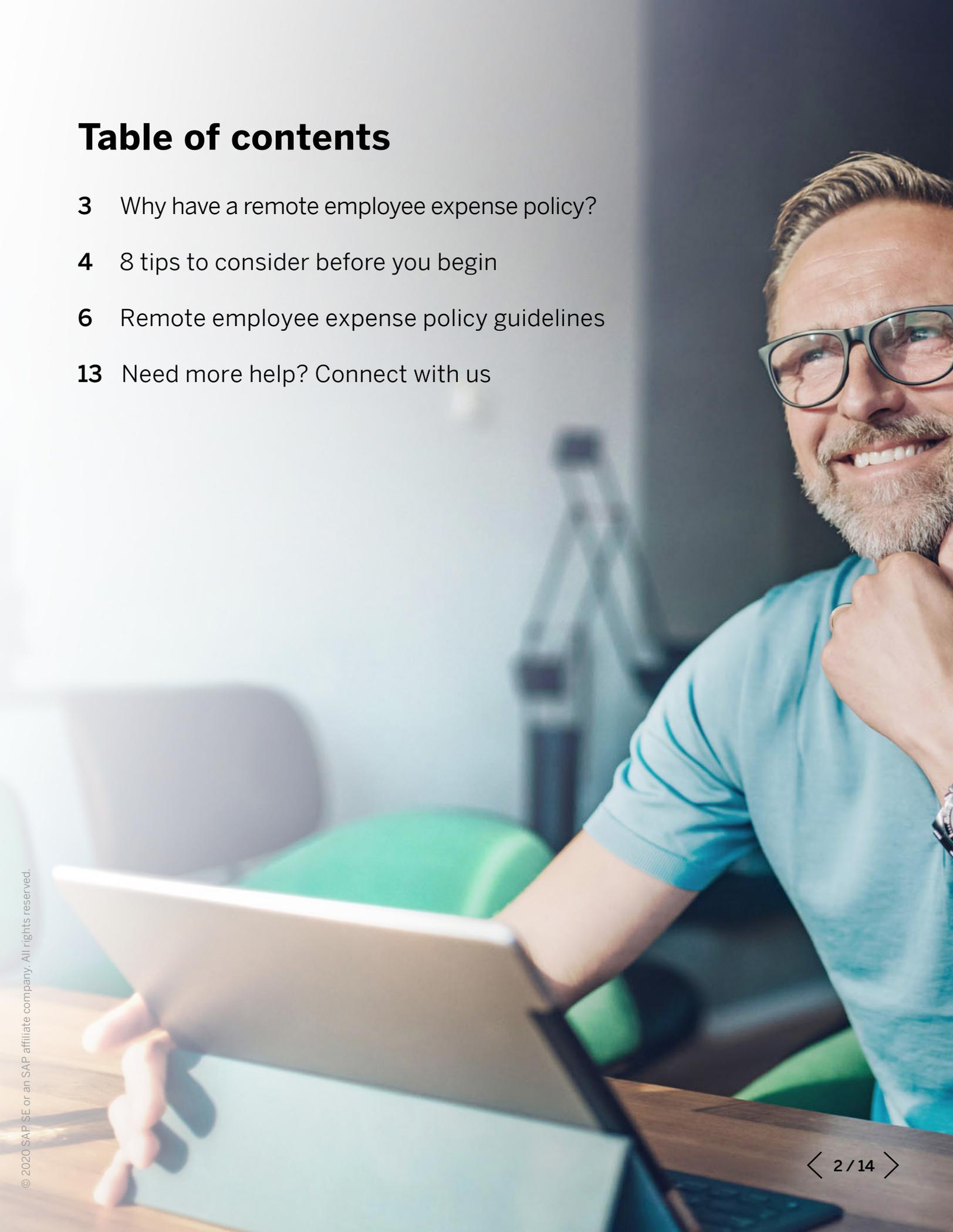
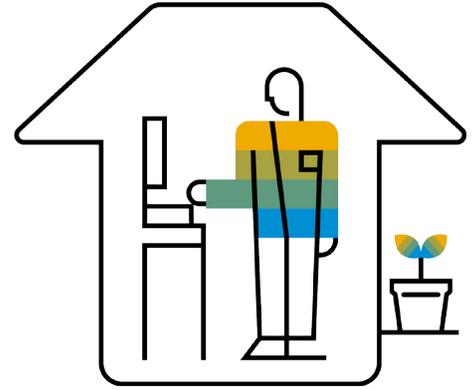


Tips and guidelines
for creating a
Remote Employee
Expense Policy

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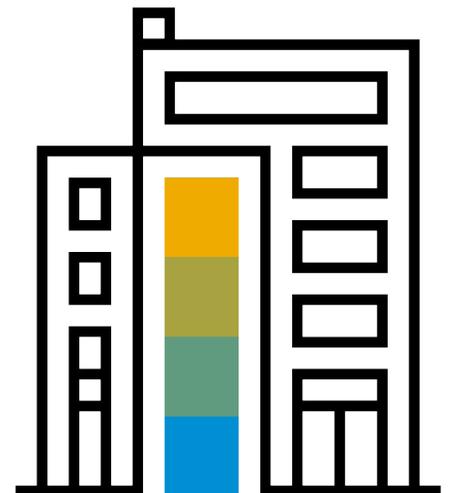
Why have a **remote employee expense policy**?

Chances are your business already has a standard expense policy for employees; if it doesn't, make sure to download our [Expense Policy Template](#) guide. Did you know, however, that employees who work remotely will have different taxable and non-taxable expense benefits? These differences, unless properly communicated and complied with, can lead to costly tax penalties and potentially erode employee satisfaction companywide.

If you have yet to create a remote employee expense policy or are overdue in updating an existing policy, this guide can help. In the pages that follow, we provide helpful tips to consider before you get started, plus key guidelines for creating a policy that is easy to understand and, most importantly, comply with.

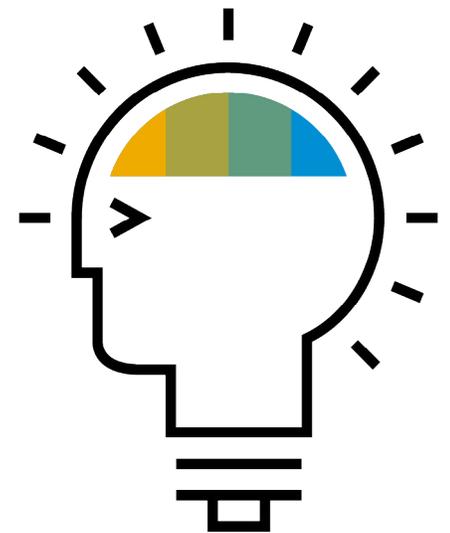
PLEASE NOTE:

This is not a legal document—it's a set of general guidelines with example policy statements. We recommend that you validate the policy you create with internal team members, and likely your legal counsel, before distributing to employees.



8 Tips to consider before you begin

Writing or updating any type of expense policy requires careful consideration of the needs for both the employee and the company. Before you dive in and start writing, consider these 8 tips:



1. Review any existing expense policies

Ideally, your Remote Employee Expense Policy is simply part of your standard expense policy. An all-encompassing policy is easier to implement, manage and control. If you're creating a standalone remote employee expense policy, however, it will still be useful to review your standard expense policy to ensure consistency.



2. Conduct a spend analysis ahead of time

You first need to have a clear picture of your company's spend to make informed decisions about the policy you are creating. Assess and get clarity on the different types of expenditures unique to remote employees. Speak with a variety of people managers who have, or will have, remote team members.



3. Use sensible rules

Encourage employees to spend sensibly by creating a policy that's fair. Establish clear rules for employees on what can and can't be claimed when working remotely. Any changes or updates made to company rules should be clearly communicated. Write your policy to guide the desired behaviors and be flexible enough to adapt to local requirements—such as higher internet access costs in rural areas. You could include a table of acceptable regional rates or use a system that flags out-of-policy spend to avoid unpleasant surprises later in the expense-claim process.



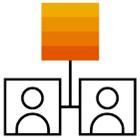
4. Ensure the policy is equitable

The rules and guidelines for remote and non-remote employees will have some common items but will also differ in places. It is imperative that all employees feel they are being treated equally and given a similar level of benefits and reimbursement opportunities.



5. Make it easy to understand

Make sure your policy is concise, well-written, and avoids the use of business jargon. The easier a policy is to understand, the easier it is for employees to follow. Once the policy is ready, consider hosting a virtual training session for managers and remote employees to help them understand the policy's purpose, benefits, and compliance requirements.



6. Make it easy to find

Make sure your expense policy is easy for employees, especially remote working employees, to find. Email it to employees and/or make it easy to locate and download from a company intranet site.



7. Automate claims to reduce errors and fraud

Automating your expense submission, approval, and reimbursement process can provide significant time and cost savings. For remote employees in particular, an automated expense management system can significantly reduce unnecessary manual effort plus the risk of errors and fraud.



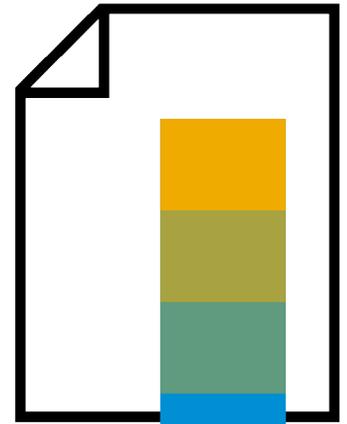
8. Take advantage of mobile app integrations

Remote employees will benefit greatly from seamlessly connecting their digital spend data, such as receipts, in near real-time between their mobile apps and your company's expense management system. A truly connected spend management solution will also integrate with your other CRM, HR, and finance systems. Keep in mind your policy will require regular updates based on the ever-changing technology landscape.

Guidelines for writing a remote employee expense policy

It may seem daunting at first to write a Remote Employee Expense Policy that is easy for employees to understand and follow, while also being comprehensive enough to ensure compliance and minimise corporate risk. In general, however, the most effective policies are concise and use simple language.

Begin by sketching out the structure of your policy as follows:



Statement of purpose

- Who is it for?
- What will it encompass (what does the company expect)?
- When it will be implemented (date of implementation)?
- Why does the policy exist (guideline to filing)?

Expense submission steps and compliance requirements

- Outline employee requirements and expectations
 - Detail how an employee is to comply and submit expenses for reimbursement
 - Set an expectation for reimbursement timelines
 - Detail who will approve and authorise expenses
 - Explain what happens in the event of non-compliance
- Provide a brief overview of available resources to guide the correct behaviours

Allowable remote employee expenses

- Supplies
- Software & computer-related equipment
- Utilities (including internet and mobile expenses)
- Meals and entertainment
- Travel and travel-related expenses
- Other expense types

Areas of ambiguity

- Define non-allowable remote employee expenses
- Explain any specific local or international requirements
- Provide answers to FAQs

The following pages provide a more detailed explanation for each category, as well as examples of language you can use when creating your own policy.



Statement of purpose

Explanation	Example Wording
<p>Why is there a specific expense policy for remote employees? Set some basic guidelines—make it factual, not scary.</p> <p>Include:</p> <ul style="list-style-type: none">• Who the policy applies to (remote employees, including managers)• Date of policy implementation	<p>The Remote Employee Expense Policy applies to any employee authorised by The Company to either work full time from home or at other locations outside of the corporate office(s).</p> <p>Please also refer to the following company documents:</p> <ul style="list-style-type: none">• Standard expense policy• HR Policy• Etc.



Company expectations and policy compliance

Explanation	Example Wording
<p>Include a brief explanation of:</p> <ul style="list-style-type: none">• What the company will do to help remote employees claim expenses• What the company expects in order to reimburse remote employees• What happens if a remote employee fails to comply with policy	<p>As a remote employee, much of your work will be conducted away from the corporate offices. As with all employees, however, when you incur or submit an expense, we expect you to:</p> <ul style="list-style-type: none">• Behave honestly, responsibly, and within the guidelines of this policy• Submit expenses within 30 days of incurring them (to help you get paid more quickly and support the needs of our finance team)• Keep all your receipts and/or submit required documentation by [e.g. scanning paper receipts or capturing receipts via approved mobile app]. <p>We take this policy seriously and expect you to do the same. Breaches of policy may result in disciplinary action or termination of employment.</p>

Allowable expenses

Here is where your Remote Employee Expense Policy will likely differ from your regular employee expense policy. Providing clear examples and parameters will ensure compliance and decrease the likelihood of abuses. Common allowable expenses for remote employees include the following:



Supplies

Explanation	Example Wording
<p>Supplies refer to office supplies, such as pens, pencils, stationery, calculator, etc.</p> <p>At best, these supplies can be procured directly from the office. However, in instances where this is not possible, you need to include these items in your policy.</p>	<p>The Company will reimburse employees for all supplies related to remote work expenses as authorised by their manager. Please discuss ahead of time which supplies are allowable prior to making any purchases.</p>

Software & computer-related equipment

Explanation	Example Wording
<p>This section would apply to laptops, printers, mobile phones, scanners, Wi-Fi hubs, computer cameras, etc.</p> <p>It is advisable, however, that the equipment is purchased directly by the company, rather than by the employee.</p>	<p>The Company will provide a laptop and printer for employees who work remotely 50% or more of the time and as authorised by their manager as necessary.</p>

Utilities

Explanation	Example Wording
<p>Use-of-home costs for work can be some of the trickier expenses to qualify. Often this will cover costs related to internet access, mobile and landline telephone, etc.</p> <p>You can use an allocation based on the usage or a reasonable fixed dollar amount. Keep being up to date with the latest ATO guidelines around how these expenses are identified for tax purposes.</p>	<p>The Company will reimburse the employee for XX% of their internet, mobile and landline telephone costs with proof of invoices monthly. Or, a monthly spend of \$XX will be given to the employee that works remotely for more than 80% of the time and over more than a month.</p>

Meals & Entertainment

Explanation	Example Wording
<p>This section should set limits on meal prices and provide guidelines on when and how much meals to claim. Some companies limit the reimbursement of alcohol and cap the meals to a certain amount to discourage abuse of the expense.</p>	<p>To claim meals/food you must have met the following conditions:</p> <ul style="list-style-type: none"> • You've been away from your remote office location for business purposes for more than half a working day • You travelled more than 10 kilometers from the remote office/your home • You may claim for breakfast if your journey started before 7:00 am <p>All entertainment claims must include the following details: business reason, venue name and location, name of client and all attendees.</p> <p>Alcoholic drinks may only be claimed if consumed with a meal.</p>

Travel

Explanation	Example Wording
<p>Travel expenses are a large topic to cover. At minimum, this section should cover the basics, such as:</p> <ul style="list-style-type: none"> • Preferred suppliers • Recommended booking methods for air travel, rail travel and rental cars (e.g. chosen travel agency or an integrated travel system) • Range of acceptable fares • Use of company cars • Use of personal cars for business • Mileage reimbursement rates • Insurance (is this covered by the company or must individuals insure themselves?) 	<p>This section of the policy covers travel-related costs that can be expensed by remote employees.</p> <p>If you are travelling in a way that is not covered by this policy or have questions that are not answered here, talk to your manager and include a note with your expense claim when you submit it.</p> <p>The policy includes information about how and when you should travel by car, air, train and taxi. It includes details about our commitment to sustainable travel options as well as the importance of choosing the lowest-priced logical method of transport available at the time.</p>

Continued on the next page...

Travel (continuation)

Explanation	Example Wording
<p>It's also helpful to include specific parameters around when a travel-related cost can be expensed by a remote employee. For example:</p> <ul style="list-style-type: none"> • Do you encourage use of sustainable transport? • When is it okay to take first class or business class? • Does public transport take precedence over taxis vs. personal cars? If so, when? • How far in advance must trips be booked? • Is pre-approval needed before employee's book travel or only if the cost is over a certain value? 	<p>Please note: All bookings should be made through our travel agent (insert name of travel resource). Travel that is not booked at least 14 days in advance will not be reimbursed without approval from the CEO.</p> <p>All travel should be booked in standard/economy class. You are welcome to use your own frequent flyer plans, as long as this does not prevent you from booking the lowest-priced logical choice available.</p> <p>Personal travel may be combined with business as long as there is no additional cost to the company.</p> <p>(Other applicable company-related details should be added as needed here.)</p>

Accommodation When Travelling

Explanation	Example Wording
<p>Any preferred booking methods (e.g. through a travel agent online booking tool) or preferred suppliers should be listed here.</p> <p>It could also include instructions regarding reimbursement if people stay with friends/relatives.</p>	<ul style="list-style-type: none"> • When booking hotels, we expect you to use our preferred hotels. • The maximum we will reimburse per night is \$160 + taxes (for example—but this depends on region). This amount does not include meal costs. • You are responsible for all hotel cancellations and for reclaiming reimbursements (less cancellation fees) from the hotel directly. • You must always indicate your over-night accommodation location so we can comply with Duty of Care requirements. Either inform your manager or share your travel itinerary with your manager using Triplt®. If your manager is not working when you are travelling you must inform their replacement. If this is yourself, please tell HR. • You are not allowed to upgrade your room while travelling on business with Our Company.

Travel-related expenses

Explanation	Example Wording
<p>This section should be a list of travel-related expenses that are acceptable and in policy for remote employees.</p> 	<p>The following travel-related expenses are acceptable and (insert company name) employees will be reimbursed for these expenses:</p> <ul style="list-style-type: none"> • Baggage (no more than 1 bag) and advanced-seat bookings • Parking • Foreign-currency charges • Visas • Tips (up to 15%). This does not apply if the tip has already been included in the bill. • Use of a GPS with rental cars for driving in unfamiliar territory <p>The following travel-related expenses are <u>not</u> acceptable. Please do not put these on your expenses claim:</p> <ul style="list-style-type: none"> • Mileage to attend in-office meetings or events including taxis and ridesharing arrangements • Laundry service/dry-cleaning (unless you have stayed for business for more than 4 nights) • Mini-bar contents • Movies/videos • Parking fines • The loss/theft of goods (this should be covered by your own travel insurance—of which you can reclaim \$170 annually) • Childcare • Magazines/newspapers (unless essential for a justifiable business purpose)

Other expense types

Explanation	Example Wording
<p>This section should be used to capture a list of other expenses that are acceptable and in-policy.</p>	<p>The following expenses are acceptable and remote employees will be reimbursed for them.</p> <ul style="list-style-type: none"> • Professional membership fees (where these enhance the standing of the individual and by association, the company) • Postage for business purposes • Mobile data-usage fees (business portion only) • Mobile data-usage fees when travelling abroad (provided it has been pre-booked)



Areas of ambiguity

Explanation	Example Wording
<p>Generally, personal items and services are not allowed to be reimbursed by an employee. The line blurs, however, for items that serve both personal and business needs.</p> <p>You should define a percentage allocated allowable to be expensed for work. For example:</p> <ul style="list-style-type: none">• Internet• Phone• Mobile data• Heat• Electricity <p>You can cover a broader range of exceptions and unique cases by providing a list of FAQs for employees to refer back to. For example:</p> <ul style="list-style-type: none">• how to deal with expenses incurred in a different international currency	<p>For all items and services not listed specifically in the Remote Employee Expense Policy, please seek prior approval and/or clarification from your manager.</p> <p>Ensure your expense reports have a justification and date in order for timely reimbursement to occur.</p> <p>If you are incurring an expense in a different international currency, the expense will be translated into the Australian Dollar value for reimbursement.</p>

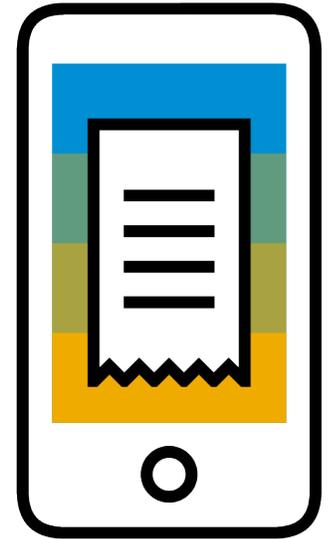
Non-allowable remote employee expenses

Explanation	Example Wording
<p>Generally, personal items and services are not reimbursable by an employee. Make sure to clearly articulate these out-of-policy items so employees are not met with an unfortunate surprise after an expense has already been incurred.</p>	<p>The following are some examples of NON-ALLOWABLE EXPENSES that are NOT to be submitted for reimbursement:</p> <ul style="list-style-type: none">• Expensing all of your utilities as opposed to a portion related to work• Maintenance and repairs to your house• Spa treatments• Meals for accompanying family members• Movie and video streaming services and rentals

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* Elevate Business Performance and Better Manage Spend with Automation, AMI-Partners, 2018

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