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Travel Guidelines and Expense Reimbursement_2580

PURPOSE:

To establish standards and guidelines for reimbursement of travel and other business expenses incurred while conducting Harris Health System ("Harris Health") business.

POLICY STATEMENT:

Harris Health will reimburse employees and Vendors for all reasonable, necessary and appropriate expenses incurred for approved travel and business expenses while conducting Harris Health business in accordance with this policy.

POLICY ELABORATIONS:

Harris Health is a political subdivision of the State of Texas, and as such, a steward of public funds. The purpose of this policy is to provide guidelines reasonableness for employees and vendors who incur business-related expenses on behalf of Harris Health. Expenses that do not meet the guidelines set forth below or for employees, expenses that have not been approved by the employees manager, will not be reimbursed by Harris Health.

This policy was developed with the intent to cover the most common travel and business-related situations. If a situation arises that is not covered by this policy, please contact the Accounts Payable Manager or Director of Accounts Payable for guidance.

Accountable Plan Guidance

Harris Health's expense reimbursement follows the requirements of the Internal Revenue Service Code (IRC) Section 62 on Accountable Plans. An Accountable Plan is a method of reimbursing individuals such that the reimbursement does not count as taxable income, provided that the following two

requirements are met:

1. **Business Purpose:** A statement that describes the expense as necessary, reasonable, and appropriate business expense for Harris Health.
2. **Substantiation:** Sufficient supporting documentation is submitted within 60 days of incurring an expense to Harris Health to enable the nature of each expense to be identified and deemed a legitimate business expense. Sufficient supporting documentation includes dated, itemized receipts and proof of payment.

Proof of payment includes the following:

- Debit/credit card – last four digits of the card on the receipt.
- Check – check number and image/copy of the canceled check.
- Other payment methods (Apple Pay, Pay Pal, etc.) – receipt of transfer from payment method.
- Cash – must be clearly noted on the receipt.

Disallowed Expenses

The following expenditures are considered beyond reasonable, necessary and appropriate travel and business expenses and *will not* be reimbursed:

- Alcohol;
- Entertainment expenses;
- Valet parking, if self-service parking is available;
- Expenses incurred as a result of extending a trip beyond the business requirements of that trip;
- Fines for traffic violations, parking tickets;
- Expenses for care of family, child, pet and home and property during trip;
- In-room movies; in room mini-bar;
- Gifts, including those for employees;
- Purchase of clothing and/or personal items;
- Airline seat upgrades;
- Social club dues, airline club/upgrades, and rental car club membership fees;
- Spouse, children, etc., travel expenses. (If a spouse, dependent, or guest accompanies the employee, the difference in hotel room rates above the single rate, etc., must be deducted).
- Travel insurance;
- Gift cards;
- Fees associated to cancellations or changes due to personal reasons; and
- Social occasions such as, birthdays, baby showers, bridal showers, employee morale events, holiday, or employee farewell parties.

This is not an all-inclusive list. If an employee or Vendor is planning to incur a travel or business expense and is uncertain whether the expenditure would qualify for reimbursement, they should contact the Harris Health Accounts Payable department prior to making the purchase to verify the expenditure's eligibility for reimbursement.

Requests for reimbursement of expenses that do not comply with this Policy may be denied and not reimbursed or reimbursed as a taxable payroll adjustment for employees. Although Vendors are not subject to IRC Section 62, the Accountable Plan methodology will still be applied unless otherwise noted in the policy.

Harris Health is a tax-exempt organization, and as such, every effort must be made to avoid paying sales tax. Tax incurred on purchases submitted for reimbursement may not be reimbursed. Taxes are allowable for certain meals, lodging, and airfare. All other taxes incurred on purchases are non-reimbursable. A copy of the Harris Health's Texas Sales Tax Exemption Certificate is available upon request by emailing electronicinvoices@harrishealth.org. Whenever possible, business purchases should be made using one of the acceptable methods of purchasing as outlined in the Purchasing Policy of Harris Health System that avoids paying sales tax and supports Harris Health's strategic and lawful sourcing initiatives.

Policy Applicability & Responsibilities

All employees and Vendors to whom this policy applies are responsible for becoming familiar with and following this policy. Harris Health managers and employees are responsible for promoting understanding of this policy and for taking appropriate steps to help ensure and enforce compliance with it.

- **Employees/Contractors/Vendors Seeking Reimbursement:** Responsible for maintaining receipts and supporting documentation, providing complete Business Purpose descriptions for each purchase/reimbursement, and submitting expenses for reimbursement within 60 days of incurring the expense.
- **Manager/Department Owner/Receiver/Approver:** Responsible for reviewing and approving expense reimbursements and invoices with expense reimbursement, which includes approving both the purchase itself and the business purpose of the transaction to ensure it complies with the Accountable Plan requirements and this policy. Expenses should also be reviewed to determine if they are within budget.
- **Accounts Payable:** Responsible for reviewing and approving all transactions to ensure compliance with this policy.

The remainder of this policy is organized into distinct subheadings that allow employees and vendors to easily locate the applicable guidance.

- **Section I: Employees**

Employees are individuals paid a salary or wage by Harris Health in return for services performed indefinitely, rather than for a specific project or period, as directed and controlled by Harris Health.

- **Section II: Vendors**

Vendors are a business entity or individual, such as contractors and consultants, providing a good or service to Harris Health typically governed by an executed contract and/or purchase order between the Vendor and Harris Health.

Vendors, including contractors and consultants, will be reimbursed based on the terms of this policy.

Reimbursement will typically be made to the same employee banking account as the employee's payroll direct deposit or Vendor's payment method as configured in Harris Health's system the following Friday after submission, as long as there are no approval or other processing delays. Please note no travel and expense reimbursement requests can be processed during the first 10 business days of the month due to monthly financial close procedures and system limitations.

Section I: Employees

Employees should submit reimbursement requests along with supporting documentation in the PeopleSoft Travel and Expense Module within five (5) business days after incurring the business expense or upon return from travel but no later than 60 days after the conclusion of travel. See the "Submit an Expense Report", "Submit and Expense Report with Mileage", or "Submit Grant Expense Report" Quick Reference Guide ("QRG") on the PeopleSoft Connections How-To page.

A. Conferences, Seminars, Training Programs, and Related Hotel/Lodging Costs:

Conferences, seminars, and training programs shall be limited to those pertinent to the requesting department's basic assignments and the individual's area of employment and necessary to conduct Harris Health business. All opportunities for required training shall be sought and obtained at the least possible cost. See Harris Health Policy 6.46 "Professional Dues, Conferences, and Seminars" for continuing education and conference guidelines.

Registration fees and any related hotel/lodging costs should be paid in advance by Harris Health directly to the merchant. Such requests for payments shall be processed online in the PeopleSoft Payment Request Center. See the "Create a Payment Request" QRG on the PeopleSoft Connections How-To page. If not paid in advance by Harris Health, Employees may be reimbursed for expenses incurred after completion of the trip or the event and upon submission within PeopleSoft with supporting itemized receipts.

B. Travel Accommodations for Airfare, Mileage, and Lodging, including Travel Agencies

1. **Travel Agency**

Harris Health designated travel agency for procuring airline tickets, hotel accommodations, and rental cars is:

National Travel 1-877-717-7768

Contact designated travel agency 45-days in advance, when possible, for plane tickets, hotel accommodations and car rental.

In the event there is a travel emergency resulting in a change in travel plans, contact the Harris Health designated travel agency to coordinate changes. The employee shall be required to provide his/her employee number to the travel agent.

2. **Airfare**

Airline reservations are to be made through the designated travel agency and a prepaid travel authorization should be submitted in PeopleSoft. However, employees may procure airline tickets directly if there is a cost savings for Harris Health. Any exception in which the employee purchases airline tickets directly from a non-designated travel agency or online must be substantiated by cost savings. Reservation should be made for the lowest cost ticket, typically a nonrefundable ticket. An airfare quote from the designated travel agency is required to prove the self-purchased airfare is less expensive. If the employee purchases their own airline ticket, airfare not purchased through the designated travel agency will not be reimbursed until after the trip has been taken and the employee submits their expense report for the trip.

See the "Submit a Travel Authorization Prepaid Airfare" QRG on the PeopleSoft Connections How-To page. If the only expenditure incurred is prepaid airline fare, the employee is not required to complete an expense report.

3. **Automobile Mileage**

Mileage will be based on the current mileage reimbursement rates as published by the Internal Revenue Service, the most direct distance to the business destination, and will not exceed available airfare rates for that destination. Any additional expense will be at the personal expense of the employee. When a personal vehicle is used for local travel such as pavilion to pavilion, reimbursement is based on mileage in excess of the normal work commute. For employees that telecommute, normal work commute is defined as the distance from the employee's home to the pavilion in which the employee would be required to report for departmental meetings or other meetings with their direct supervisor or manager.

See the "Submit Expense Report with Mileage" QRG on PeopleSoft's Connections How-To page.

4. **Automobile Maintenance**

Employees may use their personal vehicle for business purposes if it is less expensive than renting a car. Operational, maintenance and repair costs shall be reimbursed only for Harris Health owned, leased, or rented vehicles. The cost of repairs to an employee's personal automobile damaged while acting in the course and scope of duties for Harris Health may be reimbursable only to the limit of the deductible applicable to the employee's personal automobile insurance.

5. **Car Rental**

Taxicabs and ride-share services should be utilized for local transportation while traveling for Harris Health business. In the event it more economical to rent a car, the

employee should consider the cost of optional insurance if their personal auto insurance does not cover car rentals. Employees may rent an economy grade car to get to their destination when driving is more cost effective than airline. Gasoline for use in rental cars is reimbursable with proper documentation.

6. **Lodging**

Lodging requests may be procured from the designated travel agency and a prepaid travel authorization should be submitted in PeopleSoft. See the "Submit a Travel Authorization Prepaid Airfare" QRG on the PeopleSoft Connections How-To page. The arrangements should utilize the most economical, single occupancy lodging convenient to the business at hand. In those situations where a seminar/workshop, etc. is held at a hotel which offers reduced room rates for participants, the employee may make lodging reservations directly with the hotel. A request for advance payment to the hotel should be made online in the PeopleSoft Payment Request Center. See the "Create a Payment Request" QRG on the PeopleSoft Connections How-To page. Otherwise, the cost of lodging will be paid by the employee and reimbursed based upon submission of an online expense report with appropriate receipts attached.

7. **Miscellaneous Travel Expenses:**

Expenses for taxis, limousines (only for group transportation to/from the airport), ride-share services, tips (if reasonable and customary), tolls, public transportation fares, parking, and laundry (trips > than 1-week) shall be reimbursed with appropriate documentation and justification.

8. Combining personal and business travel is acceptable if the Harris Health travel guidelines are followed and there is NO additional cost to Harris Health. Qualified business expenses will be reimbursed. The employee MUST separate expenses incurred for business purposes and personal expenses. Harris Health will reimburse the employee for weekend lodging and meals with prior approval of the employee's supervisor. The employee must substantiate the savings to Harris Health as a result of extending the trip. A cost comparison showing savings must be included in the online submission of expenses for weekend reimbursement.

C. Personal Expenses for Meals & Incidentals while Traveling or Attending Conferences, Seminars, or Training Programs:

Employees will be reimbursed according to the federally published per diem rates for meals and incidental expenses (M&IE per diem) applicable for the city and dates of travel or attendance of the event. The rates are published at <https://gsa.gov/travel> by entering your travel location by city/state or zip code and the travel start and end dates within the Per Diem Look-Up section.

The M&IE Total is the full daily amount received for a single calendar day of travel when that day is neither the first nor last day of travel. When traveling or attending conferences, seminars, or training programs, reimbursement will not be made for meals when meals are paid for by other parties, such as the event sponsor, or provided during the event. Breakfast, Lunch, Dinner, and Incidental Rates can be used so that when certain meals provided by other

sources, the meals eligible for reimbursement can be claimed by the employee at the appropriate rate. When meals are provided by others, such as during the event or a business meal (see D. below), Breakfast, Lunch, Dinner, and Incidental Rates are available to determine the appropriate per diem rate for that day. For example, if lunch is provided at the event, the Breakfast, Dinner, and Incidental Rates may be claimed for that day as long as it is not a travel day. The M&IE per diem on the first and last day of travel is 75 percent of the total M&IE rate.

D. Business Meals

Business meals are expenses incurred when a specific business discussion benefiting Harris Health occurs. An itemized receipt and names of individuals present, including their title and affiliation, as well as the business purpose of the meeting must be submitted for reimbursement. Business meal expenses should be reasonable and customary, including tips (limited to 15% of total bill). See Policy Elaborations, Accountable Plan, Substantiation section above for details regarding itemized receipts and proof of payment required.

E. Out of Pocket Expense Reimbursement:

Out of pocket expense reimbursement shall require submission online for employees with supporting receipts attached. The online travel and expense reporting system facilitates uploading of receipts and required documentation (i.e. purpose, names and titles of attendees, etc.) as noted within this policy.

F. Recognition or Appreciation Events

See Harris Health Policy 6.18 "Employee Recognition Programs and Benefits" for guidelines.

G. Professional Dues, Conferences, and Seminars

Cost of professional memberships (dues) and professional subscriptions shall be paid directly to the association by Harris Health in accordance with Policy 6.46 "Professional Dues, Conferences, and Seminars".

II. Vendors

Vendors, including contractors and consultants, should submit reimbursement requests along with supporting documentation with their invoices.

a. Conferences, Seminars, Training Programs, and Related Hotel/Lodging Costs:

Conferences, seminars, and training programs shall be limited to those pertinent to the requesting department's basic assignments and the individual's area of employment and necessary to conduct Harris Health business. All opportunities for required training shall be sought and obtained at the least possible cost.

Registration fees and any related hotel/lodging costs should be submitted for reimbursement using Form 280448 "Travel and Business Expense Report" or the Vendor's invoice with supporting itemized receipts.

b. Travel Accommodations for Airfare, Mileage, and Lodging, including Travel Agencies

1. **Airfare**

Airline reservations should be made for the lowest cost ticket, typically a nonrefundable economy ticket. Airfare will not be reimbursed until after the trip has been taken and the receipt is submitted for the trip on the expense report.

2. **Automobile Mileage**

Mileage will be based on the current mileage reimbursement rates as published by the Internal Revenue Service, the most direct distance to the business destination, and will not exceed available airfare rates for that destination.

3. **Car Rental**

Taxicabs and ride-share services should be utilized for local transportation while traveling for Harris Health business. Vendors may rent an economy grade car. Gasoline for use in rental cars is reimbursable with proper documentation.

4. **Lodging**

Lodging will be reimbursed according to actual expense incurred up to a maximum per night rate published for the hotel zip code/city per <https://gsa.gov/travel> plus 25% or a lodging rate not to exceed \$175 per night, whichever is lower. For example, if the lodging rate for Houston, Texas is \$125 per night, Harris Health will reimburse for up to \$156.25 per night. If the lodging rate for New Orleans, Louisiana was \$184 per night, Harris Health will reimburse up to \$175 per night. Itemized lodging receipts should be submitted with Vendor invoices.

5. **Miscellaneous Travel Expenses**

Expenses for taxis, limousines (only for group transportation to/from the airport), ride-share services, tips (not to exceed 15% of total bill), tolls, public transportation fares, parking, and laundry (trips > than 1-week) shall be reimbursed with appropriate documentation and justification.

c. Personal Expenses for Meals & Incidentals while Traveling or Attending Conferences, Seminars, or Training Programs:

Vendors will be reimbursed according to the federally published per diem rates for meals and incidental expenses (M&IE per diem) applicable for the city and dates of travel or attendance of the event. The rates are published at <https://gsa.gov/travel> by entering your travel location by city/state or zip code and the travel start and end dates within the Per Diem Look-Up section.

The M&IE Total is the full daily amount received for a single calendar day of travel when that day is neither the first nor last day of travel. When traveling or attending conferences, seminars, or training programs, reimbursement will not be made for meals when meals are paid for by other parties or provided during the event. When meals are provided by others, such as during the event or a business meal, Breakfast, Lunch, Dinner, and Incidental Rates are available to determine the appropriate per diem rate for that day. For example, if lunch is

provided at the event, the Breakfast, Dinner, and Incidental Rates may be claimed for that day as long as it is not a travel day. The M&IE per diem on the first and last day of travel is 75 percent of the total M&IE rate.

Reimbursement for per diems should be submitted on Form 280448 "Travel and Business Expense Report" for each employee the Vendor is seeking reimbursement for while traveling for Harris Health business. The forms should be submitted as support with Vendor invoices.

REFERENCES/BIBLIOGRAPHY:


Internal Revenue Service Code (IRC) Section 62

PeopleSoft Connections How-To page for various QRGs and training videos

Harris Health Form 280448 Travel and Business Expense Report – (for Non-employee use only).

OFFICE OF PRIMARY RESPONSIBILITY:

Harris Health Vice President- Controller



Approval Signatures	Approver	Date
Publisher Approval	Laurabeth Gonzalez: Document Owner	8/2/2024
Policy SOS Committee	Lauren Banks: Executive Owner	8/2/2024
Policy Owner	Kari McMichael: Document Owner	7/31/2024
Workflow Start Notification	Nathan Peeples: Executive Owner	7/26/2024