



Policy Number	Policy Title	Effective Date
3495.6	Travel & Related Expenses	Jul 1, 2012
Policy Type	Area	Applies To
Finance		System

POLICY:

This policy sets forth the guidelines and procedures associated with reimbursable, business travel and business related expenses of Norton Healthcare employees. This policy discusses all related expenses for which Norton Healthcare may accept financial responsibility.

Norton Healthcare covers payment of all pre-approved, out-of-state, travel and entertainment business expenses for designated employees. The travel expenses of accompanying friends, family members, etc. will not be paid by Norton Healthcare.

Reimbursed business expenses are subject to examination by the Internal Revenue Service (IRS). To the extent that such reimbursed expenses are found to have been lavish or extravagant in nature, not to have been properly accounted for, or otherwise, do not conform to the guidelines outlined herein, could be disallowed by the IRS as "travel expenses" and, therefore may be considered to be taxable "compensation" to the employee. The final responsibility for satisfying the IRS that all such expenses are strictly for business purposes, are not personal in nature and therefore are not includable as taxable income to the employee, rests with the employee.

AIRLINE TRAVEL

1. **Fares/Class of Service:** An Airline Travel Form must be fully completed (including an estimate cost of airfare) along with proper approval, prior to booking any airline tickets. Required approval includes authorization from the Department Director, Associate Vice President or Vice President, and a Senior Vice President. The approved Airline Travel Form should be forwarded to Accounts Payable to document authorization for business travel. Airline travel may be booked by utilizing the internet or the Norton Healthcare approved travel agency. All airline travel should be booked in coach and as far in advance as possible to take advantage of reduced fares. Three quotes for air travel to the destination must be obtained and compared for best value. Airfare quotes (i.e. printed from websites such as Expedia, Orbitz or Travelocity, or as provided in writing from airlines), the approved Airline Travel Form, and proof of payment of the airline ticket must be attached to Check Request form when requesting reimbursement for travel expenses. Proof of payment is defined as printed confirmation from the airline website stating confirmation number, flight information, and the total flight price. It is expected that the least expensive flight will be selected for business travel. In the event that the least expensive flight is not chosen, the traveler must submit a fair and reasonable explanation for selecting a more expensive alternative (i.e. arrival time, departure time, travel time). The Audit and Compliance Department may periodically select processed Check Requests related to business travel to ensure required proper support is present for expenses. Documentation is required when the lowest cost flight is not selected and the cost difference is greater than \$50 round trip. It is preferred that travelers book air reservations themselves, however when it is necessary to use a travel agent, travelers must use International Tours & Cruises at (502) 420-4624 or (800) 928-8888 to perform that service.

2. **Frequent Traveler Awards:** Provided the above guidelines are followed, "frequent traveler" awards are the property of the traveler for his/her personal use.

3. **Unused Airline Tickets:** Most airline tickets are issued electronically. When reservations are cancelled, there will be a credit issued by the airline. If the original ticket was paid for or reimbursed by Norton Healthcare, the credit must be applied to a future business flight.

4. **Reimbursement:** Airline travel should be submitted as part of normal reimbursement requests. However, when this presents a hardship for the traveler, a check request may be submitted in advance to cover the cost of air travel.

5. **Recording Airline Tickets on Check Requests:** All airline travel should be recorded on the Check Request form for documentation purposes. This cost should then be backed out, on the space provided, as a Norton Healthcare paid expense, when the employee has been previously reimbursed as outlined in #4 above.

GROUND TRAVEL

1. **Car Rental:** All car rentals should be negotiated and approved in advance by Department Director and Associate Vice President or Vice President. Car rentals should be mid-sized or smaller; full-size or larger vehicles will require justification on the Travel Expense Report and, if disallowed, will be charged to the employee. When renting a car, reservations should be made in advance. Insurance for car rental is adequately covered by company policies. Therefore, travelers should not sign for nor initial for insurance coverage on the car contract. When feasible, rental cars should be returned to the renting location to avoid drop off charges. The gas tank should be refilled prior to returning the rental car.

2. **Use of Personal Auto for Company Business:** Use of a personal automobile when authorized for business will be reimbursed at the rate permissible by the IRS. Please note that commuting between a taxpayer's residence and his regular business location wherever located is not reimbursable. Transportation between a taxpayer's residence and a temporary work location within the same metropolitan area is not reimbursable. (IRS Reg 1.162-2(e)(f)). Once an employee reports to work, travel between facilities is reimbursable at the IRS mileage reimbursement rate. See "Travel Mileage Expense Log", available on the Nsider Forms Library, for current reimbursement rate. Mileage Expense Logs must be submitted with a Check Request form.

LODGING

1. **Advance Reservations/Room Size:** Hotel reservations should be made in advance to obtain the best possible rates. Employees should stay in standard, moderately priced rooms (single occupancy) in a comfortable and convenient hotel/motel. Lodging costs must be reflected on the Airline Travel Request Form and applicable approvals must be obtained before reservations are made.

2. **Late Arrivals/No Shows:** Rooms will be guaranteed for late arrivals, but it is the employee's responsibility to call the hotel if travel plans change. 'No show' charges will be charged to your department cost center account number.

3. **Hotel Bills:** All hotel bills should be paid at the time of check out. Hotel bills should not be billed directly to Norton Healthcare with the exception of employee functions or meetings arranged in advance by Norton Healthcare. Charges to the hotel bill should be separately identified and recorded on expense reports (i.e., room rate, phone calls, breakfast, lunch, etc.). Do not record the hotel bill as a 'lump sum' amount on expense reports.

4. **Weekend Layovers:** Norton Healthcare will reimburse the traveler for legitimate business expenses incurred within the limits of this policy. Norton Healthcare will pay the cost of the hotel and food for an extra day personal layover so long as it does not exceed the airfare savings accrued as a result of the layover. Documentation must be provided for all costs relative to layovers.

MEALS

1. **Personal:** Reasonable personal meal costs during travel are reimbursable. Since the costs of meals vary substantially from city to city and from restaurant to restaurant within the same city, the reasonableness of such costs will depend upon several factors that relate to the purpose of the trip. Only costs of meals taken during travel and out-of-town business trips are reimbursable. Personal bar bills, not related to legitimate business entertainment, are not reimbursable.

2. **Business Entertainment:** Business entertainment may consist of a meal (food and beverage expense) in a place conducive to a business discussion where the other persons present are engaged in a trade, business, or activity having a relationship to Norton Healthcare's trade, business or income-producing activity. All reimbursable meals should be listed separately on each business entertainment form, available on the Nsider Forms Library, with receipts attached (i.e., breakfast, lunch, dinner). This form should be attached to a check request form, along with all other documentation, for reimbursement.

The following minimum detail is required on the Business Entertainment Form:

- Names, titles or other designations and business relationships or occupations of persons in the group;
- Business reason (purpose);
- Cost (including tips – maximum is 20% and tax);
- Date and type of meal (breakfast, lunch or dinner).

NOTE: Handwritten "tear tabs" are not acceptable as the sole documentation for meal expenses. Meal expenses must be supported by a credit card receipt, cash register receipt, or hotel bill if charged to your hotel account.

CHECK REQUESTS/RECEIPTS

1. **Check Requests:** A Check request form shall be completed and submitted within sixty (60) days of the date of the incurred expense. If the Check Request form is not submitted within sixty (60) days, the employee will be held personally responsible and will not be reimbursed for any expenses.

Check Requests must be submitted to the appropriate Department Manager, Department Director, Associate Vice President, Vice President or Senior Vice President for approval before being submitted to Accounts Payable. Receipts are required for all disbursements where receipts are ordinarily available, and are mandatory for all items exceeding \$25.00. Mileage expense for use of a personal automobile is the only expense for which a receipt will not be expected. "Travel Mileage Expense Logs" must be submitted with a Check Request form for reimbursement for mileage.

2. **Actual (original) Receipts:** Receipts must show the amount, date, place and type of expense. A list of required receipts includes:

- **Meals and Entertainment.** Credit card receipt or detailed restaurant bill (restaurant "tear tabs" are not acceptable).
- **Car Rental.** Car rental agreement and copy of the credit card receipt (or other proof of payment).
- **Miscellaneous Expense.** A copy of the credit card receipt or dated, detailed cash register receipt is required.

Since Norton Healthcare is required to substantiate expenditures with adequate documentation for tax purposes, all original receipts must be attached securely to an 8 ½" x 11" blank sheet of paper to the submitted Check Request form. Employees who will also need documentation for personal use should make copies of all original documents before submitting the original receipts with their Check Request form for reimbursement.

Any reimbursement of employee expenses and/or tax gross-ups provided for in written agreements, policy statements or other documentation shall be paid to the employee no later than the earlier of (i) the end of the calendar year after the calendar year in which such expenses are incurred, or (ii) the payment date specified in such written agreement, policy statement or other documentation.

Other Expenses: The system will reimburse reasonable, properly documented tolls, parking expenses, registration fees, and other expenses that are deemed to be business-related. Documentation must include date, description of expense, business purpose, and details supporting reasons for expense. Receipts are required as appropriate.

1. **Telephone Calls:** All necessary business calls are reimbursable. While on business trips in the U.S., reasonable personal telephone expenses are reimbursable and should be limited to one call per day or 15 minutes maximum.
2. **Laundry Expenses:** Laundry expenses are not covered on trips of less than five (5) days duration.
3. **Memberships:** Memberships in airline hospitality rooms are at the expense of the employee.
4. **Spouse Accompaniment:** Spouses and/or significant others may accompany employees during business trips. All airline travel for your spouse and/or family members should be booked separately. Expenses incurred by the spouse or significant others are not reimbursable.

EDUCATIONAL PROGRAMS

Employees wishing to attend professional meetings, seminars, conventions, workshops, etc., may request permission and approval to do so through their Department Manager, Department Director, Associate Vice President, Vice President or Senior Vice President. However, all such requests are to be made in writing on the Travel Request Form, available on the Insider Forms Library, at least two (2) weeks before the date of attendance. Norton Healthcare will pay sponsoring or hosting organization for registration or attendance fees upon receipt of an approved check request by the accounts payable department.

PHYSICIAN'S TRAVEL

Physician shall present to Norton Healthcare an itemized account of such expenses and receipts in such manner and form as required by this policy. All travel expenses should be approved by a hospital administrator. Hospital related trips are non-taxable to physicians. Under IRS regulations, travel expenses of a physician's spouse are considered taxable income to the physician. The amount of the expenses paid by Norton Healthcare and not subsequently reimbursed will be included on Form 1099.

The policies and procedures set forth in this policy library do not establish a standard to be followed in every case. It is impossible to anticipate all possible situations that may exist and to prepare policies for each. These policies should be considered guidelines with the understanding that departures from them may be required at times. Accordingly, it is recognized that those individuals employed in providing healthcare are expected to use their own judgment in determining what is in the best interests of the patient based on the circumstances existing at the time. If this policy contains reference to clinical literature, the literature cited is only intended to support the reasoning for adoption of certain guidelines contained herein. It is not an endorsement of any article or text as authoritative. Norton Healthcare specifically recognizes there may be articles or texts containing other opinions on point that may be helpful and valid which would support other care or actions, given a particular set of circumstances. No literature is ever intended to replace the education, training and experience or exercise of judgment of the healthcare providers.

Replaces Policies

3495.2,3495.3,3495.4,3495.5

Revision	Approval Date	Reviewed / Approved By: (Group or Individual)
3495.3	Jul 14, 2008	Robert Azar
3495.4	May 19, 2009	Suzanne Layman Bolinger
3495.5	Jul 01, 2012	Suzanne Layman Bolinger
3495.6	Aug 29, 2017	Helena Schulz