
Employee Reimbursement Policy Template

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Customize this template with your company name, expense limits, and approval thresholds. This template is designed to meet IRS accountable plan requirements.

[Company Name] Employee Expense Reimbursement Policy

Effective Date: [Date]

Last Revised: [Date]

Approved By: [Name, Title]

1. Purpose

This policy establishes guidelines for the reimbursement of business expenses incurred by employees of [Company Name]. All reimbursements are made under an IRS-compliant accountable plan, meaning reimbursements that meet the requirements of this policy are not taxable income to the employee.

2. Scope

This policy applies to all full-time and part-time employees of [Company Name]. Independent contractors are not covered by this policy; contractor expenses are addressed in individual service agreements.

3. Accountable Plan Requirements

To receive tax-free reimbursement, employees must:

- **Business connection:** The expense must be incurred while performing services for [Company Name]
- **Adequate accounting:** Submit an expense report with receipts within **60 days** of incurring the expense

- **Return of excess:** Return any advance or allowance exceeding actual expenses within **120 days**

Failure to meet these requirements may result in the reimbursement being treated as taxable income.

4. Reimbursable Expenses

4.1 Mileage

- Reimbursed at the current IRS standard mileage rate (\$0.70/mile for 2026)
- Business mileage only — commuting from home to regular office is not reimbursable
- Log required: date, origin, destination, business purpose, miles driven
- Exception: Home-based employees may claim mileage from home to business destinations

4.2 Travel

- Airfare: Economy/coach class. Business class requires pre-approval for flights over [4/6] hours
- Hotel: Up to \$[___]/night (or GSA per diem rate for the destination city)
- Rental car: Compact or midsize class; larger vehicles require pre-approval
- Ground transportation: Taxi, rideshare, public transit, parking, tolls
- Pre-approval required for any trip expected to exceed \$[500]

4.3 Meals

- Business meals with clients or prospects: up to \$[75] per person per meal
- Meals during business travel: up to \$[___]/day (or GSA M&IE per diem rate)
- Team meals during work events: reasonable and pre-approved
- Alcohol: [Reimbursable up to \$___/person | Not reimbursable]
- Tips: Reimbursable up to 20%

4.4 Home Office (Remote Employees)

- Internet: \$[50]/month stipend
- Cell phone: \$[50]/month stipend (if personal phone used for business)
- Office supplies: up to \$[200]/year with receipts
- Equipment (monitor, keyboard, chair): up to \$[500] one-time with pre-approval

4.5 Professional Development

- Conference registration: up to \$[___]/year with pre-approval
- Professional association dues: reimbursable with approval
- Certification exams: reimbursable if job-related

- Books and courses: up to \$[___]/year
- Annual cap per employee: \$[1,000-2,000]

4.6 Other Reimbursable Expenses

- Client entertainment (within reason, pre-approved for amounts over \$[100])
- Business software/subscriptions (pre-approved)
- Business postage and shipping
- Licensing and credential fees required for the role
- Business gifts to clients (up to \$25 per recipient per year, per IRS limits)

5. Non-Reimbursable Expenses

The following are NOT reimbursable:

- Personal expenses of any kind
- Commuting costs (home to regular office)
- Traffic violations, parking tickets, towing
- Personal entertainment (movies, personal meals, gym)
- Clothing (unless required uniforms)
- Airline upgrades without pre-approval
- Travel insurance (unless company policy requires it)
- Expenses for spouses, partners, or family members
- Charitable donations
- Political contributions
- Personal subscriptions
- Late fees or interest charges on personal credit cards

6. Approval Workflow

Expense Amount	Approver	Pre-Approval Required?
Under \$100	Direct supervisor	No
\$100 — \$500	Direct supervisor	Verbal or email
\$500 — \$1,000	Direct supervisor	Written (email)
\$1,000 — \$5,000	Supervisor + [department head / controller]	Written
Over \$5,000	Supervisor + [CEO / CFO]	Written with business case

7. Expense Report Submission

- **Deadline:** Submit expense reports within **30 days** of incurring the expense (IRS allows up to 60 days, but we require 30 for timely processing)
- **Format:** Use the attached Expense Report Form or [company expense management tool]
- **Receipts:** Required for ALL expenses, regardless of amount
- **Lost receipts:** Complete a Lost Receipt Affidavit (attached). More than 3 lost receipt affidavits per quarter will trigger a review.
- **Currency:** Convert foreign expenses to USD at the exchange rate on the date of the expense

8. Reimbursement Processing

- Approved expense reports are processed within **10 business days** of approval
- Reimbursement is paid via direct deposit to the employee's bank account on file
- Reimbursements are issued separately from payroll and are NOT included in taxable wages

9. Advances

- Travel advances may be requested for anticipated expenses exceeding \$[500]
- Advances require supervisor approval
- Submit an expense report within 30 days of the trip reconciling the advance against actual expenses
- Return any excess advance within 30 days of the trip (IRS allows 120 days; we require 30)

10. Violations

Submitting fraudulent expense reports (fabricated receipts, personal expenses claimed as business, inflated amounts) is grounds for:

- Denial of the expense claim
- Repayment of any amounts improperly reimbursed
- Disciplinary action up to and including termination
- Referral for legal action in cases of fraud

11. Policy Review

This policy will be reviewed annually by [Finance / HR / Legal] and updated as needed. Changes will be communicated to all employees in writing.

Expense Report Form

Employee Name: _____

Department: _____

Reporting Period: _____ to _____

Submission Date: _____

Date	Vendor/Payee	Description / Business Purpose	Category	Amount	Receipt Attached?
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
				\$	<input type="checkbox"/> Yes <input type="checkbox"/> Lost
TOTAL				\$	

Categories: Mileage · Travel-Airfare · Travel-Hotel · Travel-Ground · Meals · Home Office · Professional Dev · Supplies · Client Entertainment · Other

Mileage Detail (if applicable):

Date	From → To	Business Purpose	Miles	Rate	Amount
				\$	\$
				\$	\$
				\$	\$
Total Mileage					\$

Employee Certification:

I certify that the above expenses were incurred by me in the performance of my duties for [Company Name], that they have a valid business purpose, and that I have not been and will not be reimbursed from any other source.

Signature: _____ **Date:** _____

Supervisor Approval: _____ **Date:** _____

Finance Approval: _____ Date: _____

Lost Receipt Affidavit

Employee Name: _____

Date of Expense: _____

Vendor/Payee: _____

Amount: \$ _____

Business Purpose: _____

Reason Receipt is Unavailable:

I certify that the above expense was incurred for a legitimate business purpose and that I am unable to provide a receipt. I understand that excessive use of this affidavit may trigger a policy review.

Signature: _____ Date: _____

Supervisor Signature: _____ Date: _____

Pre-Approval Request Form

Employee Name: _____

Date of Request: _____

Expense Description:

Estimated Amount: \$ _____

Business Purpose / Justification:

Budget Line Item: _____

Approval:

Approved

Approved with modifications: _____

Denied — Reason: _____

Approver Signature: _____ **Date:** _____

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