

**HACKETTSTOWN REGIONAL MEDICAL CENTER**  
**Administrative Policy and Procedure**

**Section: FINANCE**

**Number: FI10**

**Number of Pages: 1 of 6**

**Issue Date: June 1993**

**Reviewed/Revised: September 2007**

**TITLE: BUSINESS TRAVEL AND ENTERTAINMENT**

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**PURPOSE**

The purpose of this policy is to ensure that reasonable business travel and entertainment expenses are paid or reimbursed uniformly, equitably, and efficiently, in accordance with sound business practices and IRS standards.

**COVERAGE**

All employees of Hackettstown Regional Medical Center.

**POLICY**

It is HRMC's policy to reimburse employees for necessary and reasonable travel and entertainment expenses incurred while conducting company business, according to the guidelines below.

**GUIDELINES**

**I. OUT OF TOWN TRAVEL AND MEETINGS**

1. Prior Authorization of Travel Advance

- a. The employee or related party traveling on behalf of HRMC is to prepare a Travel Advance Request, indicating sufficient detail to justify approval. The request should be submitted not less than fourteen (14) days in advance of travel to allow adequate time for obtaining an expense advance.
- b. The individual must obtain approval from their supervisor and their Administrative Director (Administrative Director from their supervisor). It is the responsibility of the approval authority to verify that the business trip is necessary, in HRMC's best interest, and that sufficient budget is available. The Travel Advance Request form should be used for this purpose and then attached to the employee's expense report when submitted.

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- c. If a travel advance is requested, the Travel Advance Request form is to be used and sent to Accounts Payable for processing.

### **2. Expense Advances**

- a. Only if necessary, employees may obtain expense advances for anticipated, approved business expenses as indicated on the Travel Advance Request form.
- b. All expense advances must be reconciled within two weeks from the date of travel return by completing an Expense Report, obtaining approval from the requester's immediate supervisor and Administrative Director (Administrative Director's from their supervisor), and submitting the report to Accounts Payable. Employees will be reimbursed for approved and justified business expenses in excess of any travel advances given or will reimburse by personal check any excess travel advance.

### **3. Travel Arrangement**

- a. All airline travel should be booked at the lowest class fare to accommodate the travel, but not higher than full coach fare while accommodating the traveler's departure and arrival requirements. The hospital designated firm/agency or travel planners should be used to secure lowest fares available.
- b. Corporate discount rate programs are to be used when available. This includes designated car rental companies and hotels/motels offering corporate rates to HRMC. The designated travel planners will be aware of these programs.
- c. Travel arrangements should be made as early as possible to take advantage of all discounts or conference rates, particularly discounts available on early airfare reservations.
- d. "Frequent Flyer" benefits such as upgrades to first class, reduced fares, and companion discounts which are earned from frequent travel may be used for business or personal purposes. Employees will not be reimbursed if "Frequent Flyer" benefits are used for a business trip.

### **4. Vehicle Use**

- a. **Airporter/Limo vs. Taxi**

Airport bus or shuttle service is usually more cost effective than taxi for airport/hotel transfer and should be used whenever possible.

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### b. Rental Cars

- 1) Rental cars may be used to conduct company business out of town when required or to avoid excessive cost or loss of time that may be incurred through the use of other means of transportation. Reservations should be made in advance using corporate discounts, if applicable.
- 2) Rental cars should not be used when less expensive alternatives are available (e.g., courtesy vans or shuttle services).
- 3) Employees using rental cars while on company business should not purchase either liability or collision damage insurance offered by the rental agency. Purchasing the coverage options duplicates insurance provided by existing insurance coverage.
- 4) Rental cars should be returned to the renting location if drop-off charges are applicable. The gas tank should be refilled prior to returning the car.

### 5. Travel Meals

A daily per diem allowance, not actual meal costs, will be paid according to the approved company per diem rate. If the individual provides for themselves two (2) or more meals per day, the full per diem will be paid, if only one (1) meal a day, one-half (½) day allowance will be paid, and if fully entertained (all meals provided) no per diem will be paid. Any changes in the rate will be communicated annually before January 1.

### 6. Tips and Gratuities

Reasonable tips and gratuities for porters, maids, meals and taxis are reimbursable and should be included as part of the cost of business travel.

### 7. Telephone

Employees will be reimbursed for business calls and for a reasonable number of personal phone calls (generally one [1] per day) while traveling on company business. Toll free or watts lines should be used when possible.

### 8. Parking

Airport parking should be in long term and economy lots rather than short term lots.

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### 9. Lodging

#### a. Advance Reservations

Hotel reservations should be made in advance through the travel or convention planners to obtain the best possible rates. Employees should stay in standard rooms in a moderately priced, comfortable and convenient hotel/motel. Room meal service or in room food/beverage charges are not reimbursed as they are provided for in the daily per diem allowance. In room movie charges are not reimbursed.

#### b. Late Arrivals/No Shows

Rooms will be guaranteed for late arrivals but it is the employee's responsibility to call either the hotel or the travel agent's 800 number if travel plans change. No show charges will be the traveler's responsibility.

## **II. LOCAL TRAVEL AND ENTERTAINMENT**

### 1. Business Meals and Entertainment for HRMC

Reasonable expenses for meals will be reimbursed when hosting or entertaining guests of HRMC, such as consultants, clients, or business associates, under circumstances conducive to a business discussion where such would be considered a logical extension of a business meeting and related to the active conduct of a trade or business, the production or collection of income, or the management of the organization.

### 2. Business Meals for HRMC Employees

Unless in travel status, generally meals and other entertainment expenses are not reimbursed when only company personnel are involved. However, if a business meal is determined to be in the best interest of HRMC, and if the express purpose of the meal is to discuss business matters, reimbursement may be authorized by the employee's supervisor.

### 3. Parking

Parking expense incurred while on company business will be reimbursed.

### 4. Use of Personal Vehicles

Personal cars may be used for company business. When this occurs, employees will be reimbursed for actual mileage. We will seek to keep a rate consistent with IRS mileage reimbursement guidelines. Any change in the rate will be communicated annually before January 1. Tolls and parking fees will also be

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reimbursed. Mileage to and from an airport for business trips is reimbursable. The distance to/from home is allowed if the trip originated and ended at home.

### **5. Home to Office Travel**

Home to office and office to home travel is not legally reimbursable, nor is the use of any HRMC owned vehicle authorized for this purpose. If the employee drives from home to a work assignment other than the usual work place, the usual home to work commute distance should be subtracted from the mileage reimbursement requested.

## **III. REIMBURSEMENT**

1. All expense reimbursements will be submitted using the appropriate Expense Reimbursement Report Form and will be approved by the employee's direct supervisor, within the Expenditure Approval Guidelines Policy, prior to payment by Accounts Payable. Out-of-town travel reimbursements also require the signature of an Administrative Director. Reimbursement can be requested as frequently as desired but must be monthly if any expenses were incurred in that month. A copy of the Travel Authorization form should be attached to the reimbursement request if for out of town travel.
2. Employees will use their own funds or personal credit cards for approved business expenses (including airfare), then obtain reimbursement according to the procedures outlined in this policy. Exceptions for direct purchase of airfare Tickets from the travel agency can be made for Board members and physicians, but all exceptions will be made through the Administrative Office only.
3. Documentation of expenses: All reimbursements claimed must be for actual expense and appropriately documented (other than for the daily meal per diem allowance). Evidence of expenditure must be attached such as receipts, hotels statements, credit card vouchers, airline ticket stubs, etc. Business meals reimbursed must indicate person entertained and business purpose. Miscellaneous cash expenditures over fifteen dollars (\$15) must be accompanied by a receipt.

## **IV. OTHER**

1. Traffic Citations and Fine – Traffic fines are the responsibility of the employee and are not reimbursable.
2. Company Credit Cards – Company credit cards will not be issued or used.

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3. Non-Reimbursable Expenses – Expenses that are not directly related to company business are considered personal expenses and are not reimbursable. Also not reimbursable are business expenses not directly incurred by the employee. These include, but are not limited to:
  - a. Travel expenses for companions including spouse and family members not required to formally participate in company activities.
  - b. Personal items such as clothes, reading materials, toiletries, shoe shines, etc. or loss of personal property.
  - c. Expenses paid for by another source, such as travel paid for by a professional trade association.

**ADVENTIST HEALTHCARE  
HACKETTSTOWN REGIONAL MEDICAL CENTER  
TRAVEL ADVANCE REQUEST**

(See Policy FI10 - Business Travel and Entertainment)

Request authorization for the following travel advance on company business:

Name \_\_\_\_\_ Phone \_\_\_\_\_  
(one requester per form)

Destination \_\_\_\_\_ Departure Date \_\_\_\_\_ Return Date \_\_\_\_\_

Program Name \_\_\_\_\_ Program Date(s) \_\_\_\_\_

Purpose of trip \_\_\_\_\_

Department Name/Number \_\_\_\_\_

**ESTIMATE**

Estimated total cost of travel including registration, travel, meals, lodging, etc.

<b>REGISTRATION</b> (attach documentation) .....	
<b>TRANSPORTATION</b>	
Air .....	
Auto _____ mi. x _____ ¢ =	
Other .....	
<b>PER DIEM</b> .....	
<b>LODGING</b> (include taxes, tips)	
_____ days @ \$ _____ /day =	
<b>OTHER EXPENSES</b> (specify) _____	
<b>TOTAL EXPENSES</b> .....	

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**CHECK REQUEST:** Accounting: Entity \_\_\_\_\_ Co \_\_\_\_\_ Dept \_\_\_\_\_ Account \_\_\_\_\_

**NOTES:**

A. Registration check payable to: \_\_\_\_\_ Amount: \_\_\_\_\_  
 Mail check directly: \_\_\_\_\_  
 Call Ext. \_\_\_\_\_ for pick up: \_\_\_\_\_

B. Advance payable to: \_\_\_\_\_ Amount: \_\_\_\_\_

Requester's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

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**AUTHORIZATIONS:**

Travel advance approved (*Before Attendance*)

Department Head \_\_\_\_\_ Administrative Director or above \_\_\_\_\_

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**INSTRUCTIONS**

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|--------------|--|
| BEFORE TRIP: | <ul style="list-style-type: none"> <li>* Requester will complete top portion of the authorization, estimate the costs, sign and date the request and then forward to Department Head for approval.</li> <li>* Department Head, upon approval, will forward to Administrative Director for <u>out of town travel only</u>.</li> <li>* Upon approval, this will be returned to Requester.</li> <li>* If advance registration or advance is to be paid, send copy of this approved authorization, along with registration form, to Accounts Payable for processing. <u>Please make sure the accounting codes are included.</u></li> </ul> |
| AFTER TRIP:  | <ul style="list-style-type: none"> <li>* Requester will attach original of this form to the completed Expense Report for the trip and will forward to the Department Manager/Administrative Director for approval.</li> </ul>  |



