# Expense Policy 2025

# Corporate Expense Policy 2025

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## Purpose and Scope

This expense policy establishes guidelines for business-related expenditures to ensure appropriate use of company funds while enabling employees to perform their duties effectively. This policy applies to all employees, contractors, and authorized representatives of the company.

## General Principles

### 1. Business Purpose Requirement

All expenses must have a legitimate business purpose and be necessary for conducting company business. Personal expenses are strictly prohibited.

### 2. Reasonableness Standard

Expenses must be reasonable in amount and appropriate given the circumstances. When multiple options exist, choose the most cost-effective alternative that meets business needs.

### 3. Proper Authorization

All expenses must be pre-approved according to established authorization limits and submitted with proper documentation.

## Authorization Limits

### By Employee Level

* \*\*Individual Contributors\*\*: Up to $500 per expense
* \*\*Team Leads/Supervisors\*\*: Up to $2,000 per expense
* \*\*Managers\*\*: Up to $5,000 per expense
* \*\*Directors\*\*: Up to $15,000 per expense
* \*\*VPs\*\*: Up to $50,000 per expense
* \*\*C-Level\*\*: Up to $100,000 per expense

### Special Categories

* \*\*Emergency Expenses\*\*: Up to $1,000 (with post-approval required within 48 hours)
* \*\*Technology Purchases\*\*: Requires IT approval for amounts over $1,000
* \*\*Software Licenses\*\*: Requires Security and Legal approval for new vendors

## Travel and Entertainment

### Air Travel

* \*\*Domestic Flights (under 4 hours)\*\*: Economy class required
* \*\*International Flights (over 6 hours)\*\*: Business class permitted
* \*\*First Class\*\*: Requires CEO approval
* \*\*Advance Booking\*\*: Minimum 14 days recommended for best rates

### Accommodation

* \*\*Daily Limits by City Tier\*\*:
* Tier 1 Cities (NYC, SF, London): $350/night
* Tier 2 Cities (Chicago, Boston, Seattle): $250/night
* Tier 3 Cities (Other major cities): $180/night
* Tier 4 Cities (Smaller cities): $120/night

### Ground Transportation

* \*\*Airport/Hotel Transfers\*\*: Reasonable taxi, rideshare, or shuttle service
* \*\*Local Transportation\*\*: Public transport preferred; rideshare acceptable
* \*\*Rental Cars\*\*: Required for multi-location visits or where public transport inadequate
* \*\*Personal Vehicle\*\*: $0.58/mile (IRS rate) plus parking

### Meals and Entertainment

* \*\*Daily Meal Allowances\*\*:
* Breakfast: $25
* Lunch: $35
* Dinner: $65
* \*\*Total Daily Maximum\*\*: $125
* \*\*Client Entertainment\*\*:
* \*\*Per Person Limit\*\*: $150 for dinner, $75 for lunch
* \*\*Alcohol\*\*: Permitted in moderation with clients
* \*\*Group Events\*\*: Requires prior approval for amounts over $500

## Office Supplies and Equipment

### Standard Office Supplies

* \*\*Monthly Budget per Employee\*\*: $75
* \*\*Approved Vendors\*\*: Use corporate contracts when available
* \*\*Bulk Orders\*\*: Coordinate with Office Manager for quantities over $200

### Technology Equipment

* \*\*Laptops\*\*: Standard models from approved list
* \*\*Monitors\*\*: Up to dual 27" monitors per employee
* \*\*Peripherals\*\*: Mouse, keyboard, headset as needed
* \*\*Mobile Devices\*\*: Company-provided phones for eligible roles

### Software and Subscriptions

* \*\*Individual Licenses\*\*: Manager approval required
* \*\*Team Licenses\*\*: Director approval required
* \*\*Enterprise Licenses\*\*: IT and Finance approval required
* \*\*SaaS Security Review\*\*: Required for all new software vendors

## Professional Development

### Training and Conferences

* \*\*Annual Budget per Employee\*\*: $2,500
* \*\*Conference Attendance\*\*: Limited to 2 major conferences per year
* \*\*Certification Programs\*\*: Reimbursed upon successful completion
* \*\*Online Training\*\*: Preferred when available and meets objectives

### Professional Memberships

* \*\*Industry Associations\*\*: Up to $500/year per employee
* \*\*Certification Bodies\*\*: Covered for job-related certifications
* \*\*Publication Subscriptions\*\*: Up to $200/year per employee

## Procurement Guidelines

### Vendor Selection

* \*\*Amounts Under $5,000\*\*: Department discretion with 3 quotes recommended
* \*\*Amounts $5,000-$25,000\*\*: Minimum 3 written quotes required
* \*\*Amounts Over $25,000\*\*: Formal RFP process through Procurement

### Contract Requirements

* \*\*All Vendors\*\*: Must complete vendor onboarding process
* \*\*Data Processing\*\*: Requires DPA (Data Processing Agreement)
* \*\*Critical Services\*\*: Business continuity assessment required

## Expense Categories and Guidelines

### Marketing and Advertising

* \*\*Digital Advertising\*\*: Performance tracking required
* \*\*Trade Shows\*\*: ROI analysis required for events over $10,000
* \*\*Promotional Items\*\*: Unit cost should not exceed $25
* \*\*Brand Compliance\*\*: All materials must follow brand guidelines

### Research and Development

* \*\*Equipment\*\*: Depreciation schedule required for items over $5,000
* \*\*Prototyping\*\*: Material costs tracked separately
* \*\*Testing Services\*\*: Competitive quotes for amounts over $2,000
* \*\*Patent Filing\*\*: Legal review required

### Facilities and Operations

* \*\*Office Rent\*\*: Market rate analysis required
* \*\*Utilities\*\*: Energy efficiency considerations mandatory
* \*\*Maintenance\*\*: Preventive maintenance preferred
* \*\*Security\*\*: Risk assessment required for all locations

## Documentation Requirements

### Required Documentation

* \*\*Original Receipts\*\*: Required for all expenses over $25
* \*\*Business Purpose\*\*: Clear description required for all expenses
* \*\*Attendees\*\*: List required for all meal and entertainment expenses
* \*\*Mileage Logs\*\*: Required for personal vehicle reimbursement

### Digital Submission

* \*\*Expense System\*\*: All submissions through corporate platform
* \*\*Receipt Quality\*\*: Clear, readable digital images required
* \*\*Submission Deadline\*\*: Within 30 days of expense incurrence
* \*\*Monthly Reporting\*\*: Department summaries due by 5th of following month

## Prohibited Expenses

### Strictly Prohibited

* Personal entertainment (movies, concerts, sporting events)
* Alcoholic beverages (except client entertainment)
* Luxury services (spa, premium car washes, etc.)
* Personal travel or vacation expenses
* Political contributions or lobbying expenses
* Gifts to clients exceeding $100 value

### Requires Special Approval

* Legal services (requires General Counsel approval)
* Consulting services (requires department VP approval)
* Real estate transactions (requires CEO approval)
* Charitable donations (requires HR approval)

## Compliance and Monitoring

### Expense Auditing

* \*\*Random Audits\*\*: 10% of expenses reviewed monthly
* \*\*Pattern Analysis\*\*: Automated flagging of unusual patterns
* \*\*Compliance Scores\*\*: Department-level tracking and reporting
* \*\*Training Requirements\*\*: Annual expense policy training mandatory

### Violation Consequences

* \*\*First Violation\*\*: Coaching and retraining
* \*\*Second Violation\*\*: Written warning and manager review
* \*\*Third Violation\*\*: Performance improvement plan
* \*\*Serious Violations\*\*: May result in termination

## Reimbursement Process

### Standard Timeline

* \*\*Submission Review\*\*: 3-5 business days
* \*\*Approval Process\*\*: 2-3 business days
* \*\*Payment Processing\*\*: 5-7 business days
* \*\*Total Timeline\*\*: 10-15 business days from submission

### Expedited Processing

* \*\*Emergency Expenses\*\*: 24-48 hour processing
* \*\*Hardship Cases\*\*: CFO discretionary approval
* \*\*Travel Advances\*\*: Available for international travel

## Tax Implications

### Taxable Benefits

* \*\*Personal Use\*\*: Any personal benefit is taxable income
* \*\*Gift Cards\*\*: Taxable to recipient
* \*\*Non-business Meals\*\*: Taxable if included in reimbursement
* \*\*Spousal Travel\*\*: Taxable unless business purpose documented

### Record Keeping

* \*\*Retention Period\*\*: 7 years for all expense records
* \*\*IRS Compliance\*\*: Documentation must meet IRS requirements
* \*\*International\*\*: Additional requirements for cross-border expenses

## Technology and Systems

### Expense Management Platform

* \*\*Primary System\*\*: Concur Expense
* \*\*Mobile App\*\*: Available for iOS and Android
* \*\*Integration\*\*: Real-time sync with financial systems
* \*\*Reporting\*\*: Dashboards available for managers and finance

### Approval Workflow

* \*\*Automatic Routing\*\*: Based on amount and expense type
* \*\*Delegation\*\*: Temporary approval delegation during absences
* \*\*Escalation\*\*: Automatic escalation for overdue approvals
* \*\*Notifications\*\*: Email and mobile alerts for all stakeholders

## Frequently Asked Questions

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

**A**: Yes, but reimbursement follows standard approval and documentation requirements.

### Q: What if I lose a receipt?

**A**: Submit an affidavit explaining the circumstances. Expenses over $75 without receipts may be denied.

### Q: Can I tip service providers?

**A**: Yes, reasonable tips (15-20%) are allowed for business meals and travel services.

### Q: Are home office expenses reimbursable?

**A**: Only for designated remote workers and only for approved equipment and services.

**Policy Owner**: Chief Financial Officer

**Review Committee**: Finance, HR, Legal

**Next Review**: December 2025

**Questions**: Contact finance-policy@company.com

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