

**Document Version:** 2.1

**Effective Date:** September 1, 2025

**Policy Owner:** Finance Department

## 1.0 Purpose and Scope

This document outlines the official policies and procedures for the reimbursement of legitimate business expenses incurred by employees of [Your Company Name]. The purpose of this policy is to ensure that expenses are reasonable, necessary, and directly related to company business. This policy applies to all full-time and part-time employees, as well as independent contractors.

## 2.0 General Reimbursement Principles

- **Prudence:** Employees are expected to exercise sound judgment and spend company funds as carefully as they would their own.
- **Submission Timeline:** Expense reports must be submitted through the official Expense Management System (EMS) within **sixty (60) calendar days** of the expense incurrence date. Claims submitted after this period may be denied.
- **Required Documentation:** Itemized receipts or proofs of purchase are mandatory for all individual expenses exceeding **\$25.00 USD** (or local currency equivalent). The receipt must clearly show the vendor name, date, items purchased, and total amount.
- **Currency:** All expense claims will be reimbursed in the employee's designated payroll currency. For expenses in foreign currencies, the exchange rate will be calculated based on the rate on the date of the transaction.

## 3.0 Travel & Lodging (T&L) Policies

### 3.1 Air Travel

- **Booking:** All air travel must be booked via the company's designated corporate travel portal at least 14 days in advance where possible.
- **Class of Service:**
  - Flights with a duration of less than 8 hours (one-way): **Economy Class** is required.
  - Intercontinental flights with a duration exceeding 8 hours (one-way): **Business Class** is permitted with prior manager approval.

### 3.2 Hotel & Lodging

- **Booking:** Accommodations should be booked through the corporate travel portal to leverage preferred partner rates.
- **Nightly Rate Limits (including taxes):**

- **Tier 1 Cities** (e.g., New York, London, Mumbai, Tokyo): up to **\$300.00 USD** per night.
- **Tier 2 Cities** (e.g., Chennai, Dallas, Berlin, Shanghai): up to **\$225.00 USD** per night.
- **All Other Locations:** up to **\$175.00 USD** per night.
- *Note: A list of cities by tier is available on the company intranet.*

### 3.3 Ground Transportation

- **Rental Cars:** Rental of mid-size (sedan) category vehicles is permitted for business needs. Luxury or sports vehicles are prohibited. Pre-approval is required.
- **Taxis & Ride-Sharing:** Use of services like Uber and Lyft is encouraged for local travel.
- **Personal Vehicle Usage:** Employees may use personal vehicles for business travel and will be reimbursed at a rate of **\$0.58 USD per mile** or **₹15 INR per kilometer**. Mileage logs must be submitted.

## 4.0 Meals & Entertainment Policies

### 4.1 Employee Meals (while traveling)

- A daily per diem limit for meals is set at **\$75.00 USD** per person.
- This is not a cash allowance; reimbursement is based on actual costs supported by itemized receipts.
- The daily limit cannot be exceeded, and unspent amounts cannot be carried over to subsequent days.

### 4.2 Client & Business Entertainment

- Expenses for entertaining clients are reimbursable if they serve a clear business purpose.
- The expense report must include the names of all attendees, their company affiliations, and the business purpose of the meeting.
- The cost shall not exceed **\$125.00 USD** per person, per event.

## 5.0 Non-Reimbursable Expenses

The following list includes, but is not limited to, expenses that are considered personal and will **not** be reimbursed by the company:

- **Alcoholic Beverages:** Alcohol is not a reimbursable expense, except when incurred as part of a pre-approved client entertainment event and must be itemized separately.
- **Personal Items:** Toiletries, clothing, luggage, grooming services, in-room movies, or other personal effects.
- **Fines & Penalties:** Traffic violations, parking tickets, or airline change fees due to personal negligence.

- **Spousal or Family Travel:** Costs associated with travel or meals for a spouse, partner, or family members.
- **Personal use products:** Any item that is of personal use and does not come under office use is not applicable for reimbursement.
- **Luxury Goods & Services:** First-class airfare (unless pre-approved for medical reasons), luxury car rentals, or extravagant hotel suites.
- **Childcare or Pet Care services.**
- **Commuting Costs:** Expenses incurred for travel between an employee's home and their primary place of work.

## 6.0 Policy Violations & Audits

- **Compliance:** Submission of an expense report certifies that the employee is in compliance with this policy.
- **Fraud Detection:** The Expense Management System (EMS) is configured to automatically flag potential policy violations, including:
  - **Duplicate Submissions:** Invoices with matching vendor, date, and amount values.
  - **Split Purchases:** Multiple smaller expenses from the same vendor on the same day intended to circumvent approval thresholds.
- **Consequences:** Non-compliance with this policy may result in delayed reimbursement, denial of the claim, or disciplinary action, up to and including termination of employment.
- **Audits:** The Finance Department reserves the right to conduct periodic audits of all expense reports.