

SUBCONTRACTOR EXPENSE COMPENSATION AGREEMENT

This Subcontractor Expense Compensation Agreement (the "Agreement") is entered into this _____ day of _____, 20_____, by and between:

Contractor: _____

Address: _____

Subcontractor: _____

Address: _____

WHEREAS, Contractor and Subcontractor are parties to an independent contractor or subcontractor agreement dated _____ (the "Prime Agreement"); and

WHEREAS, the parties desire to establish a clear protocol and agreement regarding the reimbursement of expenses incurred by the Subcontractor during the performance of services under the Prime Agreement.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Reimbursable Expenses

The Contractor shall reimburse the Subcontractor only for pre-approved, reasonable, and necessary business expenses directly incurred in connection with performing the services under the Prime Agreement. Approved categories of expenses include:

1. Travel expenses, including mileage at the rate of _____ per mile, tolls, and parking.
2. Lodging and meals, subject to a maximum daily allowance of _____.
3. Materials, supplies, or equipment directly required for the project, provided they receive prior written consent from the Contractor if the cost exceeds _____.
4. Other expenses specifically authorized in writing by the Contractor prior to being incurred.

2. Pre-Approval Requirements

Any individual expense exceeding _____ requires written pre-approval from the Contractor. Unapproved expenses that exceed this threshold or fall outside the categories listed in Section 1 will not be eligible for reimbursement.

3. Documentation and Submission

To receive reimbursement, the Subcontractor must submit:

1. A detailed expense report utilizing the Contractor's designated format.
2. Legible receipts, invoices, or proofs of payment for all claimed expenses.
3. Expenses must be submitted within _____ days of being incurred. Failure to submit expense reports within this timeframe may result in forfeiture of the reimbursement.

4. Payment Terms

Approved expense reimbursements will be processed and paid to the Subcontractor within _____ days following the receipt and approval of the complete expense report and supporting documentation.

5. Term and Termination

This Agreement shall remain in effect concurrently with the Prime Agreement unless terminated earlier by either party

upon _____ days' written notice. Upon termination, any outstanding eligible expenses incurred prior to the termination date will be processed in accordance with the terms of this Agreement.

6. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of _____.

IN WITNESS WHEREOF, the parties hereto have executed this Subcontractor Expense Compensation Agreement as of the date first written above.

CONTRACTOR:

SUBCONTRACTOR:

Signature

Signature

Printed Name

Printed Name

Title

Title

Date

Date