

Sample Company Expense Policy♥

SUBJECT: (Company Name) Business Travel and Expenses Policy

PURPOSE

The purpose of this document is to establish basic policy procedures for authorization and approval for travel and/or other expenses incurred by employees for business purposes.

TRAVEL ADVANCES

You need to receive approval from your manager (or approved alternate) and his/her authorization on this form when requesting an “advance” on travel expenses that have yet to be incurred.

- Permanent advance amounts are subject to recall at the discretion of management. There will be no permanent advances in excess of (fill in complete amount).
- Temporary advances are based on estimated expenditures during an agreed period and must be settled before new advances will be authorized. All advances must be settled before final clearance of terminating employees.

CASH ADVANCES

Employees requiring a travel advance must complete the Request for Cash Advance form. This form must be approved by the employee’s manager. Accounting will not honour an advance request that has not been approved.

TRAVEL AGENT

(Company name)’s corporate travel agency is (ABC Travel insert name). All company travel arrangements must be made through (ABC Travel). Our travel agent is (insert name) and he/she can be contacted:

Toll-free number

Local telephone/Direct Line

Fax

Email

CREDIT CARDS

Air travel/telephone/fuel/company credit/automobile rental cards in the company’s name and issued to authorized employees are to be used **ONLY** in conducting company business.

OR

Employees who travel on a frequent basis will be issued a corporate American Express card in the company’s name.

TRANSPORTATION

ABC Travel has been directed to obtain the lowest airfare available for all domestic and international flights. ABC Travel will accommodate employees who hold memberships in frequent flyer programs as long as there is no additional cost to (company name). Airline travel for all employees will be economy class regardless of flight duration, except when specific prior approval for exception is received from the employee's manager.

Air or railway travel receipts must be attached to the expense report. Any unused company-purchased tickets must be returned to the company or accounted for.

Train/bus travel are only permitted as an alternative to air travel provided the travel takes place on weekends.

VEHICLE RENTAL

(Company name) has a corporate account with (insert supplier name). All employees must use this supplier unless availability or extenuating circumstances dictate otherwise. Guidelines to following when renting vehicles:

1. Mid-size models must be rented unless two or more persons are travelling together. Higher upgrades are allowed in specific circumstances: if more than two persons are travelling together; or if transporting cargo, product or trade fair materials to an off-site location.
2. Decline the refueling option and return the vehicle to the rental company with a full tank of gas.
3. Return rentals to the original rental location if possible to avoid costly drop-off charges.
4. Use the company's corporate AMEX card for all vehicle rentals. If the AMEX card is used, additional insurance should not be purchased. If another form of payment is used, please purchase the insurance offered by the rental company.
5. Upgrades not authorized by this policy are not reimbursable.

AUTOMOBILE TRANSPORTATION

Mileage for the use of an employee's personal vehicle to conduct company business will be reimbursed at the rate of 42 cents per kilometre for the first 5,000 kilometres. The rate is 36 cents once this kilometre cap has been exceeded. For employees assigned to the corporate head office, mileage to and from home is not reimbursable. Destination, amount of kilometres travelled and purpose of the trip must be included on the expense claim form being submitted.

Mileage is not reimbursable while using rental vehicles or company supplied vehicles.

HOTEL/MOTEL ACCOMMODATIONS

Hotel, motel accommodations and related expenses should be charged to the company's corporate AMEX card. Copies of the hotel/motel bills must be attached to the expense report.

Sales reps/employees must use their CPSA membership card, where applicable, to secure a discounted rate on all hotel/motel accommodations in Canada and the United States.

CELLULAR PHONE AND COMMUNICATIONS CHARGES

(Company name) agrees to supply employees with a digital cellular phone. Our preferred carrier in Canada is (enter name of carrier) with whom we have a corporate discount plan. Sales reps are allocated 500 minutes per month. The company will reimburse all business-related telephone expenditures.

Every effort shall be made to limit the use of these phones to business related calls. The use of company-supplied cell phones for private, commercial or consulting purposes is NOT permitted. Employees shall be responsible for the safekeeping, care and custody of the cell phone assigned to them.

Personal calls are permitted and these calls do not need to be justified as long as they do not exceed the allotted monthly minutes.

COMMUNICATIONS EQUIPMENT

Company name agrees to supply employees with a PDA (personal digital assistant) or other such tools (e.g. BlackBerry, pagers) The use of company-supplied communications equipment for private, commercial or consulting purposes is NOT permitted. Employees shall be responsible for the safekeeping, care and custody of the equipment assigned to them.

MEAL EXPENSES, INCLUDING GRATUITIES

The actual expenses incurred must be indicated on the expense report. Employees are authorized to incur reasonable expenses for meals. The daily maximum for meals is \$60.00 per diem, per individual (including breakfast, lunch and dinner).

ENTERTAINMENT EXPENSES

Reasonable entertainment expenses incurred by authorized personnel will be reimbursed. It is required that receipts be attached for any one item costing more than \$5.00. As well, details about the person(s) entertained must also be provided (e.g. their name, title, company and business purpose of expense). Examples of these types of expenses include: golf green fees; theatre, concert, musical, sports events or other entertainment tickets, the cost of private boxes at sport facilities; room rentals to provide entertainment (e.g. hospitality suites), the cost of entertaining guests at night clubs, athletic, social and sporting clubs and on vacation and similar trips.

PARKING EXPENSES

Parking expenses incurred by the employee to and from corporate head office will not be reimbursed unless those expenses have been incurred while on a client visit or sales call.

Long-term parking expenses will be reimbursed only if travel exceeds 24-hours. Parking and traffic violations incurred while carrying out company business are not reimbursable expenses.

MEMBERSHIPS TO PROFESSIONAL ASSOCIATIONS

Memberships to professional associations and/or industry organizations will be paid for by the company. Membership in the Canadian Professional Sales Association is a requirement of employment. It is required that invoices be submitted to the employee's manager (or designated alternate) for approval.

All membership literature, bulletins, newsletters etc., must be addressed to the individual at the company's business address.

SPOUSE'S TRAVELLING EXPENSES

Spouses or other members of an employee's family are not permitted to accompany employees at the company's expense unless specified and previously authorized by an officer of the company.

NON REIMBURSABLE TRAVEL/SALES EXPENSES

The company will not reimburse employees for the following expenses:

- In room movie rentals or at the theatre
- Personal bar bills
- Parking tickets, traffic citations or speeding tickets
- Insurance costs for luggage via air or ground travel
- Automobile repairs
- Upgrade charges for air, hotel, or vehicle rental
- Personal care items, cosmetics, nail or hair salon expenses, spa treatments etc.
- Health club fees
- Spouse's expenses if accompanying (company name) employee on trip
- Kennel fees
- Political or charitable contributions
- Childcare expenses
- Personal or over the counter medications
- Laundry and dry cleaning charges (unless claimant spends 3 days and 3 nights out of town or more)

RECEIPTS AND SUPPORTING DOCUMENTATION

All expenses must be accompanied by a receipt or supporting documentation. Failure to attach the appropriate and supporting documentation will result in the expense claim being denied.

APPROVAL OF EXPENSES

Expense reports for managers reporting directly to the President's office will require the approval of the President or his/her designated alternate. All other employees will require the approval of their respective superior or their designated alternate. Names of all designated alternatives must be submitted, in writing, to the controller.

REPORTING EXPENSES

Expenses incurred by employees in the conduct of company business amounting to \$10 or more must be reported on the Sample Sales Expense Report Form (Appendix I). Miscellaneous expenses incurred that amount to \$10 or less may be reported on a petty cash voucher for reimbursement.

All business expense reports or petty cash vouchers will be submitted promptly for approval and reimbursement upon completion of a business trip and/or at the close of each weekly period.

VERIFICATION

Prior to reimbursement or application against an outstanding advance, accounting personnel will verify the completed expense report to ensure that:

- The report has been completed in accordance with this policy.
- The report is mathematically accurate and includes only bona fide business expenditures.
- All required receipts are attached.
- All explanations, where required, are included on the reverse side of the report.

All business expense reports containing discrepancies (e.g. improper preparation, lack of receipts and/or explanations, etc.) will be immediately returned to the approving manager for correction and resubmission.

DEADLINES FOR EXPENSE REPORT SUBMISSION

Expense reports are due every week on Monday before 5:00 p.m. If you are unable to meet this deadline, you are responsible for contacting Accounts Payable. Only those expense reports that have been authorized by the manager (or designated alternate) will be paid. Expense cheques are distributed on the following Monday to all employees.

CHANGES IN COMPANY POLICY AND PROCEDURE

Contemplated "out of policy" actions not provided for in this policy, and questions regarding interpretation of policy, will be directed to the President for approval prior to any further procedure.

The Director of Finance and Administration will issue approved additions, deletions, revisions, and any other changes in policy and procedures to policy manual holders upon official notification from the President's office.

