

SOP: Policy on Non-Reimbursable Expenses and Exceptions

This SOP defines the **policy on non-reimbursable expenses and exceptions**, detailing which expenses employees cannot claim for reimbursement, criteria for exceptions, approval processes, and documentation requirements. The purpose is to ensure clear guidelines for expense claims, prevent misuse of company funds, and establish a consistent approach to handling exceptional cases.

1. Scope

This policy applies to all employees, contractors, and affiliates submitting expense claims to the company.

2. Non-Reimbursable Expenses

The following expenses are **not eligible** for reimbursement under any circumstances:

Category	Examples
Personal Expenses	Leisure activities, personal gifts, entertainment, toiletries, clothing (unless part of a company uniform)
Alcohol & Tobacco	All alcoholic beverages and tobacco products
Family/Guest Expenses	Expenses related to spouses, family members, or guests
Traffic Violations	Parking tickets, speeding fines, traffic infractions
Non-Approved Upgrades	Airline seat upgrades, hotel suite upgrades, luxury transportation
Unapproved Travel	Trips not authorized in advance by management
Frequent Flyer Memberships	Loyalty program enrollments, upgrade fees for points
Other	Charitable donations, movie/concert tickets, holiday decorations, lost/stolen items

3. Exceptions

- Exceptions to the above list must have valid business justification and prior written approval from a Department Head or higher authority.
- Common exception examples include:
 - Emergency situations where essential personal items are needed due to travel interruptions
 - Required participation in business events including entertainment (must be directly related to company objectives)
 - Unanticipated travel or accommodation upgrades due to safety or health concerns

4. Approval Process for Exceptions

1. The employee must submit a written request (email or form) detailing:
 - Description of the expense
 - Reason for exception
 - Amount
 - Attached receipts or supporting documentation
2. The Department Head reviews the request and may consult with Finance or HR if needed.
3. Approval or rejection will be communicated in writing within 5 business days.
4. Only **written approvals** are valid for exception reimbursements.

5. Documentation Requirements

- Original or digital receipts must be attached to all claims and exception requests.
- Proof of approval for exceptions must accompany the expense report.
- Expense reports must be submitted within 14 days of incurring the expense.

6. Enforcement and Misuse

- Non-compliance with this SOP may result in expense non-reimbursement and/or disciplinary action.
- Suspected misuse of company funds will be referred to HR or internal audit as appropriate.

7. Review and Revision

- This policy will be reviewed annually and updated as necessary.
- All updates will be communicated to staff promptly.