

SOP: Methods and Timing of Reimbursement

This SOP details the **methods and timing of reimbursement**, including processes for direct deposit and payroll distribution. It ensures timely and accurate payment to employees by defining reimbursement schedules, approved payment methods, and procedures for handling discrepancies. The goal is to maintain efficient financial operations and clear communication regarding employee compensation.

1. Purpose

To outline the approved methods and schedules for reimbursing employees, ensuring clarity, accuracy, and timeliness in financial operations.

2. Scope

This SOP applies to all employees eligible for reimbursement of business expenses and compensation paid outside of regular payroll.

3. Definitions

- **Direct Deposit:** Electronic transfer of funds to the employee's designated bank account.
- **Payroll Distribution:** Inclusion of reimbursement in the regular payroll cycle.
- **Reimbursement:** Repayment of approved business expenses incurred by employees.

4. Approved Methods of Reimbursement

Method	Description
Direct Deposit	Reimbursement is transferred directly to the employee's bank account as a separate payment from payroll.
Payroll Inclusion	Reimbursement is processed with regular salary in the scheduled payroll cycle.
Check	In rare cases, a physical check will be issued, typically when direct deposit is not available.

5. Timing of Reimbursement

- Expense reports and required documentation must be submitted by the 5th of each month.
- Reimbursements via direct deposit are processed within 10 business days after submission approval.
- Payroll-based reimbursements are included in the next regular payroll cycle following approval.
- Check payments, where applicable, are issued within 15 business days of approval.

6. Procedures

1. Employee submits expense documentation via the company's reimbursement system by the cutoff date.
2. Finance reviews and approves documentation within 5 business days.
3. Approved reimbursements are scheduled for payment via the selected method (see section 4).
4. If a discrepancy occurs, the employee is notified within 2 business days and provided instructions for resolution.
5. Final payment confirmation is sent to the employee via email notification.

7. Discrepancies & Escalation

- If reimbursement is delayed or incorrect, employees must notify the Finance department within 2 business days of payment receipt.
- The Finance department will investigate and resolve discrepancies within 5 business days.
- Unresolved issues may be escalated to the HR Manager for final review.

8. Communication

- All employees will be notified of any updates to reimbursement schedules or methods.
- FAQs and contact details for reimbursement inquiries are available on the company intranet.

9. Document Control

- **Version:** 1.0
- **Effective Date:** [Insert Date]
- **Approval:** [Approver Name/Title]