



TRAVEL AND EXPENSE REIMBURSEMENT BOARD POLICY #P-2020.02.06-5

PURPOSE

The Board of Directors of the Sonoma Valley Health Care District (District) recognizes that Board members may be required to travel or incur other expenses from time to time to conduct District/Hospital business and to further the District/Hospital's mission.

Board members are encouraged to attend educational conferences and professional meetings when the purpose of such activities is to improve District operations. Hence, there is no limit as to the number of Board members attending a particular conference or seminar when it is apparent that their attendance is beneficial to the District.

The purpose of this Travel and Expense Reimbursement Policy is to ensure that (a) adequate cost controls are in place, (b) travel and other expenditures are appropriate, and (c) to provide a uniform and consistent approach for the timely reimbursement of authorized expenses incurred by Board members. It is the policy of the District to reimburse only reasonable and necessary expenses actually incurred by Board members.

When incurring business expenses, the District expects Board members to:

- Exercise discretion and good business judgment with respect to those expenses.
- Be cost conscious and spend the District's money as carefully and judiciously as the Board member would spend his or her own funds.
- Report expenses, supported by required documentation, as they were actually spent.

While the Board has set the policy, the Board member submitting the expense reimbursement claim and the person approving the reimbursement are personally responsible for maintaining the integrity of the reimbursement process.

GENERAL

Each Board member shall be allowed his or her actual necessary traveling and incidental expenses incurred in the performance of official business of the District as approved by the

Board (Section 32103 of the Health and Safety Code). In order for the District to reimburse an expense claim of a Board member, that member shall have completed the ethics training required by Section 53235 (a) of the Government Code within the past two years. The CEO shall maintain the record of completion on file and available for review when a Board member submits a claim for expense reimbursement. No Board member expense claim shall be approved for payment without confirmation of current compliance with the ethics training requirement ((Government Code Section 53235 (a), (b)).

Specifically the Board Chair or Board approves travel and incidental expenses for Board members when conducting official business as follows:

1. To testify before or attend any federal, state or local government: legislative body, committee, or sub-committee; regulatory body, committee, or sub-committee;
2. To meet with officials of other hospitals, health care districts, health care providers or government officials in California;
3. A conference or organized educational activity conducted in compliance with Section 54952.2 (c) of the Government Code;
4. A meeting, educational/training session, workshop, seminar, conference or similar activity conducted by a professional hospital, health association or group, non-profit or business;
5. A meeting with a current or potential funding agency/donor.
6. To testify or participate in mediation, arbitration, or court.
7. Incidental travel in the course of District business.
8. When the attendance at the event is determined by the Board Chair to be reasonable and necessary for the Board member to attend in their official capacity and there is written documentation of the determination accompanying the expense reimbursement claim signed by the Chair of the Board.

(Government Code section 53232.1(b))

For Board members, all expenses that do not fall within this Travel and Expense Reimbursement policy adopted by the Board, or that involve out-of-state travel, shall be approved by the District Board in a Board meeting before the expense is incurred (Government Code sections 53232.2 (c)-(f)).

All such reimbursements are to be made in accordance with the budget for that expense.

If a Board member believes that the limitations imposed by this policy will actually cost the District/Hospital more for any reason, the Board member shall seek the written approval of the Board Chair documenting the savings to be achieved. The documentation and the approval shall accompany and be filed with the expense reimbursement claim.

EXPENSE REPORT

The CEO shall provide standard expense report forms for Board members to claim reimbursement for actual and necessary expenses incurred on behalf of the District in the performance of official duties. Reimbursable expenses shall include, but not be limited to, meals, lodging, and travel. Expense reports shall document that expenses meet this policy, adopted by the Board, for expenditure of public resources. Board members shall submit expense reports to CEO within 60 days of the expense, accompanied by the receipts documenting each expense (Government Code sections 53232.3 (a), (b), (c)).

The CEO shall provide all forms to be used for the purpose of claiming expense reimbursement. Expenses shall not be reimbursed unless the Board member requesting reimbursement submits a written Expense Report on the necessary forms. The Expense Report shall include:

- The Board member's name.
- If reimbursement for travel is requested, the date, origin, destination and purpose of the trip, including a description of each business-related activity during the trip.
- The name and affiliation of all people for whom expenses are claimed (i.e., people on whom money is spent in order to conduct the District's business).
- An itemized list of all expenses for which reimbursement is requested.

All expenses claimed for reimbursement are subject to audit. Penalties for misuse of public resources or falsifying expense reports in violation of expense reporting policies by the Board may include, but are not limited to, the following:

- The loss of reimbursement privileges.
- Restitution to the District.
- Civil penalties for misuse of public resources pursuant to Section 8314 of the Government Code.
- Prosecution for misuse of public resources, pursuant to Section 424 of the Penal Code (Government Code section 53232.4).

RECEIPTS

Receipts are required for all expenditures billed directly to the District Board member, such as airfare and hotel charges. No expense in excess of \$25.00 will be reimbursed unless the Board

member requesting reimbursement submits with the Expense Report written receipts from each vendor (not a credit card receipt or statement) showing the vendor's name, a description of the services provided (if not otherwise obvious), the date, and the total expenses, including tips (if applicable). If an original receipt has been lost, the Board member may submit a declaration on the form provided by the CEO seeking approval of the affected expense. A credit card receipt or statement is often the best documentation available in such cases.

GENERAL TRAVEL REQUIREMENTS

1. Necessity of Travel

In determining the reasonableness and necessity of travel expenses, the individual Board member and the Board shall consider the ways in which the District/Hospital will benefit from the travel and weigh those benefits against the anticipated costs of the travel. The same considerations shall be taken into account in deciding whether a particular Board member's presence on a trip is necessary. In determining whether the benefits to District outweigh the costs, less expensive alternatives, such as participation by telephone or video conferencing, or the availability of local programs or training opportunities, shall be considered.

2. Advance Approval

All trips involving air travel or at least one overnight stay shall be approved in advance by the Board Chair or the Board. If approved by the Board Chair the justification signed by the Chair shall accompany the expense reimbursement claim.

3. Conferences

If the lodging is in connection with a conference or organized educational activity, lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available to the Board member at the time of booking. If the group rate is not available, the Board member shall use comparable lodging. Board members shall use government and group rates offered by a provider of transportation or lodging services for travel and lodging when available.

All expenses that do not fall within this travel reimbursement policy adopted by the Board or the Internal Revenue Service reimbursable rates as provided in Section 53232.2 (c) of the Government Code , shall be approved by the Board, in a Board meeting before the expense is incurred (Government Code sections 53232.2 (c)-(f)).

4. Air Travel

4.1 General. Air travel reservations shall be made as far in advance as possible in order to take advantage of reduced fares. The District shall reimburse or pay only the cost of the

lowest coach class fare actually available for direct, non-stop flights from the following airports:

- San Francisco International Airport
- Oakland International Airport
- Sacramento International Airport
- Santa Rosa Airport

4.2 Saturday Stays. Board members traveling on behalf of District/Hospital shall not be required to stay over Saturday nights in order to reduce the price of an airline ticket. A Board member who chooses to stay over a Saturday night shall be reimbursed for reasonable lodging and meal expenses incurred over the weekend to the extent the expenses incurred do not exceed the difference between the price of the Saturday night stay ticket and the price of the lowest price available ticket that would not include a Saturday night stay. To receive reimbursement for such lodging and meal expenses, the Board member shall supply, along with the Expense Report, documentation of the amount of the difference between the price of the Saturday stay and non-Saturday stay airline tickets.

4.3 Frequent Flyer Miles and Compensation for Denied Boarding. Board members traveling on behalf of District/Hospital may accept and retain frequent flyer miles and compensation for denied boarding for their personal use. Individuals may not deliberately patronize a single airline to accumulate frequent flyer miles if less expensive comparable tickets are available on another airline.

5. Lodging

Board members traveling on behalf of District/Hospital shall be reimbursed at the single room rate for the reasonable cost of hotel accommodations. Convenience, the cost of staying in the city in which the hotel is located, and proximity to other venues on the individual's itinerary shall be considered in determining reasonableness. Board members shall make use of available corporate and discount rates for hotels. Government lodging rates are almost always available with appropriate identification and should be sought. "Deluxe" or "luxury" hotel rates will not be reimbursed. (See also, C. Conferences.)

6. Out-Of-Town Meals and Incidentals

For travel of 24 hours the meals and incidentals expense reimbursement rate may not exceed \$125/day. While traveling, if one or more meals is provided as part of a meeting, training session or conference, the Board member shall deduct the allowable per diem cost of that meal from the per diem for that day, using the schedule provided below. This schedule also applies to the day of departure and the day of return. In any instance where a meal is provided by others the meal allowance value shall not be claimed by the Board member.

For travel of less than 24 hours, the schedule limits the meal allowances payable to the Board member with receipts. (Government Code section 53232.2(c). Incidentals are intended to include miscellaneous costs associated with travel such as tips for baggage handling, etc. and do not require receipts.

In the event that the District CEO and President attends the same event attended by a Board member, these maximum allowances shall also apply to the District CEO and President. If a receipt for a meal includes the expense for several Board members (and/or the District CEO,) the total amount of the receipt may be reported on one person's expense report with a notation of the names of the other members who were included on the receipt.

7. Ground Transportation

Board members are expected to use the most economical ground transportation appropriate under the circumstances, within the bounds of convenience, and should generally use the following, in this order of desirability.

7.1 Courtesy Cars. Many hotels have courtesy cars, which will take you to and from the airport at no charge. The hotel will generally have a well-marked courtesy phone at the airport if this service is available. Board members should take advantage of this free service whenever possible.

7.2 Airport Shuttle or Bus. Airport shuttles or buses generally travel to and from all major hotels for a small fee. At major airports such services are as quick as a taxi and considerably less expensive. Airport shuttles or buses are generally located near the airport's baggage claim area.

7.3 Taxis. When courtesy cars and airport shuttles are not available, a taxi is often the next most economical and convenient form of transportation when the trip is for a limited time and minimal mileage is involved.

7.4 Commercial Shuttles for Work/Home to Airport Transportation. These will provide service from work/home to the airport and return. When considering the cost of mileage and airport parking it is often a less expensive option.

7.5 Rental Cars. Car rentals are expensive so other forms of transportation should be considered when practical. Board members shall be allowed to rent a car while out of town provided that advance approval has been given by the Board Chair or the Board and that the cost is less than alternative methods of transportation. Board members and hospital staff should travel together whenever feasible and economically beneficial. Luxury and premium cars are not reimbursable.

7.6 Personal Cars. If Board members are required or need to use a personally owned vehicle for otherwise authorized traveling, the vehicle must be insured for such use. Board members and hospital staff should travel together whenever feasible and economically beneficial. When Board members use their personal car for such travel, including travel to and from the airport, mileage shall be allowed at the prevailing IRS rate per mile.

In the case of Board members using their personal cars to take a trip that would normally be made by air, e.g., a roundtrip flight between San Francisco and San Diego, mileage shall be allowed at the currently approved rate; however, the total mileage reimbursement shall not exceed the sum of the lowest available round trip coach airfare.

7.7 Parking/Tolls. Parking and toll expenses, including charges for hotel parking, incurred by Board members traveling on business will be reimbursed. The costs of parking tickets, fines, car washes, valet service, etc., are the responsibility of the Board member and will not be reimbursed. On-airport parking is permitted for short business trips. For extended trips, Board members should use off-airport or long-term facilities, if available.

8. Entertainment and Business Meetings

Reasonable expenses incurred for business meetings or other types of business-related entertainment will be reimbursed only if the expenditures are approved in advance by the Board Chair. Moderate amounts of alcohol with a meal may be included. Board members are reminded that they represent the District while on business and that alcohol use, if any, must be responsible. Home entertainment related to District business, or otherwise authorized, shall be advanced or reimbursed only upon prior approval by the Board.

Detailed documentation for any such expense must be provided, including:

- Date and place of entertainment.
- Nature of expense.
- Names, titles and business affiliation of those entertained.
- A complete description of the business purpose for the activity including the specific business matter discussed.
 - Vendor receipts (not credit card receipts or statements) showing the vendor's name, a description of the services provided, the date, and the total expenses, including tips (if applicable).

9. Other Expenses

Reasonable business-related telephone and fax charges due to absence of Board members from their place of business are reimbursable. Finally, emergency, or reasonable and necessary work related costs such as business center, faxes, on-line charges, postage, telephone, etc. incurred

while conducting District/Hospital business are reimbursable with receipts. Personal calls, such as reasonable calls to home, family members, baby sitters, etc., are allowable business expenses.

10. Non-Reimbursable Expenditures

The District maintains a strict policy that expenses in any category that could be perceived as lavish or excessive shall not be reimbursed, as such expenses are inappropriate for the District/Hospital. Expenses that are not reimbursable* include, but are not limited to:

- a. Travel insurance.
- b. First class tickets or upgrades.
- c. When lodging accommodations have been arranged by the District/Hospital and the Board member elects to stay elsewhere, reimbursement is made at the amount no higher than the rate negotiated/arranged by the District/Hospital. This similarly applies to conference attendance, and conference hotel rates. Reimbursement shall not be made for transportation between the alternate lodging of the Board members choosing and the meeting site.
- d. Limousine travel.
- e. Movies, liquor or bar costs.
- f. Membership dues at any country club, private club, athletic club, golf club, tennis club or similar recreational organization.
- g. Participation in or attendance at golf, tennis or sporting events, without the advance approval of the Board Chair or designee.
- h. Purchase of golf clubs or any other sporting equipment.
- i. Spa or exercise charges.
- j. Clothing purchases.
- k. Business conferences and entertainment which are not approved by the Board.
- l. Valet service.
- m. Car washes.
- n. Toiletry articles.
- o. Expenses for spouses, partners, friends or relatives. If a spouse, partner, friend or relative accompanies a Board member on a trip, it is the responsibility of the Board member to determine any added cost for double occupancy and related expenses and to make the appropriate adjustment in the reimbursement request.
- p. Overnight retreats without the prior approval of the Board or the Board Chair.
- q. Board members traveling on behalf of the District/Hospital may incorporate personal travel or business with their business-related trips; **however**, Board members shall not arrange business travel at a time that is less advantageous to the District/Hospital or involving greater expense to District in order to accommodate personal travel plans.
- r. Any additional expenses incurred as a result of personal travel, including but not limited to extra hotel nights, additional stopovers, meals or transportation, are the sole responsibility of the Board member and will not be reimbursed by the District.

11. Travel Advances

The Board recognizes that Board members may not desire to use their own funds or credit to pay for necessary expenses. Prior to a business trip, a Board member may request in writing a Travel Advance for documented anticipated expenses including transportation, lodging, meals, conference registration, etc. that exceed \$100.00. Requests submitted to the CEO two weeks in advance of Board approved travel shall be accommodated, late requests may not be accommodated due to the time required to process the request. Travel advances shall be paid by check.

An Expense Report shall be completed as required by this policy after the Board member's return. If the receipts total less than the advance, the Board member shall submit a check for the unused amount with their Expense Reimbursement Report.

12. Travel Funded by Others

All travel where expenses will be funded directly or indirectly by another organization, other than by a governmental entity, shall be approved by the Board in advance of traveling. It shall be the general policy of the Board to not approve travel paid for by any business or vendor that is doing, or may conceivably do business with the District/Hospital. The underpinning of this general policy is that if the need is sufficient to justify the travel for District/Hospital Personnel then the District/Hospital should be able to pay for it and avoid the reality or appearance of conflict of interest at the current time or in the future. The retention of the public trust is key to this policy. Possible exceptions may include training included in the purchase price of equipment and when asked to present at a professional conference and the conference offers to pay some or all of the expenses. Honoraria shall not be accepted by an individual Board member.

Honoraria may be accepted by the District/Hospital if it is not precluded by the Board's Conflict of Interest policy, and shall report by the CEO as statutorily required.

13. Non-Reimbursable Travel

A Board member shall not attend a conference or training event when it is apparent that there is no significant benefit to the District.

Even if previously approved by the Board a Board member shall not submit a claim nor be reimbursed for travel and expenses for a conference or training related event if the event occurred after the Director has publicly announced his or her pending resignation or intent to not run for reelection, or after an election in which it was determined that the Director will not retain his or her seat on the Board. This limitation does not apply to attending meetings and continue actively representing the interests of the District/Hospital with the approval of the Board Chair.

14. Board Report on the Event

Upon returning from an event, for which there was or will be an Expense Reimbursement Report submitted to the District for reimbursement, the Board member shall make a brief report during the next regular meeting of the Board (Government Code section 53232.3 (d)).

15. Business-Related Gifts

Modest business gifts to non-employees (including Board members and sponsors) will be reimbursed if approved by the Board or with a written justification, approved in writing by the Board Chair and the approval shall accompany and be filed with the expense claim.

With the Board's approval or with the Board Chair's prior written approval, a gift to a District employee or board member, or Medical Staff for exceptional performance, as a thank you for a special effort, as a going away gift, or as an acknowledgement for completing a degree or training program may be expensed. Also allowable are gifts associated with employee recognition; length-of-service awards, retirement presentations; employee, staff, or volunteer focused events. The written justification, approved in writing shall accompany and be filed with the expense claim.

In the event of a personal or family crisis of involving a District/Hospital employee, Board member or member of the Medical Staff including but not limited to the death of an employee or immediate family member, the serious injury or hospitalization of the employee or employee family member or other family crisis the Board Chair may expense flowers or another appropriate and reasonable gift and shall submit a justification in writing and be filed with the expense claim.

EXCEPTIONS

Exceptions and expenses that do not fall within this policy shall be approved by the Board at a Regular Board meeting before the expense is incurred (Government Code section 53232.2(f)).