





Expense Management Policy

Policy Number: OVIGC-ADM-002

Date Issued: February 15, 2024

Introduction

This Expense Policy is applicable to all expenditures incurred by employees of our company and is designed to ensure the proper use of company-provided Debit and Credit Cards, alongside receipt-based reimbursements. It is important to emphasize that company-issued cards are intended strictly for official business purposes. Personal charges on these cards are expressly forbidden and will be considered a serious violation of this policy. In the event that personal expenses are charged to a company card, the employee will face immediate suspension of the card privileges and disciplinary action, which may include measures up to and including termination of employment. The policy aims to promote responsible spending and maintain transparent financial operations within our organization. All employees are required to adhere strictly to these guidelines, as failure to comply is viewed as a significant breach of company rules.

PEX Expense Card Usage Guidelines

1. General Usage

- **Scope:** This section of the policy specifically addresses the appropriate use of company-issued debit cards (such as PEX cards), credit cards, and procedures for expense reimbursements. It is designed to ensure that all transactions and financial activities are conducted in a manner that aligns with company objectives and financial ethics.
- **Compliance:** It is imperative that all employees rigorously follow the guidelines and procedures detailed in this policy. Adherence is not optional; it is a fundamental responsibility of every employee who engages in financial transactions or expense reporting on behalf of the company. Non-compliance will be addressed seriously and may lead to disciplinary action.

2. Receipt Submission

- **Requirement:** For every transaction made using company-issued cards, employees are required to submit a clear and high-quality digital image of the original receipt. Each receipt is considered a vital document of the company, reflecting our commitment to maintaining high standards of professionalism, compliance, and accuracy in our financial reporting. Receipts must be legible and in excellent condition to meet both local and federal legal standards. Receipts that are unclear, damaged, or otherwise unreadable will not be accepted and will be considered as if they were not submitted.
- **Deadline:** Employees must submit all receipts and any related documentation by the close of business on the last working day of each week. This regular submission schedule ensures timely and efficient processing of expense reports and adherence to financial reporting requirements. Should there be any transactions lacking proper documentation after the specified period, a single reminder will be sent to the employee to complete and submit the necessary documentation promptly. Failure to comply with this process may impact the reimbursement process and could lead to further action.



3. Transaction Tagging

- **Expense Tag:** Every transaction processed using company-issued cards must be accurately tagged with an 'Expense Tag'. These tags are to be selected based on the descriptions provided in the "General Expense Categories and Guidelines" section of this policy. This ensures that each expense is categorized appropriately, facilitating effective financial management and oversight.
- **Project Tag:** Transactions that pertain directly to a specific project must be additionally tagged with a 'Project Tag', that matches the project code in company construction management software. This process aids in the precise tracking and allocation of project-related expenditures.
- **Restricted Categories:** Employees must also ensure compliance with the "Restricted Expense Categories and Guidelines" section when tagging transactions. This section details expenses that are not permitted or require special approval, thereby guiding employees in making informed spending decisions that align with company policies and financial ethics.
- **Expense or Project Tag Not Available:** In instances where the required 'Expense Tag' or 'Project Tag' has not been provisioned in the system, employees are instructed to provide full details of the transaction in the notes section. This includes a thorough description of the expense and/or project. Additionally, notify your line manager about the absence of the specific tag(s). This step is crucial for ensuring the proper categorization and review of expenses, and for facilitating the addition of necessary tags to the system.

4. Handling of Rejected Transactions

- **Withholding:** In the event of a transaction being rejected, the amount corresponding to the rejected transaction will be withheld from the paycheck of the employee responsible, during the subsequent pay period. Depending on the specific circumstances leading to the rejection, this action may be accompanied by a verbal warning or further disciplinary measures.

5. Accountability and Review

- **Regular Audits:** To ensure adherence to this policy, transactions made with company-issued cards will undergo regular audits. These audits are designed to review and verify the compliance of all transactions against the established guidelines and standards outlined in this policy. This process not only promotes transparency and accountability but also reinforces the importance of responsible financial management within the company.

6. Policy Updates and Communication

- **Changes:** Please be aware that this policy may be revised or updated over time to reflect changes in regulatory requirements, company procedures, or financial practices. Employees are expected to remain informed about the most current version of this policy to ensure ongoing compliance.
- **Responsibility:** Each employee has a duty to familiarize themselves with, understand, and adhere to the updated policy. It is crucial for all employees to actively engage with the provided resources and training, and to seek clarification when necessary to comply fully with the policy's stipulations. This collective responsibility supports a culture of integrity and accountability throughout the organization.



General Expense Categories and Guidelines

1. General Expenses

- **Definition:** This category serves as a temporary placeholder for atypical or uncommon items that do not neatly fit into the predefined expense categories. It is intended for use in exceptional circumstances where an expense is necessary for business operations but falls outside the standard classifications.
- **Requirement:** Transactions categorized under General Expenses must be accompanied by detailed comments. These comments should thoroughly explain the nature of the transaction, its business purpose, and the reason it does not conform to existing expense categories.
- **Review Process:** Due to their atypical nature, all entries labeled as General Expenses will automatically be flagged for a detailed review. This scrutiny ensures that such expenses are justified and genuinely required for business purposes. Expenses submitted under this category without proper justification, or that fail to meet the company's standards for necessary expenses, will be subject to rejection. This rigorous review process is designed to maintain fiscal responsibility while accommodating the diverse needs of the business.

2. Job Materials & Consumables

- **Definition:** This category encompasses materials that are directly used and manipulated on-site for business operations. It includes consumables such as saw blades, drill bits, fasteners, putty, and other similar items essential for completing specific tasks or projects.
- **Accounting:** Expenses incurred for job materials and consumables should be attributed to the initial job or project for which they were purchased, regardless of whether the material or consumable lasts beyond the duration of that specific job.
- **Usage:** The use of this expense designation is primarily intended for the field team, who are most often engaged in on-site activities requiring such materials and consumables.

3. Hand Tools

- **Definition:** This category is reserved for durable tools that have a useful lifespan of more than a year. Examples include, but are not limited to, nail guns, pneumatic hoses, extension cords, levels, and other similar tools that are essential for the execution of various tasks and projects.
- **Usage:** The allocation for the purchase of hand tools is primarily designated for the field team. This policy is in place to ensure that investments in durable tools are made judiciously, aligning with the operational needs and efficiency improvements for those directly engaged in on-site work.

4. Fuel

- **Definition:** Covers fuel expenses incurred for company vehicles. It is intended to ensure that fuel costs associated with the operation of company vehicles are tracked and managed effectively.
- **Usage:** Fuel expenses are primarily applicable to vehicles operated by the field team, who require transportation as part of their job functions. This designation aims to streamline the management of fuel costs, ensuring that vehicles used for business purposes are adequately fueled for operational efficiency and job performance.
- **Accounting:** Employees responsible for purchasing fuel for company vehicles must clearly identify these transactions as fuel purchases. This allows for the accurate attribution of the expense to the correct company asset, ensuring proper accounting and financial tracking.



- **Personal Vehicles:** For Fuel expenses related to personal vehicles, please refer to the "Restricted Expense Categories and Guidelines" section of this document.

5. Landfill Disposal Fees

- **Definition:** Encompasses charges incurred for the disposal of waste materials at a landfill site. It is intended to cover the costs associated with responsibly disposing of non-hazardous construction debris, excess materials, and other waste generated during the course of business operations.
- **Usage:** The allocation for landfill disposal fees is primarily intended for the field team, who are often involved in projects that generate significant amounts of waste requiring proper disposal.

6. Ground Transportation Expenses

- **Definition:** Includes all costs associated with ground vehicle transportation required for business purposes. It includes expenses such as taxi fares, parking fees, and car rental charges.
- **Usage:** When incurring ground transportation expenses, employees are expected to choose cost-effective and practical options that best suit the business need at hand.

7. Safety & Compliance Expenses

- **Definition:** Costs associated with ensuring safety and compliance within the company. It encompasses expenses for safety training programs, purchase of safety equipment, and any other expenditures required to meet industry safety standards and regulatory compliance. This includes, but is not limited to, personal protective equipment (PPE), safety signage, emergency response equipment, and compliance certification fees.
- **Usage:** Expenses under this category are considered essential for the wellbeing of employees and the legal operation of the company. Departments and teams are encouraged to proactively identify needs and allocate resources for safety and compliance, ensuring that all activities are conducted in accordance with relevant laws, regulations, and best practices.

Restricted Expense Categories and Guidelines

1. Personal Vehicle Fuel

- **Definition:** This category encompasses expenses incurred from purchasing fuel for personal vehicles, specifically designated for company-related tasks or travel.
- **Usage:** Fuel expenses are mainly relevant to vehicles utilized by the field team or any employee whose role necessitates travel. It is crucial that these expenses receive prior approval from the employee's manager to ensure they are deemed necessary and align with company travel or project requirements.
- **Accounting:** The purchaser must identify fuel purchases for personal vehicles so that the transaction may be attributed to the correct accounting code.
- **Pre-Approval Required:** When submitting fuel expenses for personal vehicles, employees are required to distinctly mark these transactions, ensuring they are allocated to the appropriate accounting code. Additionally, evidence of managerial pre-approval must accompany the expense submission to facilitate accurate and compliant financial tracking.



2. Meals & Entertainment

- **Scope:** Expenses related to meals and entertainment are typically covered under per diem allowances for out-of-town travel, rather than direct charges to company cards. This approach aims to streamline expense management and ensure fairness and consistency in the allocation of funds for meals and entertainment during business-related travel.
- **Pre-Approval Required:** Any expenses for meals and entertainment that fall outside the standard per diem allowances must receive explicit pre-approval from a manager. This pre-approval process is essential to verify that the expenses are necessary and justified as part of the business activity or travel. Employees are expected to obtain this approval prior to incurring any such expenses, ensuring alignment with budgetary constraints and company policies.

3. Airfare Travel Expenses

- **Definition:** This category specifically addresses the costs associated with air travel for business-related purposes. It includes expenses such as airline tickets, baggage fees, and any other charges directly related to air travel necessary for fulfilling job duties or attending company-sanctioned events.
- **Pre-Approval:** All airfare travel expenses must be pre-approved by a manager before any bookings are made or expenses are incurred. This pre-approval process ensures that travel plans are aligned with business objectives, budgets are adhered to, and expenditures are justified. Employees are responsible for securing this approval in advance and providing documentation or evidence of the approval when submitting travel expenses for reimbursement or payment.

4. Hotel Accommodation Expenses

- **Definition:** This category encompasses expenses related to lodging, including hotels or Airbnb rentals, incurred during work-related trips or assignments. It aims to cover the costs of accommodations necessary for employees traveling on behalf of the company or participating in external business activities.
- **Pre-Approval:** Similar to airfare and other travel-related expenses, hotel accommodation costs must also be pre-approved by a manager. This ensures that all lodging expenses are justified, budgeted, and align with the specific needs of the business trip or assignment. Employees are expected to obtain this pre-approval before making any reservations or incurring any accommodation expenses, and must provide evidence of such approval when submitting these expenses for reimbursement.

5. Vehicle Expenses

- **Definition:** This category covers all costs associated with the maintenance and repair of company vehicles. It is designed to ensure that company vehicles are kept in optimal condition for safe and efficient operation.
- **Pre-Approval:** Any maintenance or repair expenses for company vehicles must be pre-approved by a manager. This step is crucial to verify the necessity of the repairs and to ensure that expenses are managed judiciously. Employees are required to obtain approval before incurring any such expenses and must document this authorization as part of the expense reporting process.

6. Office Supplies

- **Definition:** Encompasses all purchases related to supplies and equipment intended for use within the office. It includes, but is not limited to, stationary, printing materials, and office machinery.



- **Pre-Approval:** Expenditures on office supplies and equipment necessitate prior approval from a manager. This policy ensures that all purchases are essential for daily operations and align with the company's budgetary constraints and operational needs. Employees are expected to seek this pre-approval before making any purchases and must include evidence of such approval when submitting expense reports for these items.

7. Insurance

- **Definition:** Refers to the premiums paid for the company's diverse range of insurance policies, which may include liability, property, health, and vehicle insurance, among others.
- **Usage:** The responsibility for managing and expending on insurance premiums is designated primarily to the backoffice team. Field teams are generally excluded from using this expense category, unless they receive specific instructions from a line manager.

8. Professional Fees

- **Definition:** Expenses incurred from hiring external professionals or consultants. These costs may include fees for legal advice, financial consulting, industry-specific expertise, or other professional services that are essential for the company's operations or strategic initiatives.
- **Usage:** Use of funds for professional fees are primarily designated for the backoffice team. This team is typically responsible for managing the company's administrative, financial, and operational functions, where the expertise of external professionals may be required. Field teams are generally not authorized to incur expenses in this category without explicit instructions from a line manager.

9. Software & Services Expenses

- **Definition:** Expenses related to software licenses, subscriptions, and any associated services required for the company's operations. These costs can range from productivity and collaboration tools to specialized software that supports the company's technical, financial, or operational needs.
- **Usage:** The responsibility for incurring expenses in this category falls predominantly to the backoffice team. This team oversees the technological and operational infrastructure of the company, ensuring that all software and services align with the company's needs and security protocols. Field teams are advised not to allocate funds towards software or service expenses without direct guidance and approval from a line manager.

10. Advertising

- **Definition:** Designated for expenses incurred in the promotion of the company's services and products. It encompasses a wide range of activities, including digital marketing, print advertising, public relations campaigns, social media advertising, and any other marketing efforts aimed at enhancing the company's visibility and market position.
- **Usage:** The management and initiation of advertising expenses are primarily the responsibility of the backoffice team. This team is tasked with developing and overseeing the company's marketing strategies, ensuring that advertising efforts are coherent, targeted, and aligned with the company's overall business objectives. Field teams are generally not authorized to engage in advertising or promotional activities or incur related expenses without explicit authorization from a line manager.



11. Charitable Donations

- **Definition:** Pertains to financial contributions made by the company to charities or non-profit organizations. Such donations are made to support various causes and initiatives that align with the company's values and social responsibility goals.
- **Pre-Approval:** Any charitable donation made on behalf of the company must first receive pre-approval from a manager. This ensures that all donations are deliberate, align with the company's philanthropic goals, and are distributed to reputable and aligned organizations. The pre-approval process also allows for the proper allocation of the company's charitable budget and ensures that contributions are made in a strategic and impactful manner.
- **Usage:** The responsibility for initiating and managing charitable donations is primarily assigned to the backoffice team. This team is tasked with evaluating potential donation opportunities, ensuring they align with the company's corporate social responsibility strategy, and managing the donation process. Field teams are generally not authorized to make charitable donations or engage in related activities without specific direction and approval from a line manager.

Expense Reimbursement Policy

This section provides detailed instructions for employees on how to claim reimbursement for business-related expenses paid out-of-pocket, ensuring a fair and systematic process.

1. **Submission of Receipts:** Employees must submit clear, legible receipts for all expenses as proof of payment. These are vital for the verification and approval of reimbursement claims.
2. **Written Classification of Expenses:** Alongside the receipt, a detailed written explanation of each expense must be provided, explaining the nature and business necessity. This classification is key to determining the appropriateness of the expense in accordance with company policies.
3. **Attribution to Projects:** Expenses related to specific projects must include the project code or name for proper financial tracking and budget allocation.

Reimbursement Process

1. **Submission Deadline:** Employees are encouraged to submit reimbursement claims within 30 days of incurring the expense to ensure timely processing.
2. **Review and Approval:** Claims will undergo a thorough review by the designated manager or department for approval, ensuring the expense meets all company guidelines and has not been compensated through other means.
3. **Payment of Reimbursement:** Upon approval, reimbursements will be processed in alignment with the company's payroll schedule. Additionally, the company reserves the right to issue payment via check mailed to the employee's address, at the company's discretion. The company allocates a period of up to 30 days to review and process any expense reimbursement request, ensuring thoroughness and accuracy in financial management.
4. **Non-Compliance:** Incomplete documentation or claims for non-approved expenses may result in denial of reimbursement. Persistent non-compliance can lead to disciplinary measures.

Disciplinary Guidelines

All employees are held to high standards of financial responsibility and are expected to adhere to the following guidelines:



- **Compliance with Deadlines:** Employees must ensure that all required documentation, including receipts and account coding, is submitted within the prescribed deadlines. Failure to comply will trigger a series of actions:
- An initial notification will be initiated by the Backoffice team and sent via the debit or credit card system or via email notification.
- Subsequent failures will be addressed directly by the line manager, starting with a verbal warning for the first instance of non-compliance, a written warning for the second, and disciplinary action for the third, which may include termination.
- **Prohibition of Personal Expenses:** Personal expenses on company debit and credit cards are strictly prohibited.
- In cases of accidental personal charges or extenuating circumstances, the amount will be deducted from the employee's next paycheck without further notice. This process incurs significant administrative overhead and is considered a burden to the company.
- An employee found to have made a personal expense will receive a verbal warning for the first instance, a written warning for the second, and disciplinary action for the third, potentially leading to termination.
- The company reserves the right to escalate any infraction to immediate disciplinary action, up to and including termination, based on the transaction's size or amount, at the company's discretion.

Document Control

This document is controlled and maintained by OVI General Contracting's compliance department.

Document ID	Document Name	Version	Author	Date Created	Reviewer	Status
OVIGC-ADM-001	EXPENSE MANAGEMENT POLICY	0.9	M.D.	12/20/2023		DRAFT
OVIGC-ADM-001	EXPENSE MANAGEMENT POLICY	1.0	M.D.	1/31/2024		INITIAL VERSION
OVIGC-ADM-001	EXPENSE MANAGEMENT POLICY	1.1	M.D	2/15/2024		LEGAL REVIEW
OVIGC-ADM-002	EXPENSE MANAGEMENT POLICY	1.2	M.D	6/08/2024		REVISED DOC NUMER

The current version is as of the date issued above. Any amendments to this policy will be distributed promptly and will supersede any previous versions.

OVI General Contracting

RCE-66400 | OVI GENERAL CONTRACTING LLC

800 W Main St, Ste 1460, Boise, ID 83702 | (208) 593-3223 | www.ovi-gc.com