POLICY TEMPLATE · 2026

Expense policy

A starting point for building your company's expense policy. Replace the placeholders with the details that fit your business: limits, approval thresholds, currency, and the tools you use.

COMPANY	OWNER	EFFECTIVE DATE	VERSION
[Company Name]	[Finance / People Team]	[DD Month YYYY]	[1.0]

INTRODUCTION

How to use this template

This template provides a starting point for building your company's expense policy. Replace anything in **[brackets]** with the details specific to your business: spend limits, approval thresholds, currency, and the tools you use for receipts and reimbursements.

To edit this template

Open in Google Docs (File → Open → Upload), Word, or any free PDF editor. Or copy and paste sections into your own document.

What to customise first

Start with section 4 (Approval workflow) and section 7 (Spending limits and per diems). These are the parts most companies need to tailor. Other sections work as-is for most teams.

CONTENTS

What's in this document

01 Purpose and scope

02 Roles and responsibilities

03 General principles

04 Approval workflow

05 Reimbursable expenses

06 Non-reimbursable expenses

07 Spending limits and per diems

08 Submission and reimbursement

09 Receipt and documentation

10 Non-compliance

11 Policy review and updates

12 Acknowledgement

1. Purpose and scope

This policy sets out how employees of **[Company Name]** can incur and claim business expenses. It covers what is reimbursable, what is not, the limits that apply, and the full process from receipt to reimbursement.

This policy applies to:

- All full-time and part-time employees
- Contractors and interns where explicitly agreed in their contract
- Any other person authorised to incur expenses on the company's behalf

2. Roles and responsibilities

Clear ownership keeps claims moving and prevents bottlenecks.

Role	Responsibility
Employees	Submit accurate expense claims with valid receipts within the deadline. Only claim expenses that fall within this policy.
Managers	Review and approve or reject claims for their direct reports within **[5 business days]**. Flag anything unusual.
Finance team	Process approved reimbursements, reconcile expenses against budgets, ensure tax compliance, and recover VAT where applicable.
HR / People team	Communicate the policy to new joiners during onboarding and run refresher training when the policy is updated.

Delegation. When an approver is unavailable for more than **[3 business days]**, approval authority passes to **[their manager / a designated deputy]**. Employees should not wait for an absent approver to return.

3. General principles

Every business expense should meet three tests:

- **Reasonable** — proportionate to the business need.
- **Business-related** — clearly tied to the work being done, not personal benefit.
- **Documented** — supported by a valid receipt or invoice (see section 9 for what counts).

Where an expense fails any of these tests, it should not be incurred. If in doubt, ask your manager or finance before spending.

4. Approval workflow

Approval thresholds determine who needs to sign off on an expense. Adjust the figures to match your business.

Spend amount	Approver	Required documentation
Up to **[£100]**	Direct manager	Receipt
[£101–£500]	Department head	Receipt + business justification
[£501–£2,000]	Finance lead	Pre-approval + receipt + cost centre
Above **[£2,000]**	CFO / CEO	Written pre-approval + receipt + quote

Pre-approval process

For expenses requiring pre-approval, submit a request through **[your expense tool]** before incurring the cost. Include the estimated amount, business justification, and relevant cost centre. Approval must be received in writing (email or in-tool approval) before the expense is incurred.

KEEP IT SIMPLE

Every extra approval step adds delay. If a claim meets the policy and falls within the threshold, approve it promptly.

5. Reimbursable expenses

The following categories are reimbursable when incurred for legitimate business purposes.

Travel

- Economy-class flights for journeys under **[6 hours]**
- Premium economy or business class for journeys over **[6 hours]**, with prior approval
- Standard-class rail travel (the default mode for domestic business travel)
- Hotel accommodation up to **[£200]** per night, or **[£300]** in major cities (see caps in section 7)
- Taxis, ride-sharing, and public transport between accommodation, meetings, and airports/stations

Meals and entertainment

- Meals while travelling for business, up to the per diem rates in section 7
- Airport lounge access only with prior approval for layovers over **[3 hours]**
- Client meals and entertainment with prior manager approval. Document the client name(s), company, and business purpose.
- Team meals during off-sites or company-organised events
- Working lunches with a clear business purpose, up to **[£25]** per person

Mileage

Personal car use for business travel is reimbursed at **[£0.30 per km / £0.55 per mile for the first 10,000 miles, then £0.25 per mile]**. Commuting between home and the usual place of work is not reimbursable.

Documentation required for mileage claims:

- Start and end location
- Total distance (km or miles)
- Business purpose of the journey · Date of travel

Insurance. Employees using personal vehicles for business travel must hold valid motor insurance that covers business use. **[Company Name]** is not liable for damage to personal vehicles during business travel.

Office supplies and equipment

- Stationery and consumables for office or remote work
- Equipment under **[£250]** with manager approval
- Equipment over **[£250]** requires finance pre-approval and remains company property

Remote work expenses

- Home office equipment (desk, chair, monitor) up to **[£500]** one-time allowance, with manager approval
- Monthly internet contribution of **[£30]** for employees with a remote or hybrid work arrangement
- Co-working space day passes up to **[£40 / day, max 5 days / month]**, with manager approval

Professional development

- Training, courses, and conferences with manager approval
- Books, subscriptions, and online learning relevant to the role, up to **[£500]** per year
- Conference attendance including registration fees, with pre-approval for events over **[£500]**

Software and subscriptions

- Tools required for the role, approved by the department head
- All recurring subscriptions must be logged with finance to avoid duplication
- Free trials that convert to paid plans must be cancelled or approved before the trial ends

6. Non-reimbursable expenses

The following are not reimbursable, except where explicitly agreed in writing in advance:

- Alcohol beyond what is included in an approved client or team meal
- Personal items, including clothing, toiletries, and personal entertainment
- Traffic fines, parking fines, and speeding penalties
- First-class or business-class travel without prior approval
- Hotel mini-bar charges, in-room movies, spa services, and personal hotel extras
- Travel for spouses, partners, or family members
- Gifts to clients above **[£50]** without prior approval
- Cash withdrawals on company cards
- Personal phone upgrades (unless a work phone allowance is agreed in the employment contract)
- Membership fees for gyms, clubs, or loyalty programmes
- Expenses submitted more than **[60 days]** after they were incurred

7. Spending limits and per diems

Meal per diems

Per diems cover meals and incidentals while travelling for business. They apply per meal, not as a daily lump sum, to prevent misuse of all-day allowances.

Region	Breakfast	Lunch	Dinner	Daily total
[Domestic]	[£10]	[£20]	[£40]	[£70]
[EU]	[£15]	[£25]	[£50]	[£90]
[International]	[£20]	[£30]	[£60]	[£110]

Itemised receipts are required for each meal. If the hotel rate includes breakfast, the breakfast per diem does not apply.

Hotel caps

Location	Nightly cap
Standard cities	[£150] per night
Major cities (e.g. London, Paris, Munich, New York)	[£250] per night
Conferences with negotiated rates	Published conference rate

Other spending caps

Category	Limit
Client gifts	[£50] per gift without prior approval
Client entertainment	[£75] per person, requires client name and business purpose
Professional development	[£500] per year
Home office setup (one-time)	[£500]

8. Submission and reimbursement

How to submit

All expenses are submitted through **[your expense tool]**. Step by step:

1. Capture your receipt (photo or digital upload). **[your tool]** will extract the details automatically via OCR.
2. Select the correct expense category and cost centre.
3. Add a short note explaining the business purpose.
4. Submit the claim for approval.

Submission deadline

Submit expenses within **[30 days]** of the expense being incurred. Claims older than **[60 days]** will not be reimbursed unless approved by **[Finance lead]**.

DON'T BATCH

Submit expenses as they happen rather than saving them up. Monthly expense dumps create unnecessary work for everyone.

What happens after submission

1. Your manager reviews and approves or rejects the claim (target: within **[5 business days]**).
2. If rejected, you'll receive a notification with the reason. You can resubmit with corrections.
3. Approved claims move to finance for processing.

Reimbursement timeline and method

Method	Timeline	When it applies
Direct bank transfer	Within **[14 business days]** of approval	Default for most claims
Payroll	Added to the next pay cycle	For companies using payroll integration

Reimbursements are paid into the bank account on file with payroll. If your bank details change, update them with **[HR / payroll]** before submitting claims.

9. Receipt and documentation

What counts as a valid receipt

Every expense above **[£25]** requires a valid receipt. A valid receipt includes:

- The date of the transaction
- The vendor or supplier name
- An itemised list of what was purchased (a credit card statement alone is not sufficient)
- The total amount and currency

For client meals and entertainment, also include:

- Names of attendees and their companies
- The business purpose of the meeting

Digital receipts

Digital receipts and photos of paper receipts are accepted. Use **[your expense tool]** to capture receipts at the point of purchase. Every lost receipt is a potential lost VAT recovery.

Missing receipts

If a receipt is genuinely lost or unavailable:

1. Complete a **[missing receipt declaration / lost receipt form]** explaining the expense.
2. Provide alternative evidence where possible (bank statement, email confirmation, booking confirmation).
3. Your manager and finance must both approve the claim.
4. Repeated missing receipts may result in future claims being rejected.

For low-value purchases under **[£25]**, a bank or credit card statement is acceptable as supporting evidence.

10. Non-compliance

[Company Name] trusts employees to spend responsibly. When that trust is broken, the following applies:

Unintentional errors (e.g. wrong category, missing receipt):

- The claim is returned for correction.
- Repeated errors may require additional training or temporary pre-approval for all expenses.

Intentional misuse (e.g. false, inflated, or personal expenses claimed as business expenses):

- Refusal of the claim
- Recovery of any amount already reimbursed
- Disciplinary action up to and including termination
- Where applicable, referral to law enforcement

Managers who knowingly approve non-compliant claims are equally accountable.

11. Policy review and updates

This policy is reviewed **[annually / every 12 months]** by **[Finance / People team]** to ensure:

- Spending limits reflect current market prices
- Per diem rates align with published government benchmark rates
- Approval thresholds remain appropriate for the company's size
- New expense categories (e.g. AI tools, remote work) are addressed

All changes are communicated via **[email / intranet / all-hands]**. The version number and effective date on the cover page are updated with each revision. Employees are notified at least **[14 days]** before any material changes take effect.

12. Acknowledgement

By signing below, I confirm that I have read, understood, and agree to comply with this expense policy.

NAME	DATE

SIGNATURE