
MEMORANDUM

TO: HAWAII HIE BOARD OF DIRECTORS
FROM: CHRISTINE SAKUDA, EXECUTIVE DIRECTOR
SUBJECT: OPERATIONAL POLICIES FOR APPROVAL
DATE: 5/6/2011

OPERATIONAL POLICIES FOR APPROVAL

One of the goals for Tuesday's board meeting is approval of the following key Operational Policies. Technical amendments were made to the policies under guidance from the grants management officers at the Office of the National Coordinator for Health IT, and or from the needed Board committee. In addition, these final drafts are currently under legal review by Ken Fukunaga.

1. Confidentiality & Security Agreement
2. Procurement Policy
3. Travel Policy

Key items relevant to the Board are highlighted in the document.

Kindly review and please let me know if you have any questions.

Sincerely,



Christine



CONFIDENTIALITY AND SECURITY AGREEMENT

HHIE Policy: Confidentiality & Security Agreement, 11/4/ 2010

As a board, staff, stakeholder and community member of Hawai'i Health Information Exchange (Hawai'i HIE or HHIE), I may have access to confidential information obtained through my association with Hawai'i HIE. The purpose of this Agreement is to articulate my personal responsibility and obligation regarding confidential information.

Confidential or proprietary information includes, but is not limited to the following:

- HHIE recognizes all protected healthcare information (PHI) and personally identifiable information (PII) pertaining to all HHIE constituents, such as but not limited to, the board of directors, employees, stakeholders, partners, contract/consultants, patients, providers, etc.
- Financial, operating, programs, contracts and other HHIE-related documents, reports and plans;
- New concepts, software, technical processes and formulas, source codes, product designs, and;
- Any other information that by policy is generally known as "trade secrets" and is not available to the public.

Confidential information is valuable and sensitive and is protected by law and by Hawai'i HIE policy. Accordingly, **as a condition of the Board of Directors membership**, employment or association with the Hawai'i HIE, I agree and will abide to the following:

1. **Non-Disclosure:** I will not seek confidential information that I have no legitimate need to know and for which I am not an authorized user.
2. I will not in any way divulge, copy, release, sell, loan, review, alter or destroy any confidential information unless expressly permitted by existing policy except as properly approved in writing by an authorized officer of Hawai'i HIE within the scope of my association with Hawai'i HIE.
3. I will not seek personal benefit or permit others to benefit personally by any confidential information to which I may have access.
4. I understand that all information, regardless of the media on which it is stored (paper, computer or electronic file, video, recorders, etc.), the system which processes it (computers, voice mail, telephone systems, facsimiles, etc.), or the methods by which it is moved (electronic mail, face to face conversation, facsimiles, etc.) is the property of Hawai'i HIE and shall not be used inappropriately or for personal gain.
5. **Notification of Breach or Disclosure:** If I observe or have knowledge of unauthorized access to or divulgence of confidential information, I will report it to the Hawai'i HIE Board President (for board members) and or the Executive Director (for staff members and community stakeholders) as appropriate.
6. I agree to abide by all Hawai'i HIE rules and regulations as specified in Hawai'i HIE policies unless specifically altered by a separate contractual agreement.

By signing this Agreement, I understand and acknowledge that inappropriate access or disclosure of information can result in the termination of Board of Directors membership or employment and/or legal action.

Signature

Date

Printed Name

PROCUREMENT

Purpose

Establish and standardize the process for purchasing supplies, materials, research and development, equipment and services to ensure compliance with OMB Circulars A-110 and A-122, contract language and requirements and sound business practice. In the case of capital expenditures, provide documentation of building contents for insurance purposes, facilitate physical inventories, and provide records for financial reporting and depreciation schedules.

Procurement activities are divided into “Purchasing” and “Subcontract”:

- Purchasing Section: This section normally handles acquisition for the division of equipment, materials, supplies, and services for a predetermined price and which are subject to a defined set of terms and conditions.
- Subcontracts Section: This section handles acquisitions characterized by a statement of work and requires special agreements and negotiated arrangements.

Policy

It is the policy of Hawai'i HIE (HHIE) to acquire all goods and services from outside sources utilizing a full and open competitive process in the best interests of HHIE and its funding sources, whenever feasible. Buy from responsible sources of supply which excludes persons or organization that are disbarred or suspended from doing business with the Federal Government by checking www.epls.gov. Ensure that small businesses, minority-owned firms, and women's business enterprises are used to the fullest extent practicable.

It is HHIE's practice to award the purchase to the vendor whose response is most advantageous to HHIE based on price, quality, delivery, quantity, and other pertinent factors. Exceptions to this rule must be fully documented and approved by the Executive Director and PICHTR or financial staff.

Purchase Orders:

All procurements for equipment, materials, supplies, and services for a predetermined price and which are subject to a defined set of terms and conditions require a purchase order (PO). HHIE will not make payments unless a valid Purchase Order has been issued. If the PO, the PO will be returned to the Requisitioner with a written explanation of the rejection.

Recurring purchases for routine goods and services, such as rent, phone, postage, copy, credit card transactions, etc, do not require Purchase Orders once the initial request has been approved. These charges may be paid directly upon receipt of an invoice.

Prepayment is the process for issuing a check directly to the vendor, prior to receipt of goods. Examples for prepayment include: registration fees for conferences/workshops that do not accept purchase orders; travel advances (per diem checks); books or subscriptions from companies that do not accept purchase orders, etc. Requests for prepayment must be clearly indicated on a Purchase Order.

A Change Order is a written direction to add, vary, or omit work or material within the general scope of a Purchase Order or Formal Agreement. The approvals required for the Change Order are the same as

required for the original procurement or as designated in a Formal Agreement. The HHIE entity that selected the source for the original procurement and no other entity, shall have the right to authorize the issuance of a Change Order.

Responsibilities

All employees are responsible for compliance and determining types of expenditures necessary for accomplishing tasks of the contracts they work on, per established authorization limits as documented below on the Purchase Order Form.

Employees are responsible for completing appropriate forms required for approval and documentation of a purchase.

The HHIE Executive Director or financial staff, in collaboration with HHIE's fiscal intermediary, PICHTR, are responsible for the authorization and correct coding of purchases necessary to conduct business thereby accomplishing the tasks required by contracts.

PICHTR or HHIE's financial staff is responsible for interpretation of principles established in OMB Circulars A-110 and A-122.

The HHIE Executive Director and project directors are responsible for appropriate funding of business activities.

Definitions

Allowable: For a cost to be considered allowable, it must be reasonable, both in nature and in amount. It must be a cost that is generally recognized as ordinary and necessary for the operation of the organization or the performance of the award. The Executive Director is responsible for final decisions on charging expenses.

Allocable: A cost is allocable to a contract in three circumstances.

1. The cost is incurred specifically for a contract (there is a direct benefit to the contract);
2. The cost benefits more than one contract and can be distributed in reasonable proportion to the benefits received (again, there is a direct benefit to the contract) or
3. The cost is necessary to the overall operation of the organization; although a direct relationship to any particular contract cannot be shown (there is an indirect benefit to the contract).

Types of Purchases:

- *General Purpose Goods* are goods for which source selection is to be determined primarily by price and price-related factors (assuming a responsive and responsible bidder) as opposed to non-price attributes such as functionality, service, design, etc.
- *Services* are personal or professional services such as those provided by blueprint design services, accountants, translators, consultants, architects, engineers, etc.
- *Special Purpose Goods* are goods for which source selection is determined not only by price, but also by technical merit and other factors specified as the criteria for evaluation in the relevant Purchase Order.

Types of Request:

- *Invitation for Bid (IFB)*: used in competitive procurements to solicit bids when price and price-related factors (such as delivery) are the primary determinants of source selection. An IFB is used when a definitive set of specifications is available and source selection is based on the lowest bid from a responsive and responsible bidder. An IFB is legally binding on a vendor, meaning, HHIE may contract for goods at prices stated in a vendor's bid in response to an IFB.
- *Request for Quotation (RFQ)*: used to solicit quotations for General Purpose Goods when price is one of several determinants of contract award. A RFQ is not binding on a vendor, however. That is, HHIE may not contract for goods in response to a vendor's quotation under an RFQ. Another name for an RFQ is a Request for Information.
- *Request for information (RFI)*: used to collect written information about the capabilities of various suppliers to help make a decision on what steps to take next. RFIs are often used in combination with the following: request for proposal (RFP) and request for quotation (RFQ) but may be used independently. In addition to gathering basic information, an RFI is often used as a solicitation sent to a broad base of potential suppliers for the purpose of conditioning supplier's minds, developing strategy, building a database, and preparing for an RFP or RFQ.
- *Request for Proposal (RFP)*: used for source selection which is based on factors other than lowest bid. Typical factors, among others, for using an RFP are technical merit and strength of Executive and business management.

Noncompetitive Procurement: The Requisitioner is responsible for preparing the Justification for Noncompetitive Procurement/Sole Source Justification (JNCP/SSJ), signing it, and obtaining all required signatures for concurrence and/or approval by the Executive Director and PICHTR or financial staff. Each PO for a noncompetitive procurement is evaluated individually in the light of management, executive and technical factors. If a request for noncompetitive procurement is declined, the procurement shall be made competitively. Possible basis for justifying a noncompetitive procurement are:

- Exigency requires immediate delivery of off-the-shelf General Purpose Goods;
- Only one source of supply is known and the Requisitioner's attempts to identify (but not negotiate with) possible bidders are thoroughly documented;
- Procurement is from federal government agencies;
- Procurement is from state government agencies and in the judgment based on prices on file for substantially similar work, the prices quoted by the state government agency are reasonable; or
- Procurement is for component parts available only from the manufacturer of the host system.

Sole Source: All sole source procurements in excess of \$100,000 must receive **prior** approval from the respective funding agency (such as the Department of Health and Human Services). Sole source is defined as a situation where there is clearly and legitimately a single source of supply to meet the exact requirements of the purchase. It may be that only one appropriate vendor exists. It also may relate to items which perform a certain function for which no other items are known to exist. Sole sourcing may be based on technical specifications of goods essential for the intended use, provided that other vendors' goods lack such technical specifications. Examples may include an item to match other items (compatibility), a unique piece of equipment manufactured and sold by one company or a consultant with specialized knowledge or distinctive connections. For more information concerning under what circumstances sole source procurement can be justified, review the form of Justification for Noncompetitive Procurement.

Government Furnished Property (GFP): Property purchased with government funds or supplied by the government to fulfill contract requirements. Title vests with the government.

HHIE Owned Property (HHIE): Property purchased with HHIE funds. Title vests to HHIE.

Purchases Threshold

Purchases less than \$1,000:

If the purchase amount is less than \$1,000, HHIE staff may select a vendor without quotations. The purchase must be allowable and allocable to the contract. A vendor whose response is most advantageous to HHIE based on price, quality and other pertinent factors is highly encouraged. If it is not possible to select a vendor with the most competitive pricing, a short explanation should be added to the Purchase Order.

Under special circumstances, purchases less than \$500 can be made by using personal funds or a personal credit card, but prior approval must be received by the Executive Director. An Authorization for Payment Form shall be used for reimbursement. Original receipts must be attached to the Authorization for Payment form and annotated with project name, budget code, itemize purchase(s), purpose and brief explanation for payment using personal funds. Reimbursements along with documentation are required to be submitted within the month or no later than 90 days after the expense is incurred.

Purchases of \$1,000 - \$4,999:

If the purchase amount is more than \$1,000 but less than \$5,000, three (3) verbal quotes for competitive bids are required. Record vendor, date, contact and phone for each quote on the bottom of the purchase order under Special Instructions. The purchase should be awarded to the vendor whose response is most advantageous to HHIE based on price, quality and other pertinent factors.

Purchases of \$5,000 - \$24,999:

If the purchase amount is more than \$5,000 but less than \$25,000, three (3) written quotes are required based on defined purchase specifications. A signed fax quotation on vendor letterhead is acceptable as a written quotation. A Request for Quotation (RFQ) can be used to solicit written competitive quotes from potential vendors.

***Purchases in excess of \$10,000 or more must be reviewed by the legal department prior to execution.**

Purchases of \$25,000 or more:

If the purchase amount exceeds \$25,000 and is significant to HHIE operations (i.e. the purchase of HIE software and development), the following steps are required:

1. A RFP must be written and written bids or proposal must be solicited;
2. A public announcement must be posted on HHIE's website and;
3. Officers' approval.

The RFP will contain standard requirements for vendor insurance coverage, performance bonds when applicable, appropriate state or local licenses and other requirements to include accurate descriptions of the technical requirements, evaluation criteria, minimum acceptable characteristics, and specific required features of the purchase. The RFP will be evaluated on the established criteria and awarded to the vendor that best meets the requirements.

Purchases of single items with an acquisition cost greater than \$100,000 must also be submitted for board of directors pre-approval.

If the purchase entails a subcontract for services, reference the subcontracting policy for additional requirements.

Adequate justification for lack of bids or RFPs must be documented on the Non-Competed Purchase Justification Form if a purchase is made without pursuing competition. This documentation should clearly delineate the circumstances and reasoning for not following the bid process. A sole source is defined as a situation where there is clearly and legitimately a single source of supply to meet the exact requirements of the purchase.

Procedures

HHIE staff member requesting goods, services and research from outside sources, shall complete and submit a purchase order (PO) with the necessary documentation (RFI, RFQ, RFP and/or IFB) per established authorization limits, adequate lead time, and appropriate signature approval(s) from the approving authority.

1. After vendor has been selected, the HHIE staff (Requisitioner) completes the purchase order and log, and forwards with appropriate documentation to the Executive Office Manager or financial staff for completion review.
2. The Executive Office Manager or financial staff reviews the purchase order to ensure that the appropriate program fund and budget code are properly allocated and submits the PO with appropriate documentation to the approving authority, the Executive Director.
3. Signature authority for approval of purchase order is determined as follows:
 - *Executive Director* may authorize purchase orders up to \$10,000.
 - *Executive Director and financial staff/program manager*, after approval by the Board of Directors or the Executive Committee, if the Board is not in session, may authorize purchase orders up to \$100,000.
 - *Executive Director and Board President* signatures are mandatory for any and all purchase orders in excess of \$100,000.
4. Once the PO is approved, a copy of the PO may be given to the vendor. The HHIE PO number should be reflected on vendors' invoices when submitting for payment.
5. Any HHIE staff is authorized to receive and sign for delivered merchandise. The Requisitioner is responsible to inspect and accept merchandise in a good condition. If the order is not correct or the goods received are damaged, contact the vendor to reconcile this matter. All invoices received at the time of delivery or through the mail should be immediately forwarded to the Executive Office Manager.
6. **IMPORTANT:** In addition to a PO, all invoices must be enclosed with documentation (receipts, deliverables, timesheet & work log, etc) to justify total amount of invoice. The Requisitioner is responsible to advise vendor(s) of such documentation and to submit complete paperwork to be processed for payment.
7. Upon receipt of vendor's invoice under a Purchase Order:
 - Requisitioner reviews for receipt of deliverables and accuracy of billing.
 - Requisitioner submits invoice and documentation to Executive Office Manager or financial staff for review and processing.
 - Executive Office Manager or financial staff submits invoices to PICHTR for compliance review and Executive Director for approvals.
 - Executive Office Manager or financial staff submits approved invoice to accounting A/P for check payment processing.

8. Once the PO is executed, it is the responsibility of the Requisitioner to track the PO until all deliverables have been received. After all deliverables are met, the Requisitioner, working with PICHTR or financial staff and Pro Accounting, closes out the purchase order and maintains a copy of all information pertaining to each purchase order for the company's record. The Requisitioner coordinates registration, warranty, licensing agreements for all equipment and submits original PO and other documentation to the Executive Office Manager or financial staff to be filed.

Special Purchasing Procedures for CONSULTANTS

Acquisition of Consultant Services: A consultant is one who gives professional advice or services regarding matters in the field of his/her special knowledge or training.

A consultant is not an employee of HHIE. According to Hawaii Revised Statutes (Section 383-6), all three tests listed below must be satisfied in order for an individual to be classified as an independent contractor:

- The individual has been and will continue to be free from control or direction over the performance of such service, both under his contract of hire and in fact; and
- The service is either outside the usual course of the business for which the service is performed or that the service is performed outside of all the places of business of the enterprise for which the service is performed; and
- The individual is customarily engaged in an independently established trade, occupation, profession, or business of the same nature as that involved in the contract of service.

The minimum standards for documentation in support of hiring a consultant are as follows:

- Evidence that the Services to be provided are essential and cannot be provided by persons receiving salary support under the program or otherwise compensated for their services.
- Evidence that a selection process has been employed to secure the best qualified individual available, considering the nature and extent of services to be required, and that such individual's selection has been approved by the Program Manager of the Project.
- Evidence that the consultant's fee is appropriate considering the qualifications of the consultant, the nature of the services to be provided and his usual fee for the same or similar services.

Procurement of Consultant Services: is documented in Types of Purchases "Services and Special Purpose Goods" on page 3. Under no circumstances should a consultant commence work before issuance of a HHIE Contract for the consultant's services. If this policy is violated, HHIE will not approve the Formal Agreement or pay the consultant. Note: Check the provisions of the relevant grant or contract document to ensure compliance. If in doubt, consult PICHTR, financial staff or the Executive Director.

Payment Procedures: All contracts MUST have a purchase order created by the Requisitioner or program manager. Purchase Order's step-by-step payment procedures are on page 6.

Conflicts of Interest: "Conflict of Interest" means a set of relationships among three or more parties in which at least one of the parties owes duties or obligations to at least two of the other parties. These duties may be duties of confidentiality, profit-sharing, performance of the same work, etc. Depending upon the totality of the circumstances, a conflict of interest may preclude HHIE from awarding contracts to a vendor. IFBs and RFPs, and contracts, issued by HHIE must always require the disclosure of any potential conflicts of interest by the respondent during the bid/proposal period, and during contract performance, respectively. Review HHIE's Conflict of Interest policy for more information and details.

Record Control *(if applicable)*

The Finance Officer shall be responsible for maintaining files that document the completion and history of all procurements of General Purpose Goods, Special Purpose Goods, and Services, the originals of all legally binding documents associated with such procurement, and for administration of Purchase Orders and Formal Agreements. The Executive Director shall supplement the procurement history with details about the negotiations with the vendor(s). Follow HHIE's Documentation Retention Policy for retention and disposal timeframe of procurement records and files.

Nonconformance and Corrective Action

Periodically review the procedure to see if updates are needed. If the procedure as written is adequate, provide additional training/feedback to involved HHIE staff members about the correct policy and procedures.

References

- ONC Grants Management Requirements: Policies & Procedures
- OMB Circular A-110 <http://www.whitehouse.gov/omb/circulars/a110/a110.html>
- OMB Circular A-122 <http://www.whitehouse.gov/omb/circulars/a122/a122.html>
- *ONC Grants Management Requirements: Developing adequate policies & procedures packet, page 23



TRAVEL

PURPOSE: To establish Hawai'i Health Information Exchange (HHIE) policies and procedures for intrastate, domestic and international travel.

POLICY

This policy reflects HHIE's need to demonstrate conformity with acceptable accounting principles and standards under the guidance of the Federal Travel Regulations (FTR). Essential travel for all HHIE-funded travel for HHIE employees, board, etc shall be performed in the most economical, cost-effective way. Following these guidelines will improve HHIE's financial situation and help prevent future discrepancies when audited. **This policy is not intended to be all-inclusive.**

GENERAL TRAVEL POLICIES

Travel Request. All HHIE-funded travel must be initiated by submission of a Travel Request Form (TR) and approved by the Project Manager, and/or the Executive Director. **The Executive Director traveling out-of-state must submit the approval through the Board President. Board of Directors from the neighbor islands will be reimbursed for their travel to attend regular board meetings.**

All travel requests should include a detailed description of the purpose for travel and, as appropriate, an itinerary of meetings, etc. If the traveler is entitled to per diem, the Per Diem Calculation Form must be completed and attached to the Travel Request. Refer to the GSA Federal Travel Directory website to determine the maximum Per Diem Rate for the location (<http://www.gsa.gov/portal/category/21287>). TR must be submitted and approved **prior to departure**. Whenever in doubt if travel is necessary and reimbursable from the ONC/HHS programs, please consult with the ONC Project Officers, who can make the determination.

Payment Advance for Registration Fees. Payment advance request for registration/conference fees must be submitted on a Purchase Order (PO), and a copy of the approved PO must be attached to the TR.

Travel Advance. Travel advance is limited to the estimated per diem or subsistence allowance as shown on the TR. Request for travel advance must be submitted on an Authorization for Payment Form for check payment. Supporting documents such as the TR and Per Diem Calculation Forms must be attached

Directors and Officers shall, upon request, be allowed a travel advance for incidental expenses only. The advance shall be based upon a standard rate of U.S. Per Diem rate per day of travel.

Travel Arrangements. The traveler is responsible for arranging travel itinerary through a travel website of your choice. More than one search for airline fares is requested for comparison to best select the most economical means of travel.

Unused, Downgraded or Canceled Services. Any unused portion of airfare/tickets must be returned to HHIE for credit/refund. Travelers are not authorized to receive refunds or credits from carriers for unfurnished services. The unused portions should be attached to the Travel Completion Report when

submitted to enable HHIE to request refunds/credits from the travel company.

Receipts. The following receipts are required to be submitted with the Travel Completion Report:

- Airline (boarding passes);
- Lodging (hotel receipt);
- Ground transportation (taxi fares, railroad, bus tickets, shuttle service)
- Car rental;
- Parking fees;
- Other business expenses (telephone calls, internet, faxes).

All receipts must be attached to a standard letter-size. If receipts are not available (loss of receipt, receipts not obtained, etc.), the traveler must certify that the amount claimed was used for the conduct of official company business. The certification statement by the traveler may be submitted in the Travel Completion Report for "Other Costs" or under "Comment".

Travel Completion Report. The traveler has the responsibility to file a Travel Completion Report (TCR) within ten (10) working days of the traveler's return date. All travel completion reports must be accompanied by a descriptive travel report noting attendance to meetings, conferences, seminars, workshops (include agenda and participant list, if available); and other relevant activities. If the traveler received per diem, the Per Diem Calculation Form must be completed or revised and attached to the Travel Completion Report. If the traveler is claiming reimbursement for other costs, complete the section for Other Costs on the Travel Completion Report and submit with **receipts** to Administration.

Reimbursement Due Traveler. The traveler shall be reimbursed after PICHTR or financial staff has reviewed the final expenses to confirm that the expenditures are allowable and properly allocated.

INTERNATIONAL TRAVEL

International Date Line. In cases where the traveler crosses the International Date Line (180th Meridian) the departure/arrival times and M&IE computation used for domestic travel shall apply.

Foreign Currency Exchange Policy

Cash Reimbursements. Reimbursements for all cash currency exchange shall be supported by a currency exchange receipt which notes the amount of U.S. dollars exchanged, the amount of foreign currency received, and the applicable currency exchange rate. The responsibility for verification and certification of exchange rests upon the traveler.

Credit Card Reimbursement shall be supported by either of the following:

- By submission of a copy of actual credit card statement which indicates the amount of out of pocket U.S. dollars expended by traveler. Travel may "black out" any and all personal charges shown on the credit card statement; or
- By application of actual interbank currency exchange rate on the date of credit card transaction verified by the submission of the credit card receipt and appropriate back-up material (i.e., hotel statement). Interbank currency exchange rate can be documented through the use of the World Wide Web.

Travel Agents. All travel arrangements shall be made through a travel agent of the traveler choice. Prior approval is required of the Executive Director, and/or the Board President.

Itinerary Changes En Route. Any itinerary changes necessary while traveling should be made through the travel agent. The traveler should use his/her best judgment and discretion in changing approved travel plans. Changes must be noted on the TCR.

ALLOWABLE TRANSPORTATION

Local Transportation. Mileage shall be reimbursed at the rate of **\$.51** per mile for actual miles traveled for employee's use of a personal vehicle when traveling on official business between office and the airport/offsite business meeting locations. Documentation of the mileage traveled must be provided in the form of a print-out from services such as MapQuest or YahooMap. Mileage rates are updated annually on January 1st at <http://www.gsa.gov/portal/content/100715> and will be used as HHIE's mileage reimbursement rate.

Taxicabs and Other Public Transportation. Taxi fares to and from transportation terminals shall be authorized when trains, buses and hotel shuttles are not available or not readily accessible, and when a personal vehicle cannot be reasonably used.

Driving vs. Taxi. The traveler is to determine whether driving to the airport is more economical than the cost of a round-trip taxi fare. The most economical mode of transportation should be used. If a taxi is used, **receipts are required** for reimbursement.

Parking. Parking at the Honolulu airport is reimbursable. **Receipts are required.** Traffic and parking violation tickets are not reimbursable.

Valet Parking. Valet parking is not reimbursable where self-parking is available.

Rental Cars. HHIE shall reimburse the traveler for rental of the most economical class car. Luxury and specialty type car models are not permitted. If traveling with business associates and a larger car is required, this exception must be noted on the TCR. Every effort must be made to share the rental of a commercial vehicle if traveling to the same location. **Receipt is required.**

Collision Damage Waiver. HHIE shall reimburse for Collision Damage Waiver (CDW) insurance if the traveler has his/her own **State of Hawaii No Fault** automobile insurance consisting of bodily injury, property damage, no fault benefits (or "personal injury protection") uninsured and underinsured coverages. Reimbursement may also be authorized for CDW in a limited number of foreign countries. A copy of the No Fault insurance must be on file with HHIE prior to any car rental.

Airline Transportation. HHIE shall authorize purchase of an economy/coach fare. A **seven-day advance** purchase with a 50% cancellation charge should be requested whenever possible. Exceptions to economy/coach travel shall be fully documented and in accordance with exceptions noted in the Federal Travel Regulations and/or the Federal Acquisition Regulations.

HHIE will **not** reimburse for In-flight pay-per-view entertainment (i.e. movies), drinks, airline-sponsored lounges, membership fees and loss of personal baggage insurance.

Frequent Traveler Benefits. Frequent traveler benefits earned in connection with official HHIE travel, such as mileage credits, bonuses, points, etc., can be claimed by the traveler.

LODGING PLUS PER DIEM SYSTEM

Lodging. Itemized hotel bill must be included as documentation for reimbursement to identify business from personal charges (i.e. movies, mini-bar, personal phone calls, etc). Personal items are excluded from reimbursement request. Credit card receipts are not acceptable documentation for hotel expenses.

Double Occupancy. If sharing a room with a HHIE employee, one-half of a double occupancy room charge is reimbursable to each employee, each of whom must be identified on the other's TCR. If occupant is not an employee, the traveler shall be reimbursed at the single occupancy rate.

Per Diem Allowance. The per diem allowance is a daily payment at established rates based upon the GSA Federal Travel Directory for travel where lodging is required. Please note that **minimum 12 hours** is required for per diem reimbursements per item 15 of the GSA. Under the Lodging-Plus System, the traveler shall be reimbursed for the actual cost up to the maximum per diem rate for **Meals & Incidental Expenses (M&IE)**. Exception is made for neighbor island trips where the traveler shall be reimbursed for the actual cost up to the maximum per diem rate for **Proportional Meals** for the State of Hawai'i. The total shall not exceed the maximum per diem rate for the location. Exceptions require the approval of the Executive Director and/or the Board President. Any excess costs and expenses incurred for **personal preference or convenience** shall be at the traveler's expense. Entertainment and alcoholic beverages are **not reimbursable** expenses.

Per Diem Calculation. Travel days are divided into four 6-hour segments as shown below. M&IE allowance shall be prorated based on the per diem schedule.

PER DIEM SCHEDULE		
TIME OF DEPARTURE/RETURN	Departure	Return
12:01 am to 06:00 am	1 Day	1/4 Day
06:01 am to 12:00 noon	3/4 Day	1/2 Day
12:01 pm to 6:00 pm	1/2 Day	3/4 Day
6:01 pm to 12:00 midnight	1/4 Day	1 Day

Subsistence Expenses. Reimbursement for subsistence expenses is authorized on outer island or same day travel where no lodging is required. The traveler shall be reimbursed for actual expenses not to exceed the maximum subsistence allowance shown below. **Receipts are required.**

Subsistence	
Breakfast	\$ 5.00
Lunch	\$ 8.00
Dinner	\$12.00

Duplicate Meals. If business meals are provided as part of a conference, workshop or meeting, the M&IE per diem rate shall be reduced as follows:

Business Meals	
Breakfast	20.5% x M&IE entitlement
Lunch	20.5% x M&IE entitlement
Dinner	53.0% x M&IE entitlement
Incidentals	06.0% x M&IE entitlement

PROCEDURES

1. Traveler performs research on flights, lodging and ground transportation pricing to find the best deal for the most economical means of travel.
2. The traveler completes a **Travel Request (TR)** form and submits to the Executive Director for approval before any travel plans begin.
3. The approved TR is forwarded to HHIE Administration as documentation of approved travel to purchase the ticket (in lieu of a purchase order).
4. Receipts are required for all expenditures including expenses prepaid by HHIE. Refer to Receipts policy above.
5. Upon completion of travel, the traveler completes and signs the following forms listed below for reimbursement of Per Diem or Subsistence allowances:
 - a. Per Diem Calculation (if applicable, where lodging was required) or;
 - b. Travel Completion Report (TCR), and;
 - c. Authorization for Payment
6. Traveler submits the completed forms with receipts (tape to blank sheet of letter-size paper) to the Executive Director for approval.
7. Approved claim for travel expense forms are sent to PICHTR or financial staff for fiscal approval. Pro Accounting records and processes the expense and reimbursement to traveler.