R. McCONNELL GROUP PLLC

A BOARD GUIDE

Travel & Expense

Reasonable, necessary, and well-documented spending

Travel and expense controls: approval authority, the reasonable-and-necessary standard, documentation, government-official limits, and prohibited expenses

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Why Travel & Expense Matters

Expense reports are where small problems become big ones

Resources used well
Clear standards keep travel and entertainment spending appropriate and purposeful

Tax and audit ready
Proper documentation secures favorable tax treatment and withstands audit

Corruption risk reduced
Limits on gifts and government-official spending guard against bribery

Consistent and fair
One standard applied across the organization treats everyone equitably

THE STANDARD

Reimbursed expenses must be reasonable in amount and necessary to accomplish a defined business purpose

What Gets Reimbursed

Spending must serve the business and stay reasonable

Business purpose

Costs must be necessary to accomplish a defined, legitimate business purpose

Lowest logical fare

Book the lowest sensible airfare; loyalty perks are not exceptions

Cost-conscious lodging

Choose accommodation within budget and book through approved tools

Meal budgets

Daily meal allowances apply, with limited high-cost-city exceptions

Nominal gifts only

Business gifts and entertainment must be nominal, lawful, and proper

Approved booking tools

Use designated systems for flights, hotels, and rental vehicles

Approval & Documentation

Authority, receipts, and timing keep spending accountable

Manager approval	Expenses above set thresholds require line-manager or delegate approval
Threshold automation	Smaller claims auto-process but remain subject to audit and rejection
Receipts required	Itemized receipts and documentation must support every claim
Timely submission	Submit claims within 30 days; very late claims are not reimbursed
Corporate cards	Card statements follow the same submission timeline as claims
Audit & discipline	Claims face periodic audits; non-compliance can trigger discipline

NON-REIMBURSABLE

What the Company Won’t Pay

Personal, punitive, and upgrade costs fall outside the policy

- Fines & tickets
- Class upgrades
- Personal entertainment
- Spa & salon
- Childcare
- Passport renewal
- Personal travel days
- Loyalty interest
- Personal internet

GOVERNMENT OFFICIALS

Travel, lodging, or transport for an official at or above the threshold requires compliance pre-approval before payment

Definitions

Reasonable & necessary

Appropriate in amount and required to achieve a defined business purpose

Pre-approval

Advance authorization required before incurring certain higher-value or sensitive expenses

Government official

A public officeholder whose hosting triggers heightened anti-corruption controls

Substantiation

Itemized receipts and documentation evidencing the business nature of a claim

Questions the Board Should Ask

A few questions test whether spending is controlled

01

Do approval thresholds and audits scale with risk?

Right-sized controls catch material issues without burdening routine claims

02

How are government-official expenses pre-approved?

These carry the highest corruption and reputational exposure

03

What share of claims lack receipts or timely filing?

Documentation gaps signal control weaknesses and tax exposure

04

Are gift and entertainment limits enforced?

Ambiguity here is where improper-payment risk most often enters