



Canada Expense Reimbursement Procedure

This guide outlines the rules and procedures for expense reimbursement for employees in Canada. It ensures compliance with Canadian tax regulations, social security laws, and internal company policies.

General principles

- Employers may reimburse employees for necessary and justified business-related expenses incurred while performing their duties.
- Reimbursements for travel and home office costs are generally non-taxable up to specific legal limits, provided they are properly documented, reasonable, and directly connected to business activities.
- For all expenses, the purpose of the travel, meeting, or purchase must be clearly established and pre-approved by the manager where required.

Eligible expenses

The following categories of business-related expenses may be reimbursed:

- ◆ **Travel expenses** – Flights, accommodation, and per diems.
- ◆ **Work-related purchases** – Office supplies and software.
- ◆ **Home office expenses** – Internet and electricity, if used exclusively for business purposes.
- ◆ **Client and business entertainment** – Meals or events directly related to business purposes.

Reimbursement conditions



1. Travel expenses

- All travel must be strictly for business purposes.
- Claims must be supported by valid receipts and invoices.
- Screenshots of emails or bank statements do not constitute valid receipts.
- **Per diems:** Reimbursable based on company policy and reasonable local rates.



2. Client & business entertainment

- Expenses for business entertainment (e.g., meals with clients) are tax-free and reimbursable.
- Valid receipts and/or invoices must be provided for all claims.



3. Work-related & home office costs

- **Asset threshold:** Any equipment or tool purchased for more than 500 CAD will be treated as a taxable expense for the employee.
- Home office expenses, such as internet and electricity, are reimbursable only if used exclusively for business purposes.
- Purchases of office supplies and software require company approval.

! Documentation requirements

The employee must submit an expense claim with all supporting receipts or invoices.

Receipts/invoices must show: Date, vendor address, vendor tax number (GST/HST), and total amount.

Prohibited proof: Screenshots of emails and bank statements do not constitute valid receipts.

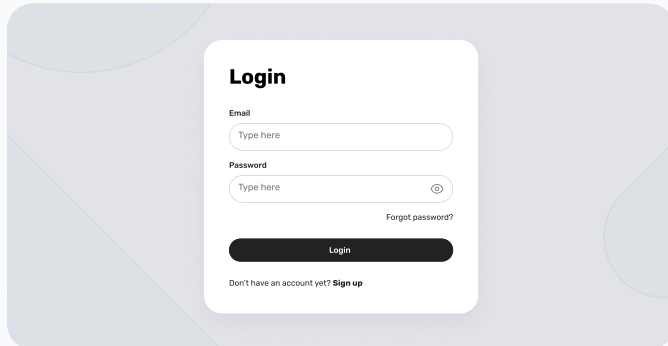
All expenses must be accompanied by an expense justification (business purpose) and be reviewed/authorized by the manager.

Special considerations

- **Taxable equipment:** Any equipment purchase exceeding CAD 500 is a taxable benefit and must be processed accordingly.
- **Exclusive use:** Home office reimbursements (internet/utilities) are only non-taxable if the service is used 100% for business activities.
- **Non-valid documentation:** Claims without an official invoice (showing vendor tax details) will be rejected; bank transaction logs are insufficient for CRA compliance.

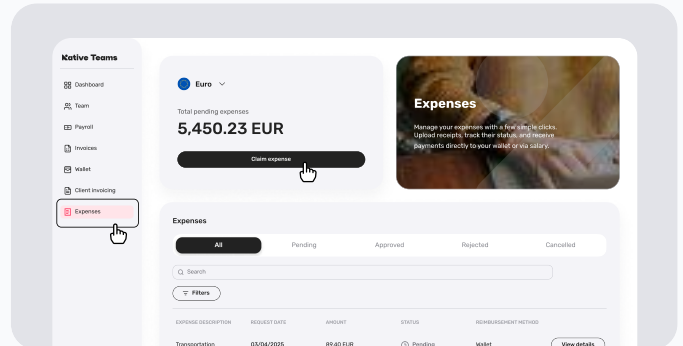
Expense Submission Process

Submitting via **Native Teams** Platform



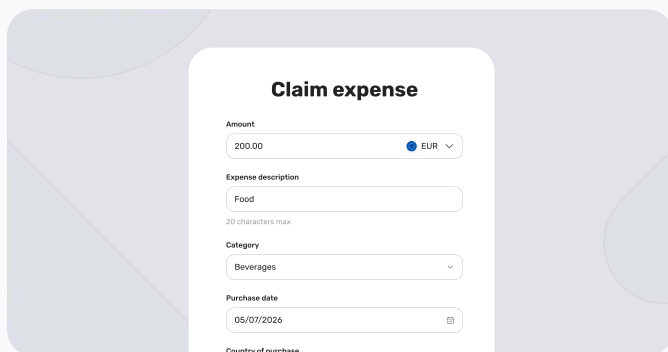
STEP 1

Log in to your Native Teams account.



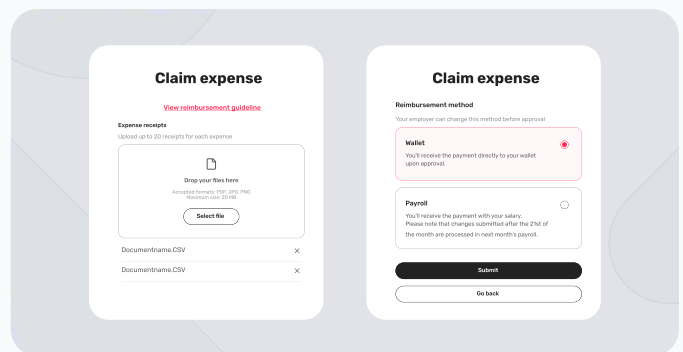
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



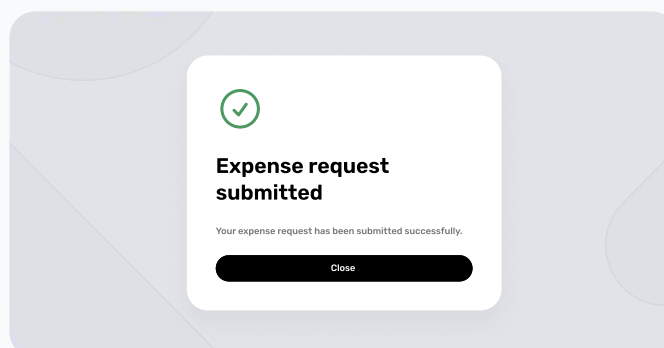
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

! Submission deadlines

- All expense claims must be submitted by the **10th of the month** to be processed in the same payroll cycle.
- Claims submitted after the 10th will be included in the following month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline will be brought forward to the previous working day.



Native Teams legal entity - Canada

◆ **Entity name:** Native Technologies Inc.

◆ **Entity registration number:** 1462484-0

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Native Teams

For any questions regarding expense reimbursements, please contact
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