



POLICY: Team Member Travel Reimbursement

<i>Original Implementation Date:</i>	8/2016	<i>Date Reviewed/ Revised:</i>	3/25/20	<i>Area of Responsibility:</i>	Human Resources	<i>Version:</i>	4
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PURPOSE: This policy provides a uniform system for approval, reporting and reimbursement of ordinary and necessary business expenses incurred by Sun Health (SH) team members due to traveling on behalf of the company. Corporate travel is a privilege and reserved for opportunities that cannot be duplicated in-state. Team members should try to find opportunities that are in-state or local first and foremost. This policy is subject to annual company budgets.

POLICY: By signing an expense report form, team members are representing to SH that the expenditures incurred are in accordance with this policy. The completed and approved expense report form with the required documentation and receipts should be forwarded to the accounts payable department for processing.

Upon submission of a proper expense report, team members will be reimbursed by check for ordinary and necessary expenses incurred while on SH business. Exceptions to the policies and procedures defined herein may be approved by the Chief Financial Officer.

Documentation Requirements

All items listed on the expense report should show date, business location (city and state) and business purpose. Receipts must be attached for individual meal, entertainment, lodging, auto rental, cab fare and commercial travel. Although receipts are not readily available for individual miscellaneous expenditures (gratuities, parking, baggage handling, etc.), team members are encouraged to submit receipts whenever possible. Original receipts are required for processing. Team members must write on the receipt who was present at the meal. Alcohol may not be expensed without the prior permission of the Chief Executive Officer.

Lodging

Receipts must substantiate lodging expense. When a guaranteed reservation is made and the team member has a change of plans, every reasonable effort should be made to cancel the reservation on a timely basis.

Transportation

Team members should make every effort to use the lowest priced transportation available. Reimbursement will be made for the following modes of transportation:

- Commercial airline travel will only be reimbursed for coach class unless approved by management.
- Rental cars. Please note additional insurance should not be purchased.
- Personal auto used for business will be reimbursed at the prevailing IRS mileage allowance, not to exceed the applicable coach rate airfare for a distant trip. The mileage reimbursement rate covers all vehicle expenses including gas, insurance, and depreciation.
- Cost of taxi or other auto-share (for example, Uber) or bus to hotels or airports from place of business or residence.
- Cost of airport or off-site parking where economical.

Local commuting costs between residence and work location are not allowable business expenses. Local commuting costs between residence and place of departure for commercial travel in excess of commuting cost between residence and work locations are an allowed expense.

POLICY: Team Member Travel Reimbursement

Rental Cars

A vehicle may be rented when renting would be more advantageous to SH than other means of commercial transportation, such as using a taxi. Advance reservations should be made whenever possible and a compact or economy model requested. The traveler is responsible for obtaining the best available rate commensurate with the requirements of the trip.

Meals

Reimbursement will be made for the actual cost of meals, including reasonable gratuities are allowable when the team member is away from home or headquarters overnight on Company business or when served as an integral part of formal business meetings, seminars, etc. Alcoholic beverages are not eligible for reimbursement without prior permission from CEO. Personal discretion on meal selection is encouraged. Supervisors have discretion in reducing a meal reimbursement if the amount appears to be excessive.

Miscellaneous Expenses

Costs incurred for items of a business nature not provided for above (such as postage, service gratuities, small supplies on an emergency basis, etc.) will be reimbursed. Laundry and valet expenses are allowed when a team member is requested by the Company to extend regularly scheduled trips or when a team member is away from home for extended stays (trips six days or longer). These items should be detailed on the expense report and substantiated by applicable receipts.

Purchases of miscellaneous supplies, software or computer hardware should be purchased through the appropriate department and not included on team member expense reports. Exceptions must be approved by management.

Business Entertainment

- Expenditures for entertaining individuals, other than team members of SH, must be ordinary and necessary to be allowable and must meet company standards for appropriate business conduct. The person(s) must have an influence on SH's business or business activities and their entertainment should be "direct" or "associated."
- Team members may claim reimbursement for business meals with SH team members away from home to the extent that their expenses are reasonable and necessary to conduct SH business.
- When faced with project/duty time constraints, management level personnel may claim reimbursement for a reasonable amount for business meals with other SH team members to facilitate SH business.

Expense Advances

Cash advances for team member travel are not provided by SH. Team members traveling regularly on SH business are encouraged to personally obtain a widely accepted credit card, or work with their manager to determine if they should receive a company credit card. Any interest charges on a team member's personal credit card are considered personal expenses and will not be reimbursed.

Vacation in Conjunction with Business Travel

In cases where vacation time is added to a business trip, any cost variance in airfare, car rental, and/or lodging must be clearly identified on the Employee Reimbursement form. SH will not prepay any personal expenses with the intention of being "repaid" at a later time, nor will any personal expenses be reimbursed. Business travel expenses associated with a vacation are limited to the portion directly related to the business related purpose of the trip.

Travel Expenses Not Reimbursable

The following items that may be associated with business travel that will not be reimbursed by SH include:

- Airline club memberships.
- Airline upgrades.
- Alcoholic beverages without prior approval of CEO.
- Business class for domestic flights/first class for all flights.
- Childcare, babysitting, house-sitting, pet-sitting/kennel charges.
- Commuting between home and worksite.

POLICY: Team Member Travel Reimbursement

- Costs incurred by traveler's failure to cancel travel or hotel reservations in a timely fashion.
- Evening or formal wear expenses.
- Haircuts and personal grooming.
- Laundry and dry cleaning, for less than six (6) days of business travel.
- Passports, vaccinations, and visas when not required as a specific and necessary condition of the travel assignment.
- Personal entertainment expenses including in-flight movies, headsets, health club facilities, hotel pay-per-view movies, in-theatre movies, social activities and related incidental costs.
- Travel accident insurance premiums and/or purchase of additional travel insurance.
- Affinity credit card fees.
- Car washes.
- Clothing purchases.
- Excess baggage fees.
- Undocumented or excessive/luxurious expenses.
- Expenses that appear to be of a personal nature.
- Traffic fines or motor vehicle violations.

Team members who violate this policy will be subject to disciplinary action, up to and including termination of employment.

RELATED POLICIES: *Company Credit Card; Outside Professional Development and Conferences; Professional Certifications and Licenses Reimbursement.*