

Healthcare Solutions, Inc. Travel & Expense Reimbursement Policy

Overview

The purpose of this policy is to provide guidelines for fair and consistent travel and business expense practices for all staff throughout the company. Ultimate responsibility for ensuring that all expense charges to and paid by the company are appropriate business expenses rests with each employee, their supervisors, and those who have responsibility for departmental budgets. Management recognizes that periodically situations may arise that will require deviation from this policy. Under those circumstances, sound management judgment and effective administration should prevail.

Healthcare Solutions, Inc. (HSI) will conduct periodic reviews of expense reports. Submission of an expense report containing any information known to be false is considered fraudulent and grounds for disciplinary action, which could include immediate termination. Failure to comply with the HSI Travel & Reimbursement Expense Policy could also delay or preclude reimbursement for expenses.

Expense Reports

It is the responsibility of each employee who is authorized to travel to become familiar with this policy. All persons with responsibility for reviewing/approving travel expenses are expected to be familiar with this policy. Direct Supervisor approval of employee expense report detail represents that the expenses are appropriate business expenses.

In an effort to ensure accurate monthly cost reporting and to ensure prompt invoicing of the client, submittal of expenses should not exceed one work week after returning from a business trip. All expense reports not submitted within **30** days from the date of the expense will not be considered for reimbursement.

Failure to properly process your expense report in a timely manner, including omitting the reason for the expense, the names of the guests, authorized signature, or required receipts could result in your expense report being rejected and delay reimbursement.

Receipts

Supporting documentation/receipts for actual expenses incurred must accompany requests for reimbursement. The company requires you to scan and/or upload receipt images of the original itemized receipts for all meal expenses and any lodging travel or other out-of-pocket expenses over \$25.

Acceptable support:

- **Airfare:** Itinerary with price validation
- **Meals:** Itemized meal receipt including payment copy (credit card signature copy with total only is not acceptable support).
- **Rental cars:** Receipt must show IN/OUT date & time and vehicle class (rental car estimate receipts are not acceptable support).
- **Hotels:** Itemized daily hotel receipt including total paid (Including only the final total paid w/o daily lodging breakdown is not acceptable support.)

ALL RECEIPTS SHOULD BE ATTACHED WITH TAPE TO A LETTER SIZE PAPER AND ATTACH IMAGES VIA THE CONCUR SYSTEM.

Non-Reimbursable Expenses

Travel expenses related to the following are not reimbursable:

Personal car repair or registration

Clothing, except with management approval in the case of lost luggage or similar emergencies

Credit card interest or finance charges

Day care, babysitting or other expenses for children or pets

Fees for upgrades of air, hotel or automobiles (unless otherwise expressly permitted herein)

First class tickets

Golf (unless business related)

Grooming, nail or hair salon expenses

Headphones on airlines

Other non business related hotel services (such as health club or spa fees)

Hotel mini-bar items (except if purchased in lieu of a meal)

Laundry (except when travelling for 5 or more consecutive days and incurred while out of town)

Medicines

Memberships in airline or other clubs, rewards programs, etc.

Movies (either in-room, airplanes or at a theatre)

Personal books, magazines or other entertainment

Personal property lost or stolen while travelling

Personal travel portion of any business trip

Personal use of rental cars

Entertainment events, including sporting events, theatre or concert tickets, etc. (unless business related and approved by direct supervisor). We recommend that all direct supervisors ask employees for pre-approval prior to the event.

Spouse-any expenses related to a spouse

Toiletries

Exceptions: Exceptions to the above list can be made with an EVP or higher level approval. Written approval from an EVP and above must be submitted as support for any exception along with the expense report.

***COGS and other purchased services should not be purchased on individual employee's corporate cards and should be paid through Accounts Payable.**

Direct Deposit

Direct deposit of travel expenses is an option available to our employees.

Completed expense reports are to be submitted and approved by the 8th and 23rd of the month by 5:00 pm (EST) in order for the expense to be deposited with payroll on the 15th and 30th of the month. Any report received for travel after 30 days from occurrence will be returned unpaid.

Travel Reservation Policy

The company's ability to negotiate discounted travel programs is greatly enhanced when it can quantify travel expenditures to vendors. The only detailed source of such data, particularly for air travel, rail, car rentals, hotels and car service, is through reports provided by our corporate travel agency, Concur Travel, in accordance with the guidelines provided in this policy.

Booking Travel

Employees **MUST** use Cliqbook/TravelFocus as detailed below:

Regular hours of operation: 8:00am-6:00pm EST (Monday thru Friday) or via website 24/7

Phone: Toll free at (866) 313-5832 or direct at (214) 915-9369

Website: www.travelfocus.com/healthcaresolutions

Car Rental

Mid-size or smaller models must be rented unless two or more people are travelling together. A single upgrade is allowed if two persons are travelling together. Higher upgrades are only permitted if transporting materials and cargo space is a factor, or if more than three persons are travelling together. The cost of renting a car for travel between cities should not exceed the cost of air or rail travel to the given destination. Cliqbook/TravelFocus can assist with this determination. We have core rates with National, Enterprise, Avis and Hertz.

Refueling

The refueling option should only be taken if extensive driving is planned such that this option would be economical. When the refueling option is declined, effort should be made to return the car with a full tank of gas to avoid excessive refueling charges from rental car companies.

Car Rental Insurance

All employees will be covered under Healthcare Solutions, Inc. automobile insurance policy for business purposes, therefore do not elect to purchase additional insurance coverage offered by the rental car company. If an employee is involved in an accident while driving a rental car, he or she should notify the car rental company and the police immediately. A copy of the accident report and a memo summarizing the key information should be forwarded to the local car agency and Healthcare Solutions, Inc. no later than 48 hours from the time of the accident.

Returning Rental Cars

Rental cars should be returned to the original rental city when possible.

Rail Travel

All rail travel is recommended to be booked through Cliqbook/TravelFocus, selecting the least expensive class (economy) available. Employees may upgrade their class of travel as a non-reimbursable personal expense.

Ground Transportation

The most reasonable and economical mode of transportation (bus, subway, taxi, shuttle service, and personal car) should be used to and from airports, bus and rail terminals. Private car services are not authorized for use by employees under an Executive Vice President (EVP) level unless pre-approved via email by EVP level management or above prior to the expense. Pre-approval email must accompany request for reimbursement.

Personal Car Usage

If you use your own vehicle for business-related travel:

- The company will reimburse you based on mileage and out-of-pocket travel expenses, such as tolls and parking fees.
- You will be reimbursed at the prevailing IRS standard mileage rate.
- This mileage allowance is intended to cover all automobile operating expenses, including repairs, gas, oil, worn and flat tires and insurance. Therefore, these costs are not reimbursable under any conditions.
- Reimbursable mileage represents miles incurred for business purposes in excess of the normal commuting miles to an employee's home office.
- Employees will not be reimbursed for mileage, parking tolls, train fares, taxi fares or bus fares in connection with the daily home to office commute.
- In situations where the principal office is in an individual's home, any commuting between the home and business locations (other than corporate or regional offices) can be considered business miles *after the first business stop of the day*.
- Any automobile used for business travel must have the minimum insurance coverage for accident, comprehensive, medical and property damage as required in the state in which it is registered.
- Traffic violations and parking tickets will not be reimbursed.

Air Travel

Obtaining Lowest Available Airfare

- Healthcare Solutions, Inc. policy requires anyone travelling on HSI business to book reservations through Cliqbook/Travel Focus.
- Employees shall exercise sound business judgment in incurring airfare expenses and all travel shall be booked at the least expensive coach fare available, giving reasonable consideration to itineraries, travel plans and availability of connecting flights and alternate airports. Airfare should be booked sufficiently in advance to take advantage of advance purchase discounts.
- Any change fees that are incurred for a flight change **must** be accompanied by a clear explanation (i.e. personal, work related). Changes to flights should be kept to a minimum.
- Employees may upgrade their class of travel as a non-reimbursable personal expense.
- Selecting flights for the purpose of increasing credits in a frequent flyer program offered by the airlines or another charge/credit card is prohibited.

Healthcare Solutions, Inc is not responsible for employee expenses for personal travel. Reservations and airline ticketing for personal travel in conjunction with business travel can be completed through Healthcare Solutions, Inc; however, all personal travel is at the employee's expense.

Lodging

Hotel reservations are required to be made through Cliqbook/TravelFocus. Hotel reservations should NOT be made directly through the hotel. Travellers staying a week or longer should inquire about long-term discounts. Those who wish to stay through the weekend must obtain prior approval via email from their direct supervisor before doing so. Email approval must accompany request for reimbursement.

Travellers may stay in a single room and may accept room upgrade to suites or executive floor rooms ONLY if the upgrade is at no additional cost to the company or the client.

No-Show Penalties: It is the employee's responsibility to cancel hotel reservations or to instruct, in a timely manner, the authorized travel agency to cancel reservations that are no longer needed, prior to that hotel's cancellation deadline. No-show penalties will not be reimbursed without management approval.

Meals & Entertainment

Travel Meals

Employees will be reimbursed for reasonable and necessary personal meal expenses actually incurred while traveling on authorized Healthcare Solutions, Inc. business.

Individual Meal Expenses

Travelers will be reimbursed for actual and reasonable meal expenses which must be reported individually on the expense report. It is the responsibility of each traveller to use discretion in keeping meal and other costs in line with acceptable business practices in the location where he or she travels. Receipts must be included for all meals.

A valid receipt contains the following information:

- Vendor name
- Date
- Dollar amount
- An itemized description of the expense
- A credit card statement alone is **not** considered a valid receipt

Meals may be expensed when included with a company authorized training workshop, conference or seminar. In the event an invoice is unavailable, employees attending a training workshop, conference or seminar event must attach the printed brochure of the course curriculum/agenda to their expense report.

Business Meals with Third Parties

Business meals are meals taken with clients or prospects during which a specific business discussion takes place. Reimbursement of food and beverage expenses incurred within the local office area without a hotel overnight stay is allowed only when company business is conducted with non-company personnel.

Sales employees, unless accompanied by a client, are not reimbursed for lunch when working within their territory.

Business Meals with Other Employees

Meals with other HSI employees are generally not reimbursed.

Employees will be reimbursed for business-related meals with other employees only in certain circumstances such as:

- When a client is present
- When, for confidentiality reasons, business must be conducted outside of the office
- When it is a recognition event (Example: promotion, new hire)
- Celebrations/morale events on a case-by-case basis
- Out of town travel

When more than one employee is present at a business meal/entertainment event, the most senior level employee, regardless of organization, must report the expense on his or her expense report as well as listing all employees in attendance at the meal.

Gratuities

Tips included on meal receipts will be reimbursed up to 20% of the bill. Any tips that are considered excessive will not be reimbursed. An original itemized receipt must be submitted with the expense report for any individual meal or entertainment expense.

Documentation and IRS Requirements

The IRS requires the following documentation for a business meal and entertainment expense, which must be recorded on the expense report.

- Business purpose/topic
- Names of individuals present, their titles and company name
- Name and location of where the meal or event took place
- Exact amount and date of the expense

Personal Cell Phone Used for Business

Healthcare Solutions, Inc. is contracted with AT&T and Verizon for cell phones.

Reference the Healthcare Solutions Cell Phone Policy at <http://cypressnet/departments/InformationTechnology/services/Public%20Documents/cell-phone-policy.doc>

If employee is authorized for a cell phone per the Healthcare Solutions Cell Phone Policy, in order to be reimbursed, the employee must be enrolled in the company sponsored plan. The employee's business calls will be paid monthly to the carrier through Accounts Payable. The company will not reimburse for a non company sponsored plan, unless exception is granted by the Chief Financial Officer.

On occasion, employees who are not authorized for a cell phone per the Healthcare Solutions Cell Phone Policy can be reimbursed for business calls. Business calls are calls directly related to Healthcare Solutions, Inc. business. It is the responsibility of the employee and direct supervisor to monitor cell phone use and reimbursements for appropriateness. The direct supervisor and/or accounting department have the right to review, question, and limit reimbursement requests of employees' cell phone bills.

- Employees **must** substantiate their business calls on personal cell phone bills.

Policy Acknowledgement and Agreement

I have received my copy of Healthcare Solutions Expense Reimbursement Policy. I understand and agree that it is my responsibility to read and understand this policy. As a traveller, I understand that I will not be reimbursed for expense submissions not meeting the requirements of this policy and if reimbursed and subsequently the violation is discovered through audit or other means, I will be required to return any monies received in violation of this policy. I authorize Healthcare Solutions, Inc. to deduct from my paycheck the amount of any monies received in violation of this policy. In the event that my position requires me to approve expenses as part of my job responsibilities, I understand that I will be held accountable to enforce the policies contained in this document. I also understand that violations of these policies may lead to disciplinary actions up to and including termination with cause. My signature below confirms that I have read and understand this policy and will adhere to it.

Name: _____

Print Name: _____

Date: _____