

Standard Operating Procedure (SOP): Expense Advance and Reimbursement Procedures

This SOP details the **expense advance and reimbursement procedures**, covering the process for requesting and approving advances, submitting expense reports with proper documentation, approval workflows, reimbursement timelines, allowable expenses, and record-keeping requirements. The objective is to ensure accurate, efficient, and transparent management of employee-initiated expenses while maintaining compliance with organizational policies and financial controls.

1. Purpose

To establish consistent procedures for requesting expense advances, submitting reimbursement claims, and ensuring proper documentation and compliance.

2. Scope

This procedure applies to all employees incurring expenses on behalf of the organization or requiring an advance for anticipated expenses.

3. Definitions

- **Expense Advance:** Funds provided prior to incurring business-related expenses.
- **Reimbursement:** Repayment for approved business-related expenses already paid by the employee.

4. Procedures

4.1. Requesting an Expense Advance

1. Complete the **Expense Advance Request Form**, specifying:
 - Purpose and justification of advance
 - Estimated amount and itemized anticipated expenses
 - Date(s) required
2. Attach supporting documentation as needed (e.g., event agenda, travel itinerary).
3. Submit the request to the immediate supervisor for approval.
4. Supervisor reviews and forwards to Finance for processing.
5. Finance disburses approved advance via designated payment method.

4.2. Submitting Expenses for Reimbursement

1. Complete the **Expense Reimbursement Form** after incurring expenses.
2. Attach scanned or original receipts and supporting documents.
3. Ensure expenses are within allowable categories (see Section 5).
4. Submit the form and documentation to your supervisor for approval.
5. Approved claims are sent to Finance for review and payment processing.

4.3. Approval Workflow

- Initial Approval: Immediate supervisor/manager
- Secondary/Final Approval: Finance Department
- Exceptions or high-value advances require Executive approval

4.4. Timelines

- Advance Requests: Minimum 5 business days prior to need
- Reimbursement Submission: Within 10 business days of expense occurrence
- Processing & Payment: Within 7 business days of final approval

5. Allowable Expenses

Expense Category	Examples	Non-Allowable
Travel	Airfare, lodging, ground transport, per diem	First-class airfare, personal travel expenses
Meals	Business meals, client lunches	Alcoholic beverages, entertainment
Supplies	Office materials, project-related supplies	Personal items, gifts over \$25

6. Documentation & Record-Keeping

- Original or electronic receipts are mandatory for all claims.
- Expense forms and approvals must be retained for a minimum of 3 years.
- Finance is responsible for secure storage and periodic review.

7. Compliance

- Non-compliance may result in delayed processing or denial of claims.
- Repeated violations may be subject to disciplinary action.

8. Revision History

Date	Version	Description	Author
2024-06-10	1.0	Initial Creation	SOP Team