

Section 1 – Purpose

This policy sets out the parameters and procedures for reimbursing business expenses including travel, meals and certain related expenses, and certain non-travel related expenses incurred by members of the Board of Commissioners (individually, a “Commissioner” and collectively, the “Board”), officers, and employees of the Orcas Island Health Care District (the “District”) while conducting District business or providing a service to the District. To qualify for reimbursement, the expenses must be reasonable, prudent under the circumstances, and directly related to the conduct of business or services for the District. The approval process and other provisions of this policy are intended to avoid situations such as double payment and abuse of public funds.

Section 2 – No Appearance of Conflict

To avoid the appearance of conflicts of interest, District Commissioners and staff should not allow consultants, vendors or others with business with the District to pay for any travel or meal expenses of Commissioners or District employees.

Section 3 – Travel Expenses**3.1 Approval**

All overnight travel by Commissioners and the Superintendent must be approved in advance by the Board. Travel by the Superintendent that does not include an overnight stay must be approved in advance by the President of the Board (the “President”).

3.2 Documentation

A request for reimbursement must be accompanied by bona fide vendor receipts before payment will be made. The receipts should detail the date, description of purchase or service, vendor identification and amount paid. Meal and accommodation expenses that are reimbursed on a per diem basis do not require receipts for reimbursement, provided that the District will require documentary evidence of the time, place, and business purpose for the expense.

3.3 Reimbursable Meals

Meals shall only be reimbursed as travel expenses when they are incurred as part of an overnight trip that is reimbursable under this policy. If a meal is included in the cost of an event, then a separate meal will not be reimbursed. The District will not reimburse alcohol expenses or the cost of a meal for a family member, significant other or friend. There are two methods available for reimbursement, to be determined by the District in advance of the trip.

A. Per Diem

In general, the District will reimburse travel meals at a set per diem allowance rather than actual cost. Current rates for meals (adapted from the General Services Administration rates) are: \$18 for breakfast, \$22 for lunch, and \$34 for dinner. The employee will be paid a “per diem” when travelling, i.e. for each full day the employee is travelling, they will be reimbursed the standard rate applicable to a full day of travel for breakfast, lunch, and dinner. Partial days will be reimbursed as follows:

On the first and last day of travel:

- If travel time begins before 9:30 am, the employee is eligible for reimbursement for breakfast.
- If travel time occurs between 11:30 am and 1:30 pm, the employee is eligible for reimbursement for lunch.
- If travel time extends after 5 pm, the employee is eligible for reimbursement for dinner.

On all other travel days, the employee is eligible for reimbursement for breakfast, lunch, and dinner except when a hotel provides a full breakfast, in which case the breakfast per diem should not be paid to the employee (a continental breakfast does not count).

Receipts do not need to be provided to receive the per diem. Also, the employee should obviously not use a District credit card for meals when receiving a per diem.

B. Reimbursement of Actual Cost

The District may determine that reimbursement of actual cost is more appropriate, for example if meals are expected to cost more than the per diem rate. Actual cost reimbursement must be approved in advance by the President. The District will require submission of an itemized restaurant receipt. All persons seeking actual cost reimbursement of meals as a travel expense shall try to keep their costs reasonable and prudent. The GSA standard meal and incidental expense rates for Washington State are a reference for reasonable daily meal costs and can be found at <https://www.gsa.gov/perdiem>. Meal costs for invited guests of the District will be covered by the District. Gratuities of no more than twenty percent (20%) of the cost of the meal will also be reimbursed as a reasonable and necessary cost of the service and the meal.

3.4 Rental Vehicles

The cost of rental vehicles will not be reimbursed under this policy unless approved in advance by the Board or the President, as appropriate.

3.5 Private Vehicles

Expenses for approved travel made in a personal car shall be reimbursed at the current maximum rate set by the Internal Revenue Service for deduction of business travel expenses. Normal commuting miles will not be reimbursed. Employees and Commissioners are encouraged to carpool, when possible.

When using a personal vehicle, the driver must have a valid driver's license and vehicle insurance to protect the District in the event of an accident. In the event of accident or loss while driving a private vehicle on District business, the following will occur:

- A. The President or Superintendent will be notified of the incident within twenty-four (24) hours;
- B. The driver's auto insurance will be viewed as the primary insurance;
- C. The District's policies may provide secondary coverage in the event the primary policy is inadequate;
- D. If an employee of the District is injured in an auto accident while on official District business, the employee is covered by the District's workers' compensation coverage through the Washington State Department of Labor & Industries; and
- E. Any injured passengers in a private vehicle driven by a District employee or Commissioner while on District business may be covered by the driver's auto insurance with the District's insurance as secondary coverage, unless the injured passenger is an employee, in which case coverage through the Washington State Department of Labor & Industries would apply.

3.6 Air Travel

All persons covered by this policy are expected to make their own travel arrangements. The District shall pay the lowest reasonable and available economy airfare for the round trip between an airport in the Seattle region and the business destination airport. When changes in plans occur that are the result of any District business requirements (cancelled flights, delayed departures, revised itinerary), any associated costs shall be paid by the District. If the change in plan is for the traveler's convenience, any additional costs associated with the change shall not be reimbursed.

A. Accommodations

Reasonable hotel/motel accommodations are acceptable and will be reimbursed. A vendor's itemized receipt is necessary for reimbursement of all accommodation expenses. Accommodation rates offered by conventions, trainings, meetings and events shall be considered reasonable as they allow the traveler to take maximum advantage of the event.

3.7 Incidental Fees

Tips for bellhops, porters and hotel maids will be reimbursed to a maximum of five dollars (\$5.00) per day.

3.8 Hotel Parking

Actual expenses incurred for hotel parking, as appropriate, are allowable. Original receipts must accompany reimbursement request. The cost of parking charges at the hotel must be considered when deciding to rent a vehicle while traveling. Valet parking will not be reimbursed unless it is the only parking option or is a less expensive option because of the need for in and out access.

3.9 Miscellaneous Travel Expenses

Miscellaneous costs associated with travel, such as parking, bus fare, taxi fare, bridge and toll fees, parking costs, ferry fees, laundry expenses (if away from home more than three [3] days), baggage fees, and business telephone and postage expenses will be reimbursed if adequate documentation is provided for any expense over ten dollars (\$10.00).

3.10 Non-Reimbursable Expenses

The following expenses are not reimbursable: personal expenses; theft, loss or damage to personal property; personal grooming expenses; personal reading materials; trip insurance; personal telephone and postage expense; fines or penalties, including traffic and parking violations; expenses of spouse, significant other, or any other person.

Section 4 – Other Reimbursable Expenses

4.1 Non-Travel Meal Costs

All meal costs incurred while on District business will be reimbursed if accompanied by a description of the business purpose of the meal, the list of attendees, if any, and an itemized restaurant receipt. A gratuity or delivery fee of no more than twenty percent (20%) of the cost of the meal will be reimbursed as a reasonable and necessary cost of the service and the meal. The reimbursable amount for meals that do not include an invited District business guest shall not exceed the GSA meals and incidental expense rates for our area which can be found at <https://www.gsa.gov/perdiem>. Expenses for alcohol or the meal of a spouse or other persons not related to District business will not be reimbursed.

4.2 Conference or Training Fees

The District shall reimburse the registration fees for any budgeted conferences or trainings each year. Registration fees for other conferences for the Superintendent will require prior Board approval. Trainings for the Superintendent or other staff also require prior approval of the President. Unbudgeted conference and training fees for the Commissioners or Superintendent will be reimbursed with prior approval of the Board.

4.3 Dues and Memberships

The District may reimburse the Superintendent for fees to be a member of professional organization(s) related to the Superintendent's job and that the Board determines directly benefits the District by enabling the Superintendent to further develop his/her

professional capabilities. Membership fees for professional organizations for other District staff shall be at the discretion of the Superintendent.

4.4 Recruiting Costs

The District shall reimburse reasonable travel and accommodation expenses for a candidate for a management position who is invited by the Board for an interview and who does not reside on Orcas Island. The candidate will be informed about the District's expense reimbursement policies and will be required to complete a Business Expense Reimbursement form (See Exhibit A) and provide copies of travel receipts in the form required by this policy.

4.5 Gifts

Gifts of public funds are prohibited under Washington State Constitution Article VIII which states: "No county, city, town or other municipal corporation shall hereunder give any money or property, or loan its money or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock or bonds of any association, company or corporation." In keeping with this law, the District will not expend funds to reimburse any expense that might be considered a gift.

4.6 Refreshments for District Events

The District will reimburse the cost of refreshments provided at a District-sponsored event to encourage attendance if a detailed receipt from the vendor is provided.

4.6 Food and Beverage for District Meetings

The District will reimburse the expense of food and drink provided for District retreats and other meetings lasting more than four (4) hours if a detailed receipt from the vendor is provided.

Section 5 – Process for Claims

All claims shall be submitted on the Business Expense Form (attached as Exhibit A) within fifteen (15) days of the completion of the business trip or other event giving rise to the claim. Expense forms will be approved by the Auditing Officer. The Superintendent shall approve all business expense forms of other District employees prior to submitting to the Auditing Officer for review.

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