

SUBCONTRACTOR OUT-OF-POCKET EXPENSE REIMBURSEMENT PROTOCOL

Agreement Template

This Protocol is entered into as of _____, by and between:

Contractor: _____

Subcontractor: _____

Underlying Agreement Date: _____

1. PURPOSE

This Protocol establishes the mandatory procedures, rules, and documentation requirements governing the reimbursement of out-of-pocket expenses incurred by the Subcontractor during the performance of services under the Underlying Agreement. No expense shall be reimbursed unless it strictly complies with the terms set forth herein.

2. PRIOR AUTHORIZATION REQUIREMENTS

All out-of-pocket expenses exceeding a single transaction value of _____ or an aggregate monthly value of _____ must receive prior written authorization from the Contractor's designated representative. Any expenses incurred exceeding these thresholds without documented prior written approval will be rejected and remain the sole financial responsibility of the Subcontractor.

3. ELIGIBLE EXPENSES

Subject to the limitations in Section 2, the following categories of out-of-pocket expenses are eligible for reimbursement, provided they are directly related to the performance of services:

- **Travel:** Economy class airfare, standard rail, or public transportation. Mileage for personal vehicle use will be reimbursed at the standard rate of _____ per mile/kilometer.
- **Lodging:** Standard single-occupancy hotel rooms, not to exceed _____ per night, unless previously approved in writing.
- **Meals:** Actual cost of meals during travel, subject to a maximum daily per diem of _____.
- **Materials & Supplies:** Necessary project-specific materials purchased solely for the performance of services, subject to Contractor's pre-approval.

4. NON-REIMBURSABLE EXPENSES

The following expenses are explicitly excluded from reimbursement:

- First-class or business-class travel upgrades.
- Alcoholic beverages, entertainment, and personal recreation.
- Valet parking, unless no standard parking alternatives are available.
- Fines, parking tickets, traffic violations, or towing fees.
- Expenses incurred by spouses or guests of the Subcontractor.
- Standard commuting costs to and from the Subcontractor's primary place of business.

5. DOCUMENTATION AND SUBMISSION PROCESS

To receive reimbursement, the Subcontractor must comply with the following submission requirements:

1. Submit a detailed expense report using the Contractor's designated template.

2. Provide legible, original itemized receipts for all expenses. Credit card statements alone are not accepted as valid proof of purchase.
3. Submit the expense report and receipts within _____ calendar days of incurring the expense. Failure to submit within this timeframe will result in forfeiture of the reimbursement.

6. AUDIT RIGHTS

The Contractor reserves the right to audit the books, records, and original receipts of the Subcontractor relating to any claimed expenses for a period of _____ years following the termination or expiration of the Underlying Agreement.

By signing below, the parties agree to be bound by the terms and conditions of this Out-of-Pocket Expense Reimbursement Protocol.

FOR CONTRACTOR (AUTHORIZED SIGNATURE)

FOR SUBCONTRACTOR (AUTHORIZED SIGNATURE)

PRINT NAME & TITLE

PRINT NAME & TITLE

DATE

DATE