-approval required.
- Lodging: Use company-preferred hotels when available. Maximum \$250/night domestic, \$350/night international. Exceptions require pre-approval.
- Ground transport: Ride-share (Uber/Lyft) or rental car when public transit is impractical. Rental car requires economy or compact size unless business need dictates otherwise.
- Meals: Per diem \$50/day domestic, \$75/day international when traveling overnight. Receipts not required for per diem.
- Parking and tolls: Reimbursable when incurred for business travel.
- Baggage: One checked bag reimbursable for trips over 5 days; document business need.

Meals and Entertainment

- Client or prospect meals: Up to \$75 per person, pre-approved by manager. Include attendee names and business purpose.
- Team celebrations: Up to \$25 per person; manager approval required for groups over 8. Alcohol permitted in moderation.
- Alcohol: Permitted for client entertainment; limited to 2 drinks per person. Not reimbursable for internal-only meals unless part of an approved team event.

Other

- Office supplies for home office: Up to \$100 per calendar year with receipt; for remote/hybrid employees. Submit through normal expense process.
- Professional development: Conference fees, courses, certifications. Requires prior manager approval. Travel to conferences follows travel limits above.
- Software and tools: Submit through IT procurement. Do not purchase with personal funds and seek reimbursement without prior IT approval.

Non-Reimbursable Expenses

- Personal expenses, including personal travel upgrades, personal meals when not traveling, or personal purchases.
- Expenses without itemized receipts (except per diem and items under \$25).
- Fines, parking tickets, traffic violations, or other expenses resulting from personal conduct.
- Expenses exceeding policy limits without pre-approval.
- Club memberships or dues unless explicitly approved for business use.
- Home office furniture or large equipment (these may be provided through separate programs; see HR).

Policy

Submission Requirements

1. Submit expenses within 30 days of purchase via the company expense system.
2. Attach itemized receipts for all expenses over \$25. Receipts must show date, vendor, items, and amount.
3. For meals and entertainment: provide business purpose and attendee names and affiliations.
4. Manager approval is required for single expenses over \$500.
5. Expenses over 90 days old will not be reimbursed except in exceptional circumstances with Finance approval.

Approval Authority

- Managers may approve expenses up to \$2,500 per report.
- Expenses over \$2,500 may require additional approver (e.g., director, VP).
- Pre-approval is required for single expenses over \$1,000 or travel over \$2,500 total.
- Finance may audit reports; additional documentation may be requested.

Reimbursement Timing

- Standard reimbursement: within 10 business days of approval, via the next payroll cycle.
- Direct deposit is the default method.
- Contact Finance for delays or issues.

Procedures

How to Submit an Expense Report

1. Log into the expense system and create a new report.
2. Add expenses with dates, amounts, categories, and receipts.
3. Add business purpose and attendees for meals/entertainment.
4. Submit for manager approval.
5. Respond promptly to any clarification requests.

Pre-Approval Process

1. Submit a pre-approval request in the expense system or via email to your manager with amount, purpose, and date.
2. Obtain written approval before incurring the expense.
3. Attach the approval to your expense report when submitting.

Examples

Example 1: An employee travels to a client site. Flights (\$400 economy), hotel (\$230/night for 2 nights), per diem (\$50 x 2 days). Total under \$2,500; manager approval sufficient. Receipts required for flights and hotel; per diem does not require receipts.

Example 2: A team of 10 has a celebration dinner. At \$25/person, total is \$250. Manager approval required because group is over 8. Receipt and attendee list required.

Example 3: An employee wants to attend a \$1,200 conference. Pre-approval required. They submit a request; manager approves; they book travel per policy; they submit expense report with all receipts after the trip.

Enforcement

- Non-compliant expenses may be denied. Repeated violations may result in disciplinary action.
- Fraudulent expense reports (e.g., falsified receipts, inflated amounts) will result in termination and may be reported to law enforcement.
- Audit may request additional documentation; failure to provide may result in denial and review.

FAQ

Q: Can I use my personal card for business expenses?

A: Yes, reimbursement is provided. A company card may be available for certain roles; contact Finance.

Q: What if I lose a receipt?

A: Contact the vendor for a duplicate. If unavailable, provide a written explanation and any supporting documentation. Reimbursement is at Finance discretion.

Q: Are tips reimbursable?

A: Reasonable tips (15-20% for meals, standard for services) are reimbursable. Document on receipt when possible.

Related Policies

- Code of Conduct: Integrity in expense reporting.
- Travel Policy (if separate): Additional travel-specific guidelines.

Contact

Finance: expenses@company.com | Policy questions: finance@company.com