



Kenya Expense Reimbursement Procedure

This guide outlines the rules and conditions for reimbursing business-related expenses in Kenya. All reimbursements must comply with Kenyan tax laws, the Finance Act 2025, and Native Teams' internal accounting standards.

General principles

- Employees may be reimbursed for business-related expenses incurred in the course of official duties.
- Bona fide reimbursements for entertainment, travel, and car costs are not treated as taxable income, provided they relate to employment and are properly substantiated.
- Business expenses that are wholly and exclusively incurred in the production of employment income and supported by receipts are excluded from taxable income.

Eligible expenses

The following business-related expenses may be reimbursed:

- ◆ **Travel expenses** – Including public transport (bus, matatu), flights, trains, taxis, and ride-hailing services.
- ◆ **Mileage allowance** – For use of private vehicles based on AA Kenya rates.
- ◆ **Accommodation** – Hotel stays are directly related to business travel.
- ◆ **Per diem / daily allowance** – Daily subsistence for duties away from the usual place of work.
- ◆ **Work-related purchases** – Office supplies, software, tools, and approved professional development costs.

Reimbursement conditions



1. Travel expenses

- **Transportation:** Eligible costs include flights, trains, and public transport (matatu/bus). All claims must be work-related and supported by receipts.
- **Private vehicle use:** Reimbursement should align with the standard mileage rate approved by the Automobile Association of Kenya (AA Kenya).
- **Accommodation:** Stays must be reasonable, documented, and directly related to business travel.



2. Per diem / daily allowance

- A daily allowance for meals and incidental expenses is provided for off-site official duties.
- **Tax-free threshold:** Under the Finance Act 2025, a daily per diem of up to KES 10,000 is generally non-taxable (effective July 2025).
- *Note: Future legislation may expand these limits based on gross salary.*



3. Work-related purchases

- Necessary items such as office supplies, software, and tools are reimbursable.
- Professional development costs are eligible if they are pre-approved by the employer.
- All purchases must be supported by receipts and a clear business justification.

⚠ Documentation requirements

To avoid reimbursements being treated as taxable benefits, requests must include:

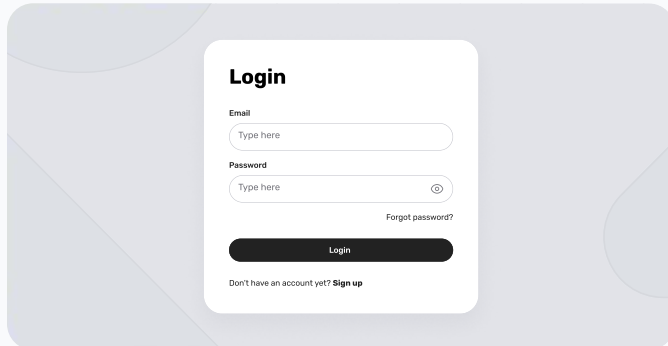
- **Original receipts or invoices.**
- **Business purpose justification.**
- **Dates and details** of the travel or expenditure.
- **Claim form:** Employees must submit a completed expense claim form for all requests.

Special considerations

- **Taxability of excess:** Mileage claims exceeding the AA Kenya approved rate, or per diems exceeding KES 10,000, may be treated as taxable benefits.
- **Substantiation:** Without adequate supporting documents, Kenyan tax law may treat reimbursements as taxable benefits.
- **Wholly and exclusively:** Only expenses incurred entirely for the production of employment income qualify for tax-free status.

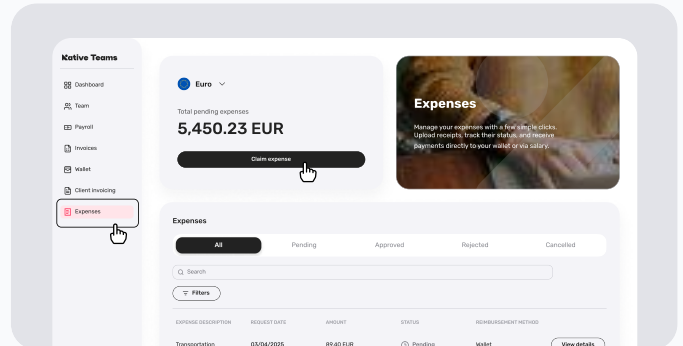
Expense Submission Process

Submitting via **Native Teams** Platform



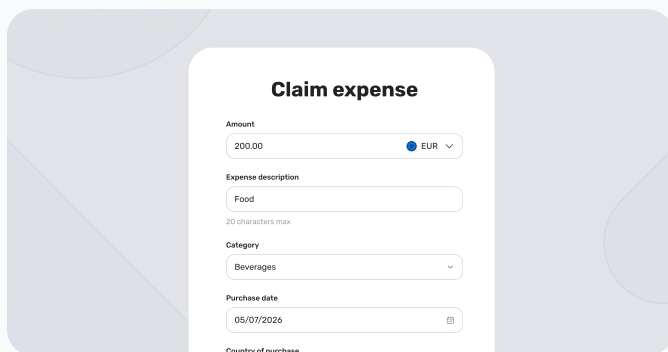
STEP 1

Log in to your Native Teams account.



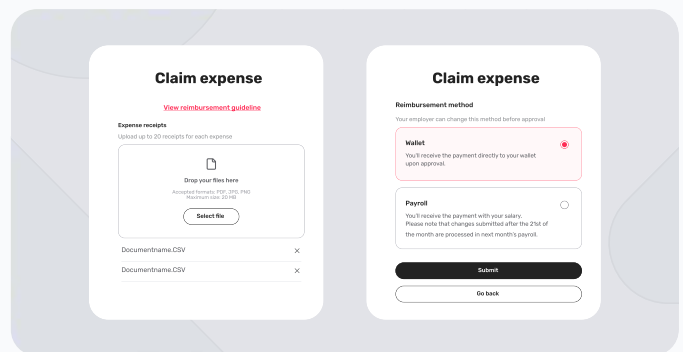
STEP 2

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



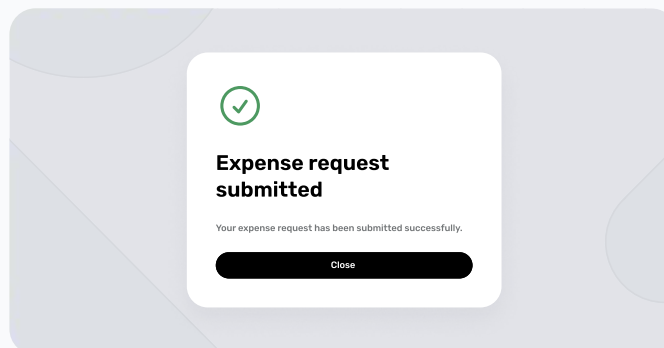
STEP 3

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 - Kenya

◆ **Entity name:** NATIVE TEAMS KENYA LIMITED

◆ **Entity registration number:** PVT-8LU7J2XJ

◆ **Address:** I & M Building, Kenyatta Avenue, Tom Mboya Street, P.O. BOX 15168-00400, Nairobi, Kenya

Native Teams

For any questions regarding expense reimbursements, please contact
customersuccess@nteam.com