Expenses Policy Template

### **Purpose and Scope**

The objective of the policy is to set out the company rules relating to business travel and to clarify which expenses can and cannot be reimbursed. The policy is intended to provide claimants and managers with the necessary guidance to help them prepare and submit valid expense reports and claims.

The policy applies to all company employees and contractors who incur reasonable and authorized expenses on behalf of the company.

### **Company expectations**

Claimants must ensure expenses are economical, efficient, and effective to avoid the company incurring unnecessary expenses.

Managers (pre-approvers) are required to be diligent in their review.

Expenses are subject to regular internal and external audit. Therefore, compliance with the rules is essential. Failure to do so may result in reimbursement being delayed or even declined.

The company will consider submitting false claims as a serious offence and a breach of ethical standards.

Expenses must be submitted within 4 weeks of being incurred, though you are encouraged to submit them as soon as possible.

Expenses should be checked against the policy and all supporting documents, typically a receipt that identifies the expense and proves payment, should be provided. A credit card statement is not an acceptable proof of purchase.

Claimants should properly document the business purpose of each expense. For instance, “travel to client XYZ site to present product ABC.”

Finance will pay claims within 2 weeks of receipt of an expense report, if everything is in order.

### **Travel related expenses.**

Travel should be by the most economical means of transport.

Journeys between an employee’s home and work are not considered business travel and therefore cannot be claimed.

The company expects air travel will be at the lowest available fare, normally economy/standard class. If the business traveler elects to fly in business, he will be reimbursed an amount equivalent to an economy airfare.

The current mileage allowance rate is 45p per mile for the first 10,000 miles and 25p thereafter. Mileage should reflect the actual mileage driven using the most direct route.

Mileage reimbursement covers fuel, insurance, maintenance, and repairs. Therefore, those will not be reimbursed separately.

Details of the journey, including reason for the journey, date, starting point and destination, should added to the claim.

It is the responsibility of the claimant to use a vehicle that is roadworthy and sufficiently insured.

The company will reimburse parking expenses when a supporting receipt is submitted, however, parking fines or other fines will not be reimbursed.

Car hire is allowed if it is more cost-effective than taking public transport. In this case GPS hire will also be reimbursed.

### **Accommodations**

When traveling, it is expected that the claimant should arrange accommodation in a reasonable quality hotel. A 3 to 4 stars hotel is considered reasonable.

Items such as alcoholic mini-bar drinks, private telephone calls or movie hire will not be reimbursed.

Claimants may claim internet costs when in hotels if it is necessary for work.

It is mandatory that employees inform in advance their direct manager of any overnight stay and share a detailed itinerary with them.

### **Food and entertainment**

Employees are entitled to claim the cost of meals taken while on business trip. The maximum amount allowed is $30 per meal (could be more detailed based on time, distance, location).

Tips will be reimbursed if they are reasonable (10-20%).

On some occasions, for legitimate business reasons, employees may need to entertain a client or supplier. In these occasions the allowed amount is higher (give a limit, for instance $50-$75 per guest). A description of the purpose of the expense should be provided as well as the names and roles of the guests.

The company will not reimburse the cost of alcoholic drinks or alcoholic drinks will only be reimbursed if consumed with a meal.

### **Miscellaneous expenses**

You can apply for a cash advance if a significant out-of-pocket expense will be incurred.

When expenses have been incurred in a foreign currency, you can claim any fees and charges applied by your bank.

The following miscellaneous expenses are acceptable:

* Professional membership fees when relevant to the claimant’s job and agreed with direct manager.

Visas and postage fees incurred in relation to business travel.