

EXPENSE REIMBURSEMENT POLICY

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This Expense Reimbursement Policy (this "**Policy**") is adopted as of [EFFECTIVE DATE] (the "**Effective Date**") by [COMPANY LEGAL NAME] (the "**Company**") and applies to [all employees / employees and contractors / specify covered persons] (each, a "**Covered Person**") who incur business expenses on behalf of the Company.

Recitals. The Company reimburses Covered Persons for reasonable, necessary, and properly documented expenses incurred in the course of performing their work. This Policy explains which expenses are reimbursable, the limits and approvals that apply, how to submit a claim, and how reimbursements are paid. It is intended to be fair, to control costs, and to comply with applicable tax and labor rules, which vary by jurisdiction. The Company adopts the following terms.

1. Purpose and Scope

1.1 Purpose. This Policy sets out the rules for incurring, documenting, and claiming reimbursement of business expenses, and the Company's process for reviewing and paying valid claims.

1.2 Who is covered. This Policy applies to each Covered Person. Where local law requires an employer to reimburse necessary work expenses, this Policy is intended to operate consistently with that requirement, and nothing in this Policy waives a Covered Person's rights under applicable law.

1.3 Policy, not a contract. This Policy is a statement of Company practice. It does not create a contract of employment, alter at-will status where applicable, or guarantee reimbursement of expenses that do not meet its requirements.

2. Reimbursable Expenses

2.1 General standard. An expense is reimbursable only if it is (a) incurred for a legitimate business purpose, (b) reasonable in amount, (c) actually incurred and paid by the Covered Person, (d) properly documented, and (e) within any applicable limit or pre-approval requirement in this Policy.

2.2 Examples of reimbursable expenses. Subject to the standards above and any limits below, reimbursable expenses typically include: [business travel (airfare, lodging, ground transport); mileage for use of a personal vehicle; meals during business travel; client or business meals; conference and training fees; required tools, supplies, or software; and necessary remote-work expenses where required by law.]

2.3 Mileage and travel. Reimbursement for use of a personal vehicle will be at [the standard rate published by the relevant tax authority / \$___ per mile]. Air travel should be booked in [economy / the lowest reasonable] class unless pre-approved otherwise.

2.4 Per diem (optional). For travel, the Company [may / may not] provide a per-diem allowance of [AMOUNT] per day for meals and incidentals in lieu of itemized receipts. [Delete this clause if per diem is not used.]

3. Non-Reimbursable Expenses

3.1 Excluded items. The following are not reimbursable unless specifically pre-approved in writing: personal expenses; commuting between home and a regular workplace; fines, penalties, and traffic violations; in-room movies, minibar, or other personal hotel charges; expenses of family members or guests; alcohol where prohibited by Company policy; and any expense that violates law or Company policy.

3.2 Lavish or excessive expenses. The Company will not reimburse the portion of any expense that is lavish or excessive under the circumstances. Reviewers may reduce a claim to a reasonable amount and explain the reduction.

3.3 Pre-approval items. The following require written pre-approval before being incurred: **[List items such as expenses over a stated amount, international travel, equipment purchases, or recurring subscriptions.]**

4. Spending Limits and Approval Authority

4.1 Approval thresholds. Expenses are subject to the following approval levels: (a) up to **[AMOUNT]** — approved by the Covered Person's manager; (b) **[AMOUNT]** to **[AMOUNT]** — approved by **[DEPARTMENT HEAD / DIRECTOR]**; and (c) above **[AMOUNT]** — approved by **[FINANCE / OFFICER]**.

4.2 No self-approval. A Covered Person may not approve their own expense claim. Claims must be approved by a person with appropriate authority who did not incur the expense.

4.3 Budget responsibility. Approvers are responsible for confirming that an expense is appropriate, within budget, and compliant with this Policy before approving it.

5. Documentation Requirements

5.1 Receipts. A Covered Person must submit an itemized receipt for each expense of **[AMOUNT, e.g. \$25]** or more. For smaller expenses, a receipt is preferred but a clear description may be accepted where a receipt is unavailable.

5.2 Required information. Each claim must identify the date, amount, vendor, business purpose, and, for meals or events, the names and business relationship of others present.

5.3 Missing receipts. If a required receipt is lost, the Covered Person must submit a written explanation and any available proof of payment. The Company may, in its discretion, reimburse or decline a claim lacking required documentation.

5.4 Currency and conversion. Expenses incurred in another currency should be submitted in **[COMPANY CURRENCY]** using the exchange rate on the date of the expense, with supporting documentation.

6. Submission and Reimbursement Process

6.1 How to submit. Covered Persons must submit expense claims through **[the expense system / the expense form attached as Exhibit A]**, with all required documentation, to **[APPROVER / DEPARTMENT]**.

6.2 Deadline to submit. Claims must be submitted within **[NUMBER, e.g. 30 / 60]** days after the expense is incurred. Claims submitted after **[NUMBER]** days may be denied except where applicable law requires reimbursement.

6.3 Review and payment. The Company will review submitted claims and pay approved reimbursements within **[NUMBER, e.g. 30]** days of approval, through **[payroll / accounts payable / the next regular pay cycle]**.

6.4 **Disputed or denied claims.** If a claim is reduced or denied, the Company will explain the reason. The Covered Person may provide additional information or escalate the matter to **[FINANCE / HR CONTACT]** for further review.

7. **Advances and Company Cards**

7.1 **Travel advances.** The Company **[may / does not]** provide travel advances. Where provided, an advance must be reconciled against actual documented expenses within **[NUMBER]** days, and any unused amount must be returned.

7.2 **Company cards.** A Covered Person issued a Company credit card must use it only for authorized business expenses, submit documentation for every charge, and never use it for personal expenses. Misuse may result in revocation of the card and disciplinary action.

7.3 **Recovery of overpayments.** The Company may recover, to the extent permitted by applicable law, any amount advanced or reimbursed that is later found not to be a valid reimbursable expense, including by offset against future reimbursements.

8. **Compliance and Administration**

8.1 **Tax treatment.** The Company intends this Policy to operate as an accountable plan for tax purposes where applicable, so that valid reimbursements are not treated as taxable income. Amounts that do not meet the documentation or timing requirements may be treated as taxable to the extent required by law.

8.2 **Audits.** The Company may audit expense claims at any time and may request additional documentation. Submitting false, inflated, or duplicate claims is a serious violation that may result in denial of reimbursement and disciplinary action up to and including termination.

8.3 **Compliance with law.** This Policy will be administered consistently with applicable tax, wage-and-hour, and expense-reimbursement laws. Where this Policy conflicts with a mandatory requirement of applicable law, that law controls.

8.4 **Amendment.** The Company may amend or discontinue this Policy at any time, with notice to Covered Persons, subject to applicable law. The version in effect when an expense is incurred governs that expense.

ACKNOWLEDGMENT. By signing below, the Covered Person acknowledges receiving, reading, and agreeing to comply with this Policy.

| COVERED PERSON | COMPANY |
|--------------------------------|-----------------------------|
| Signature: _____ | Signature: _____ |
| Printed name: [NAME] | Printed name: [NAME] |
| Title: [TITLE] (or N/A) | Title: [TITLE] |
| Date: _____ | Date: _____ |

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