

SOP: Eligibility Criteria for Reimbursable Expenses

This SOP defines the **eligibility criteria for reimbursable expenses**, detailing the types of expenses that qualify for reimbursement, documentation requirements, approval processes, and timelines for submission. The objective is to ensure clarity, consistency, and compliance in expense reimbursement to support accurate financial management and employee accountability.

1. Scope

This SOP applies to all employees seeking reimbursement for business-related expenses incurred during the course of official duties.

2. Definitions

- **Reimbursable Expense:** A legitimate, necessary, and reasonable expense incurred while conducting company business.
- **Non-reimbursable Expense:** Any expense not directly related to company business, or otherwise excluded according to this SOP.

3. Eligibility Criteria

1. **Business Purpose:** Expense must be directly related to company business activities.
2. **Reasonableness:** Costs must be reasonable and customary for the type of expense claimed.
3. **Budget Compliance:** Expense must not exceed allocated department or project budgets.
4. **Submission of Documentation:** All required supporting documents (e.g., receipts, invoices) must be attached to the expense claim.
5. **Pre-Approval:** Certain expenses (such as travel or entertainment) require prior written approval.
6. **Submission Timelines:** Expense claims must be submitted within **30 days** of incurring the expense, unless otherwise specified.

4. Eligible and Ineligible Expense Examples

Eligible Expenses	Ineligible Expenses
Business travel (airfare, local transit, mileage)	Personal travel or vacation expenses
Meals for client meetings (with approval)	Alcohol (unless approved for business entertainment)
Lodging for business trips	Room service, movies, or minibar charges
Office supplies required for work	Personal items or gifts (except approved business gifts)
Conference and registration fees (with approval)	Late submission penalties or fines

5. Documentation Requirements

- Original, itemized receipts for all expenses over \$25 (or local equivalent).
- Proof of payment (credit card statement, bank statement, etc.) when required.
- Description of business purpose for each expense item.
- Pre-approval documentation for travel, entertainment, or other specified expenses.

6. Approval Process

1. Employee submits expense claim with supporting documentation.
2. Immediate supervisor or designated approver reviews the claim for compliance and accuracy.
3. Finance department conducts final review and processes reimbursement.
4. Claims found non-compliant will be returned to the employee for correction or additional information.

7. Timelines

- Expense reimbursement claims must be submitted within 30 days of the expense date.
- Supervisors must approve or reject claims within 7 business days of submission.
- Finance processes reimbursement within 10 business days of final approval.

8. Compliance and Exceptions

- Non-compliance with this SOP may result in denial of expense reimbursement.
- Exceptions require written approval from the department head and the finance manager.