



**SOFTWARE LICENSE AND SERVICES AGREEMENT
Contract #974**

Effective Date: March 5, 2016

Corepoint Health, LLC

3010 Gaylord Parkway
Suite 320
Frisco, TX 75034
("Corepoint Health")

Natividad Medical Center

1411 Constitution Blvd.
Salinas, CA 93906
("Customer")

Corepoint Health and Customer entered into a Software License and Services Agreement (Contract No. 422) with an Effective Date of March 24, 2008 (the "2008 Agreement") under which Customer purchased licenses to certain Corepoint Health software products and acquired maintenance support services related to those products. The 2008 Agreement has been renewed continuously over the years that followed.

On March 5, 2016, the 2008 Agreement will be terminated and superseded by this Software License and Services Agreement (Contract No. 974) (the "Agreement"). This Agreement sets forth the terms and conditions governing transactions between Customer and Corepoint Health under which Customer purchases licenses to Corepoint Health proprietary software products as specifically identified in one or more schedules hereto, and acquires maintenance and professional services for those products. For clarity, termination of the 2008 Agreement will not affect perpetual licenses to Software products acquired prior to termination.

1. DEFINITIONS

"Deliverable" means any literary work and other work of authorship (other than the Software) that Corepoint Health delivers to Customer in the course of providing Professional Services.

"Documentation" means user manuals that describe the functions, operation, and use of the Software, and that Corepoint Health makes generally available to licensees of the Software, whether in printed or electronic format.

"Enterprise" is any legal entity (such as a corporation) and the subsidiaries it owns by more than 50%.

"Error" means any material defect or malfunction in the Software that causes the Software not to conform in material respects with Corepoint Health's current published specifications for the Software, provided that such nonconformance interferes with the usability of the Software, and Corepoint Health is unable to provide Customer with a workaround.

"Professional Services" means consulting, development work, training, and other professional services provided by Corepoint Health to Customer as described in Statements of Work entered into by the parties.

"Schedules" contain details confirming each order by Customer of Software or Support Services, including applicable pricing. Each Schedule incorporates this Agreement by reference.

"Schemas" means the various transaction schemas and related message format configuration artifacts provided by Corepoint Health for use with the Software.

"Services" means both Professional Services and Support Services.

"Software" means whole or partial copies of (a) the object code form of the Corepoint Health software products identified in Schedule A or in a subsequent Schedule; (b) Documentation; and (c) Updates. **"Client Software"** means that portion of the Software which resides on a workstation and accesses or utilizes functionality or services in a server. Client Software is used to control and monitor the Server Software. **"Server Software"** means that portion of the Software which is installed on, and provides services or functionality for, the server. The Server Software provides message processing, communications, and related functions.

"Statement of Work" or **"SOW"** means the document that describes the Professional Services provided by Corepoint Health to Customer.

"Support Services" means Corepoint Health's standard support and maintenance services for the Software.

"Term" means the Initial Term and any Renewal Terms, collectively. **"Initial Term"** means the first twelve months of this Agreement starting with the Effective Date. **"Renewal Term"** means each consecutive twelve month period after the Initial Term.

“Updates” are corrected or modified versions of the Software, including enhancements, modifications, error corrections, fixes, patches, and new releases.

2. LICENSE GRANT AND RIGHTS OF USE

- a. License. Subject to the terms and conditions of this Agreement, Corepoint Health grants to Customer, as of the date specified on the applicable Schedule, a non-exclusive, non-transferable (except in connection with an assignment pursuant to Section 11.f), non-sublicensable license to (i) install and use the Software within Customer's Enterprise for Customer's own internal business purposes by up to the number of licenses for which Customer has paid license fees; and (ii) use the Schemas solely in connection with Customer's authorized use of the Software. Customer agrees not to remove, obliterate, or cancel from view any copyright, trademark, confidentiality or other proprietary notice, mark, or legend appearing on, within, or displayed by the Software. Additional or different license terms may be specified on the applicable Schedule. With respect to licenses purchased for a one-time fee (rather than on an annual or other term-limited basis), then such license rights are also perpetual. The license granted under this Agreement includes the right to permit Customer's agents and contractors to exercise the right granted in this Section in the course, and solely for the purpose, of performing services for Customer, provided that Customer will ensure that such agents and contractors adhere to the terms and conditions of this Agreement and that Customer will be responsible for any failure of such agents and contractors to do so.
- b. Limitations. Customer will not: (i) transfer the Software except (A) internally, within Customer's Enterprise, to a different server provided that Customer has obtained from Corepoint Health a new activation code or license key, or (B) in connection with an assignment pursuant to Section 11.f; (ii) use the Software or Schemas to process (or permit the Software or Schemas to process) data for any third party; (iii) use the Software or Schemas in operation of a service bureau; or (iv) except as permitted under Section 2.a, permit any third parties to use the Software or Schemas. In addition, Customer will not reproduce, modify, translate, decompile, disassemble, reverse engineer, or distribute the Software in any form or by any means. Customer may not disclose the results of any benchmark test of the Software to any third party.
- c. No Other License. All rights, title, and interest in and to the Software, Schemas, Deliverables and Services, including all intellectual property and proprietary rights in connection therewith, are and will remain with Corepoint Health. Except as expressly set forth in this Agreement, no rights or implied licenses in such intellectual property are granted to Customer by this Agreement.

3. SUPPORT SERVICES

Corepoint Health will provide Customer with Support Services under Corepoint Health's Support Services policies for the fees specified in the applicable Schedule. A current copy of Corepoint Health's Support Services policies as of the Effective Date is attached hereto as Exhibit A ("Description of Support Services"). Corepoint Health may change Exhibit A on written notice (which may include posting such changed Exhibit on Corepoint Health's web site) if the proposed changes provide for standards of service that are at least as beneficial to Customer as those provided in the then-current Exhibit A.

Support Services are purchased on an annual basis with the first Support Services period commencing with the Effective Date of this Agreement and continuing for the Initial Term (this twelve month Support Services period is also referred to generally as a "Support Period"). Fees for Support Services for subsequently acquired Software licenses will be prorated to expire with the then-current annual Support Period.

Customer must purchase Support Services for all quantities of Software licenses that it has licensed from Corepoint Health. For clarity, this means that each license grant is incremental to all prior license grants and consequently each grant is subject to additional Support Services fees, if Customer is purchasing Support Services. Except as otherwise provided in this Agreement, fees paid for Support Services are nonrefundable.

4. PROFESSIONAL SERVICES

- a. Statement of Work. Customer may request that Corepoint Health provide Customer with Professional Services to train Customer on the use of the Software, develop interfaces or perform other consulting services. If Corepoint Health agrees to do so, the parties will enter into a Statement of Work with respect to such Services. Each Statement of Work must be signed by both parties and may include, for example, a description of the Professional Services to be performed by Corepoint Health, the obligations of each party, applicable charges, Deliverables (if any) to be provided by Corepoint Health, and any other terms. If a Statement of Work contains an estimated schedule, each party agrees to make reasonable efforts to carry out its responsibilities according to that schedule. Corepoint Health provides Professional Services at its facilities, unless otherwise agreed to in the applicable Statement of Work.
- b. Fees for Professional Services. Corepoint Health ordinarily bases the fees charged for Professional Services on the hourly rates of the consultants performing the Services under the applicable Statement of Work (referred to as "Time-and-Materials Services"). However, for certain matters, Corepoint Health may charge a fixed fee for such Services based on such factors as the results achieved, the novelty or difficulty of the Services to be performed, the amount at stake, or the time limitations under which Corepoint Health is to perform (referred to as "Fixed-Fee Services"). All

Services provided by Corepoint Health under this Agreement are Time-and-Materials Services unless the applicable Statement of Work specifies that Services are Fixed-Fee Services.

- c. Acceptance of Professional Services. Acceptance of Professional Services will be deemed to occur unless Customer notifies Corepoint Health in writing of any material nonconformities of the Services with the applicable Statement of Work within ten business days after Corepoint Health has provided such Services to Customer ("Acceptance Period"). In that event, Customer will provide sufficient documentation to enable Corepoint Health to understand the reasons Customer believes the Services are nonconforming and other pertinent details. Corepoint Health will use commercially reasonable efforts to correct the nonconformities and make such correction available to Customer for acceptance testing as provided above. Acceptance will also be deemed to occur if the Professional Services or Deliverables are put to productive use on behalf of or by Customer.
- d. Modifications to the Statement of Work. Either party may request changes or modifications to the Statement of Work. When the parties agree to change a Statement of Work, Corepoint Health will prepare a written description of the agreed-upon change to the Statement of Work which must be signed by both parties. Any change in the Statement of Work may affect the charges, estimated schedule, or other terms.
- e. License to Use Deliverables. With respect to any Deliverables specified in a Statement of Work as being provided by Corepoint Health to Customer, Corepoint Health hereby grants Customer the non-exclusive, worldwide, fully paid-up, royalty-free license to use copies of each such Deliverable solely in connection with its use of the Software to the same extent and pursuant to the same terms and conditions as provided in this Agreement for such Software.
- f. Termination of a Statement of Work. Either party may terminate a Statement of Work on thirty days' written notice to the other. Upon termination, neither party will have any obligation to the other on account of such termination except that Customer will pay Corepoint Health for Services satisfactorily rendered and non-recoverable travel or travel-related expenses incurred through the date of termination. If Customer has prepaid for Professional Services under the affected Statement of Work, Corepoint Health will refund to Customer any amounts remaining from that prepayment after deducting amounts due for Services satisfactorily rendered and non-recoverable travel or travel-related expenses incurred through the date of termination per the Monterey County Travel Policy.

5. DELIVERY; FEES AND PAYMENT

- a. Delivery of the Software; License Keys. For each order of Software or Support Services accepted by Corepoint Health, Corepoint Health will provide Customer with a Schedule confirming the specific details of the order. All distributions of Software ordered by Customer will be via FTP download, HTTP download, or similar technology. Corepoint Health may include features that restrict or eliminate the use of the Software until Corepoint Health receives full payment. Upon payment, Corepoint Health will provide Customer with a new activation code/license key that enables use of the Software by up to the number of licenses for which Customer has paid license fees.
- b. Fees. Customer agrees to pay Corepoint Health the fees set forth in the applicable Schedule for the licenses conveyed in, and Support Services provided under, this Agreement. Customer will pay Corepoint Health for Professional Services as specified in the applicable Statement of Work. Any extension in Customer's rights of use, including any additional licenses, will require the payment of additional fees in accordance with Corepoint Health's then current terms and fees.
- c. Reimbursement of Expenses. Customer agrees to reimburse Corepoint Health for reasonable and actual travel and living expenses incurred in the performance of Services provided such expenses have been pre-approved by Monterey County Travel Policy as attached hereto as Exhibit B. Reimbursement of expenses incurred shall be in accordance with Customer's travel expense policy. Customer will provide Corepoint Health with the policy for Corepoint Health's review.
- d. Payment. Corepoint Health shall submit to the Contract Administrator for Customer an invoice on a form acceptable to Customer. Unless otherwise specified in this Agreement or the applicable Statement of Work, Corepoint Health may submit such invoice periodically or at the completion of Professional Services under the applicable Statement of Work (but in any event, not later than 30 days after completion of Services under that Statement of Work). The invoice shall set forth the amounts due on an itemized basis. The Contract Administrator or his or her designee shall certify the invoice, either in the requested amount or in such other amount as Customer approves in conformity with this Agreement, and shall promptly submit such invoice to the County Auditor-Controller for payment. The County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- e. Additional Payment Terms. All payments will be made in U.S. dollars. Amounts charged by Corepoint Health do not include any applicable taxes or similar fees. Customer is responsible for all such amounts and will pay them in full (except for taxes based on Corepoint Health's net income). Any purchase order submitted by Customer to Corepoint Health will be used only for invoice processing purposes and will have no legal effect.

6. CONFIDENTIALITY.

In connection with each party's rights and obligations under this Agreement, each party (the "Disclosing Party") may disclose to the other party (the "Receiving Party") certain of its confidential or proprietary information ("Confidential Information"). In the case of Corepoint Health, Customer agrees that the Software, Schemas, and terms of this Agreement are Corepoint Health Confidential Information. Receiving Party agrees to exercise at least the same degree of care to safeguard Confidential Information of Disclosing Party as Receiving Party exercises to safeguard the

confidentiality of its own confidential information, but not less than reasonable care (except as required under applicable law).

7. WARRANTIES; WARRANTY DISCLAIMER

a. Warranties. Corepoint Health makes the following warranties:

- i. Corepoint Health has the right to enter into and grant the licenses described in this Agreement.
- ii. Corepoint Health will perform Support Services in a workmanlike manner. If Corepoint Health fails to do so, and Customer reports the failure to Corepoint Health promptly, Corepoint Health will re-perform the Services. If Corepoint Health does not do so within a reasonable time after receiving Customer's report, Customer may, at its option, terminate the Support Services in which event Corepoint Health will refund to Customer any prepayment of Support Services fees on a pro rata basis.
- iii. Corepoint Health warrants that it will perform Professional Services in a timely and professional manner in accordance with the applicable Statement of Work. If Corepoint Health fails to do so, and provided Customer has notified Corepoint Health in writing of such failure within ten business days after Corepoint Health has provided the Services to Customer, Corepoint Health will re-perform the Services as described in Section 4.c ("Acceptance of Professional Services"). If Corepoint Health is unable to do so within a reasonable period of time, Customer may terminate the affected Statement of Work, and Corepoint Health will refund to Customer amounts paid by Customer for the nonconforming Services under the Statement of Work.

b. **WARRANTY DISCLAIMER. THE PROVISIONS OF THIS SECTION 7 CONSTITUTE CUSTOMER'S SOLE AND EXCLUSIVE REMEDY, AND COREPOINT HEALTH'S SOLE AND EXCLUSIVE LIABILITY, FOR BREACH OF THE WARRANTIES FOR SOFTWARE AND SERVICES. EXCEPT FOR THE WARRANTIES EXPRESSLY SET FORTH IN THIS SECTION, COREPOINT HEALTH AND ITS SUPPLIERS AND LICENSORS (COLLECTIVELY, "SUPPLIERS") HEREBY EXPRESSLY DISCLAIM ALL WARRANTIES (IMPLIED, STATUTORY OR OTHERWISE), INCLUDING BUT NOT LIMITED TO THE WARRANTY OF NONINFRINGEMENT, AND THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. COREPOINT HEALTH DOES NOT WARRANT THAT THE OPERATION OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE.**

8. INDEMNIFICATION

a. Indemnification Obligation.

i. By Corepoint Health for Infringement.

Corepoint Health will defend Customer from and against all claims, suits or actions arising out of or resulting from any action against Customer that is based on any third party claim that the Software infringes that party's United States patents, copyrights, or trade secrets, and will pay the amount of any final judgment awarded (including reasonable attorney's fees and costs) or final settlement made with respect to such claim.

In addition to Corepoint Health's obligation of indemnification, if the Software becomes or, in Corepoint Health's opinion, is likely to become the subject of a claim of infringement, Corepoint Health may, at its option, either procure for Customer the right to continue using the Software or replace or modify the Software to make it non-infringing. If neither of the foregoing alternatives is commercially reasonable, Corepoint Health may terminate the license for the Software and refund to Customer the price paid Corepoint Health for such Software depreciated on a five year straight line basis.

Corepoint Health's indemnification obligations will not apply to any claim of infringement resulting from: (i) the combination of the Software with other products or services (to the extent that the claim is based upon such combination); (ii) use of the Software if it has been modified or otherwise changed by a party other than Corepoint Health if such claim would not have arisen without such modification or change; (iii) use of the Software in a manner not authorized by this Agreement or provided for in the Documentation; or (iv) use of other than the most current release of the Software, if such claim would have been avoided by use of the most current release.

ii. Mutual.

To the extent Corepoint Health conducts business on the premises of Customer in connection with this Agreement, Corepoint Health shall indemnify, defend, and hold harmless Customer, its officers, agents and employees, from any third party claim, including liability, losses, damages and costs, for bodily injury, death or damage to tangible personal property to the extent arising from the negligent or intentional acts or omissions of Corepoint Health and/or its agents, members, employees or sub-contractors while on Customer's premises, excepting only loss, injury or damage caused by the negligence or willful misconduct of Customer, its officers, agents, employees, and invitees.

To the extent Corepoint Health conducts business on the premises of Customer in connection with this Agreement, Customer shall indemnify, defend, and hold harmless Corepoint Health, its officers, agents and employees, from any third party claim, including liability, losses, damages and costs, for bodily injury, death or damage to tangible

personal property to the extent arising from the negligent or intentional acts or omissions of Customer and/or its agents, members, employees or sub-contractors while Corepoint Health is on such premises, excepting only loss, injury or damage caused by the negligence or willful misconduct of Corepoint Health, its officers, agents, and employees.

- b. Conditions to Indemnification. To qualify for indemnification under this Agreement, each party as the indemnified party agrees to (i) promptly notify the indemnifying party in writing of the existence of any such action; (ii) grant the indemnifying party sole authority and control for the defense or settlement of such action; and (iii) provide the indemnifying party with all reasonable assistance for the defense or settlement of such action. The indemnified party may elect to participate in any such action with an attorney of its own choice and at its own expense.
 - c. Entire Obligation. The foregoing states the entire obligation and liability of each party with respect to any third party claim.
- 9. LIMITATION OF LIABILITY.** Except with respect to liability arising from Customer's breach of Sections 2 ("License Grant and Rights of Use") or 4.e ("License to Use Deliverables"), either party's breach of Section 6 ("Confidentiality"), or each party's obligation of indemnification under Section 8 ("Indemnification") of this Agreement, (a) each party's total liability to the other from any cause whatsoever, whether for breach of contract or other default, negligence, misrepresentation, or other contract or tort claim, is limited to the amount of any actual direct damages or loss, up to the total payments (if recurring, six months charges apply) made or owed by Customer to Corepoint Health for the Software or Services which were the subject of the claim, and (b) in no event will either party be liable for any special, incidental, indirect, exemplary, punitive or consequential damages, including but not limited to those for business interruption or loss of profits, even if such party knew or should have known of the possibility of such damage. Notwithstanding the foregoing, no limitation on or exclusion of the liability of either party hereunder shall apply to any liability that cannot be excluded by agreement of the parties or damages arising in respect of bodily injury (including death). In no event will Corepoint Health be liable for third party claims against Customer for losses or damages (other than those for which each party indemnifies the other as set forth in Section 8 ("Indemnification")), or loss of, or damage to, Customer's records or data. This limit also applies to any of Corepoint Health's Suppliers. It is the maximum for which Corepoint Health and its Suppliers are collectively responsible.

10. TERMINATION

- a. Term. This Agreement will commence on the Effective Date and remain in effect for the Initial Term. This Agreement may subsequently be renewed by the parties for one or more additional Renewal Terms upon written agreement signed by both parties. If not renewed, this Agreement will terminate at the end of the then-current Term.
- b. Termination for Cause. Either party may terminate this Agreement, a Schedule or a Statement of Work hereunder upon 30 days prior written notice to the other party, if the other party is in material breach under this Agreement and fails to cure such material breach within 30 days after delivery of such written notice.
- c. Effect of Termination. In the event of termination, each party will return to the other the original and all copies of the Confidential Information in the other's possession, custody or control or, in lieu of returning such Confidential Information, destroy all copies of such Confidential Information, and certify to such destruction in a writing signed by its officer. Notwithstanding the foregoing, licenses granted hereunder prior to termination will remain in effect unless termination is due to Customer's breach in either of which events Customer will: (i) immediately stop using the Software and Schemas, and (ii) return to Corepoint Health or destroy, as described above, the original and all copies of the Software and Schemas.
- d. Survival. Customer's obligation to pay Corepoint Health amounts due hereunder will survive any expiration or termination of this Agreement. The terms of any other Sections that by their nature are intended to extend beyond termination, including Sections 2 ("License Grant and Rights of Use") or 4.e ("License to Use Deliverables") (unless Corepoint Health terminated this Agreement for Customer's breach), 6 ("Confidentiality"), 8 ("Indemnification"), 9 ("Limitation of Liability"), 10 ("Termination") and 11 ("General Provisions") will survive termination of this Agreement for any reason.

11. GENERAL PROVISIONS

- a. Suggestions. Customer may from time to time provide suggestions, comments or other feedback ("Feedback") to Corepoint Health with respect to the Software or Services. Corepoint Health is free to use the Feedback for any purpose, without obligation.
- b. Export. Customer will comply with all export laws, rules, and regulations of the United States government and any other applicable jurisdiction pertaining to the Software. Customer hereby certifies that it will not directly or indirectly, export, re-export, or otherwise transfer the Software or related information, media, or products in violation of any applicable laws, rules, and regulations.
- c. Force Majeure. Neither party will be liable to the other for any delay or failure to perform its obligations hereunder if such delay or failure arises from any cause or causes beyond that party's reasonable control.



EXHIBIT A
to
Software License and Services Agreement
Contract #974

Description of Support Services

- 1. Description of Support Services.** Corepoint Health provides the following Support Services with respect to the Software:
 - a. Technical Assistance.
 - i. Customer will provide Corepoint Health with the names of Customer's designated support representatives (each, a "Designated Support Contact"), each of whom will be knowledgeable regarding HL7 and the applicable Software. Corepoint Health will provide Customer with the information needed by such Designated Support Contacts to access Corepoint Health's customer support web site and to submit support requests on-line. Customer will notify Corepoint Health promptly with any changes to such Designated Support Contacts.
 - ii. Currently, the Corepoint Health customer support center is available to assist the Designated Support Contact during the hours between 8:00 a.m. and 6:00 p.m. Central Time on regular business days, excluding Corepoint Health holidays. Corepoint Health may, with thirty (30) days notice, change the hours during which customer support center is available but will not shorten the hours of support per day. Customer may request that Corepoint Health provide support for the Software outside of the hours referenced above, and Corepoint Health agrees to provide such support at its standard hourly rates then in effect except that such charges will not apply to Corepoint Health's efforts to resolve any Error which is production inhibiting (see Section 1.c below).
 - iii. Corepoint Health will provide Customer with those Updates to the Software which Corepoint Health makes generally available to customers. Corepoint Health's preferred method of delivery for Updates is via a download from Corepoint Health's web site. However, Corepoint Health may select other methods for delivering Updates such as, but not limited to, via CD-ROM or magnetic media.
 - iv. Customer will maintain at its expense both an Internet e-mail address, and a method and means to download Updates from Corepoint Health's web site. Corepoint Health will use Customer's e-mail address for notification of Updates and for correspondence regarding requests for support.
 - b. Software Problem Reporting. Customer agrees to test and verify, on an isolated development environment, any suspected Errors in the Software or Documentation and, through its Designated Support Contact(s), to submit reports concerning suspected Errors to support@corepointhealth.com. To more effectively diagnose problems, Customer's Designated Support Contact(s) agrees to confirm with the system administrator that all supporting systems (e.g., server hardware, etc.) are functioning properly before contacting Corepoint Health Customer Support, and to have the following information available prior to calling Corepoint Health: Corepoint Health Software product and version, available disk space, installed memory and hard disk space, client operating system, and server operating system (including Service Pack). In addition, Customer will provide a clear description of the problem or question, including whether the Error is production inhibiting, and any Error codes or messages. With respect to production inhibiting Errors, once Customer has (i) entered the Error into Corepoint Health's automated system (via support@corepointhealth.com) and via a call into the Corepoint Health customer support center, and (ii) logged the Error as production inhibiting, Corepoint Health will use every effort to initially respond to Customer within 20 minutes. Customer's Designated Support Contact will provide Corepoint Health with data that Corepoint Health reasonably requests in order to reproduce operating conditions similar to those present when the potential Error was discovered. If Corepoint Health requests written verification of an Error or other malfunction discovered by Customer, Customer will promptly provide such verification, by email, telecopy, or overnight mail, setting forth in reasonable detail the respects in which the Software fails to perform. In addition, Customer will provide in a timely manner and with sufficient detail all example data, scripts, source code, or usage patterns that cause the Error to occur. Upon request, Customer will provide Corepoint Health with remote access to Customer's computer system for the purpose of remote diagnostics. Corepoint Health Customer Support may redefine Corepoint Health's Software problem reporting procedures as needed in which event Corepoint Health will post such updated procedures on its customer support web site.
 - c. Bug Fixes. Corepoint Health will investigate each suspected Error reported by a Designated Support Contact to determine whether, in Corepoint Health's judgment, the suspected Error is, in fact, an Error. In the event Corepoint Health determines, in its reasonable judgment, that the suspected Error is, in fact, not an Error, but Customer disagrees with such determination, Corepoint Health and Customer will work together to resolve such difference. This

may include, but is not limited to, Corepoint Health's demonstrating to Customer why it does not believe that the Error is, in fact, an Error. If Corepoint Health confirms that there is an Error in the Software, and if the Error is production inhibiting, Corepoint Health agrees to commence investigation of such Error within twenty minutes after such Error is confirmed and to use continuous and diligent efforts to provide an avoidance procedure, a Workaround, or an Error Correction until Customer is back in production. Corepoint Health agrees, if feasible, to commence investigation of a suspected Error on the business day on which such Error is detected. If Corepoint Health confirms that there is an Error in the Software, but the Error is not production inhibiting, Corepoint Health will use reasonable efforts to provide an avoidance procedure, a workaround, or an Error correction. Corepoint Health will have discretion as to the method and manner of maintenance and support efforts, including the use of non-Corepoint Health personnel.

- d. Software Updates. As permanent solutions are developed for known Errors in the Software, they will be incorporated from time to time in planned Updates. Corepoint Health will provide such Updates to the Designated Support Contact as they are released. In the event Corepoint Health modifies the Documentation for the Software, Corepoint Health will also provide one copy of such Documentation to the Designated Support Contact at no additional charge as it becomes available.
- 2. Conditions and Limitations of Services.** Corepoint Health's obligations to render Support Services are subject to the following conditions and limitations:
- a. Problems Caused by Third Party Products, Errors in Use of Software, or Modifications to the Software. Corepoint Health has no obligation to provide Support Services with respect to problems in the use or functioning of the Software caused by any (i) hardware or software product (including but not limited to operating systems, networks, and third party software) not provided to Customer by Corepoint Health, (ii) error in the use of the Software inconsistent with the Documentation, or (iii) modification of the Software by any person or entity other than one authorized by Corepoint Health (including, without limitation, any modifications to Software which by their nature and functionality are modifiable by Customer). If Support Services are rendered for any problem caused by any of the foregoing or for troubleshooting with respect to any of the foregoing, or if Corepoint Health's Support Services efforts are increased as a result, Corepoint Health reserves the right to impose charges at its then standard commercial time and materials rates for all such services, including travel and per diem expenses. The Corepoint Health customer service representative will notify a caller as soon as the billable status of the call is determined. The caller may terminate the call at that time without charge.
 - b. Maintenance of Current Releases of the Software. Customer should promptly install Updates to maintain the Software in the most current revision level. Corepoint Health provides Support Services only for (i) the most current major released version of the Software; and (ii) for a period of twelve months subsequent to the release date of the most current major version, the immediately preceding major release. Corepoint Health will have no obligation to support Customer where Customer is using a version of the Software that is not a then-supported release. Corepoint Health recommends that an isolated development environment be replicated outside of the production environment in order to test all new or changed processes and software upgrades prior to making modifications to the live production environment.
 - c. Access to Customer's Facilities. Customer may need to supply Corepoint Health with access to and use of all information and facilities reasonably necessary for Corepoint Health to render these services, subject to any security requirements or other company procedures of Customer. Resolving some product issues may require Corepoint Health to dial in to Customer's Corepoint Health's server or to otherwise remotely access the Software. If Corepoint Health is not permitted or is unable to do so, Customer may experience slower resolution times or higher costs, and Corepoint Health's ability to resolve a problem may be inhibited.
 - d. Backup Procedures. Customer is responsible for maintaining procedures external to the Software for reconstruction of lost or altered files, data, or programs to the extent it deems necessary, and for actually reconstructing any lost or altered files, data, or programs.

SCHEDULE A
to Software License and Services Agreement
Contract #974

PURCHASE OF SOFTWARE LICENSES AND RELATED SUPPORT

Effective Date: March 5, 2016

Customer's total purchase under this Schedule A is \$83,400.00 for the Software product licenses and Support Services specified in the tables which follow:

1. Software Product Licenses. Customer is purchasing the following licenses during the Initial Term

Software Product	License Fees		Support Fee (per license)	Subtotal	
	Perpetual license	Annual	Annual fee for Initial Support Period	Number of licenses	Price
Package of five connections with A2 ¹ (price is for each of the nine (9) packages required to add connections 6 – 50).	\$6,000.00		See table below	1	\$6,000.00
Package of five connections with A2 ¹ (price is for each package required to add connections over 50).	3,000.00		See table below	4	12,000.00
Web Services	25,000.00		See table below	1	25,000.00
Developer's License ² (for use on up to three machines within Customer's Enterprise)		\$1,500.00	N/A	1	1,500.00
HL7 Analyzer ³ (for use on up to five machines within Customer's Enterprise)		1,500.00	N/A	1	1,500.00
Total License Fees					\$46,000.00

¹ Customer has previously purchased 45 connections. With the purchase of one additional package of five connections, licenses to connections over 50 may be purchased at the reduced license fee.

² The following license grant applies to the Corepoint Integration Engine Software Product, Developer Edition, Nonproduction License, and replaces the license grant set forth in Section 2.a ("License") of the Agreement:

Subject to the terms and conditions of this Agreement, Corepoint Health grants Customer the right to install one copy of the Corepoint Integration Engine Software Product, Developer Edition for use within Customer's Enterprise on up to the number of machines indicated solely to design, develop, test, and support the use of the Corepoint Integration Engine Runtime Software with the applications and interfaces with which the Corepoint Integration Engine Runtime Software will be used to process data.

The license to the Corepoint Integration Engine Software Product, Developer Edition is purchased on an annual basis. Neither production use nor "Hot Standby" processing capabilities are allowed.

³ The following license grant applies to the HL7 Analyzer and replaces the license grant set forth in Section 2.a ("License") of the Agreement:

Subject to the terms and conditions of this Agreement, Corepoint Health grants Customer the right to install one copy of the HL7 Analyzer for use within Customer's Enterprise for Customer's own internal business purposes.

The license to the HL7 Analyzer is purchased on an annual basis.

2. Annual Support Services. Customer is purchasing annual Support Services for the following Software licenses (includes those previously purchased by Customer) during the Initial Term:

Support Services by Software Product	Support Fee (per license)	Subtotal	
		Number of licenses	Price
Corepoint Integration Engine Runtime with Five (5) connections	\$5,000.00	1	\$5,000.00
RFMDB Gear	1,000.00	1	1,000.00
Assured Availability for Corepoint Integration Engine	1,200.00	1	1,200.00
Package of five connections with A2 (price is for each of the nine (9) packages required to add connections 6 – 50).	1,200.00	9	10,800.00
Package of five connections with A2 (price is for each package required to add connections over 50).	600.00	4	2,400.00
Web Services	5,000.00	1	5,000.00
Corepoint Outreach Manager	6,000.00	1	6,000.00
Upgrade to Corepoint Community Exchange Runtime Server Software with HTTP Gear	3,000.00	1	3,000.00
CareAgent	200.00	5	1,000.00
Total Support Services Fees			\$35,400.00

3. Training Services. Customer is purchasing the following training services during the Initial Term:

Training Services	Tuition for Initial Attendee	Tuition per Additional Attendee	Subtotal	
			Number of Attendees	Price
Web Services: Corepoint Integration Engine	\$2,000.00	\$500.00	1	\$2,000.00
Total Training Services Fees				\$2,000.00



TRAVEL AND BUSINESS EXPENSE REIMBURSEMENT POLICY

Revised December 11, 2012

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I. PURPOSE

The purpose of this policy is to establish uniform travel and business expense reimbursement policies, rules and claim procedures for persons authorized to conduct County business.

II. SCOPE

The County travel and business expense reimbursement policy applies to all County employees, members of legislative bodies established by the Board (salaried or not), non-County employees (such as contractors who receive travel and/or business expense reimbursements) and volunteers traveling on County business.

III. DEFINITIONS

Unless the context otherwise requires, the definitions contained in this part govern the construction of this policy. They do not necessarily apply in other County contexts.

A. Accountable Expense Reimbursement Plan

Reimbursements of travel and other business expenses to a County employee, contractor or volunteer will be considered to be made under an "Accountable Expense Reimbursement Plan" if the following three requirements are met:

- The person substantiates his or her expenses by submitting an expense report with
 - 1) the amount of the expenditure,
 - 2) the time and place of the travel or business entertainment,
 - 3) the business purpose of the expenditure, and
 - 4) the names and business relationship of any persons entertained.
- The person documents the expenses with supporting receipts, paid bills, etc. within 60 days after the expense is paid or incurred, and
- Excess advances, if any, are repaid to the County within 120 days after the expense is paid or incurred.

"County" means the County of Monterey.

B. County Business

"County business" means the activity directly related to the ordinary, necessary and/or required business functions of the County of Monterey ("County"). It does not include travel or expenses related to an employee's participation in the County's Educational Assistance Program or commuting expenses (a non-reimbursable expense).

C. County Employee

"County employee" means any County officer or employee, whether elected or appointed, filling a budgeted position approved by the Board of Supervisors.

Independent contractors and their employees are not County employees.

D. County Traveler

"County traveler" means any County employee, authorized non-County employee (such as a contractor) or volunteer traveling on County business. Agency temporary employees are not covered by this policy and are not reimbursable for travel.

E. County Volunteer

"County volunteer" means a person, other than a County employee, who performs volunteer work authorized by a department or the Board of Supervisors for the County, such as a department volunteer, a commissioner or a member of an interview panel. It does not include agency temps, inmates, wards or probationers working for the County.

F. Home

"Home" means the actual dwelling place of the County traveler without regard to any other legal or mailing address.

G. Main or Regular Place of Work

"Main or regular place of work" means the principal place of business for the County employee or the principal location to which the County volunteer/contractor is assigned to work for the County. This may be the place at which s/he spends the largest portion of his/her regular County workday or working time or, in the case of field workers, the assigned location/headquarters to which s/he returns upon completion of regular or special assignments.

H. Meals

Meals that are 1) directly related or associated with bona fide County business matters and 2) approved for reimbursement by a member of the Board of Supervisors or a department head (or his or her designee) will be considered a reimbursable County business expense, if incurred in connection with out-of-County business travel or while conducting in-County business. Also, reimbursement for the provision of in-kind meals to employees on the business premises of the County will only be allowed if there is a substantial non-compensatory business reason for providing such meals to employees.

I. Temporary Work Location

"Temporary work location" means the place where the County employee, volunteer or contractor is assigned on an irregular or short-term basis. If an employee is assigned to a work location for no more than 35 work days during a calendar year, then the location is considered temporary. Attending conferences, meeting or training sessions away from the main or regular place of work by County employees or volunteers, or field

workers conducting fieldwork at off-site locations, does not normally constitute assignment to another site. If the employee is assigned for more than 35 work days during the calendar year, the new location has become the main or regular place of work.

J. Vehicle

"Vehicle" means a motor vehicle, which can be legally operated on public highways.

IV. AUTHORIZATION TO TRAVEL

A. General Conditions

1. Travel will be authorized only when the travel is necessary and in the best interest of the County.
2. Advance authorization is required for all County travel, as specified in B & C.
3. Advance written authorization from the County Administrative Officer is required for all County travel by County volunteers, except as follows:
 - a) Travel by appointed members of County boards, commissions, or advisory committees to and from the official meetings of their respective boards.
 - b) Travel to and from the County for members of personnel interview panels, subject to authorization by the Human Resources Department.
 - c) Travel to and from meetings, conferences and training covered by the County MHSA plan, subject to authorization by the Behavioral Health Program Manager or designee.

B. In-County Travel

County employees are authorized to travel within the County when said travel is required by the department and is considered a part of the routine, day-to-day official duties of the employee as defined and authorized by the department head or his/her designee. All other in-County travel requires advance authorization by the department head or his/her designee.

C. Out-of-County Travel

1. All travel outside of the County, but within the State of California, requires advance authorization by the department head, or his/her designee. Travel by immediate staff of a member of the Board of Supervisors requires the advance authorization of the respective Board member.

2. All travel outside of the State of California requires advance written authorization by the department head, or his/her designee. Travel by immediate staff of a member of the Board of Supervisors requires the advance authorization of the respective Board member.
3. Authorization for out-of-state travel by current members of the Board of Supervisors is subject to the guidelines established by the Board.

D. Travel Requests

Travel requests that require department head authorization shall be submitted to the department head pursuant to department policy. If the traveler is requesting a travel advance, an approved "County of Monterey Travel Request" form (usually in the form of a "white claim" or "GAX"), accompanied by all documentation relative to the request, shall be forwarded to the Auditor-Controller.

V. TRAVEL EXPENSES

A. General Conditions

1. County travelers are entitled to submit a claim for actual and necessary expenses for transportation, meals, lodging, and incidentals for authorized travel, subject to the conditions set forth in this Travel and Business Expense Reimbursement Policy ("Policy"), whenever the expenses are incurred as part of his/her official duties and authorized because the County traveler is required to work, attend a school, training, meeting or convention overnight at a location sufficiently distant from main or regular place of work to qualify under this policy for meal per diem and overnight lodging.
2. Notwithstanding Section 1 above, claims shall be paid subject to the rules set forth in this Policy and statutory law. Eligibility to submit a claim does not automatically entitle the claimant to reimbursement for any and all expenses.
3. County travelers receiving reimbursement from an outside source for travel on County time shall forward said reimbursement to the County Auditor-Controller for handling and deposit if the traveler intends to submit an expense claim to the County or use County resources to travel. Said travelers shall then be entitled to submit a claim for actual and necessary expenses for transportation, meals, lodging, and incidentals, subject to the conditions set forth in this travel policy.
4. Arrangements for transportation, lodging or registration fees that have cancellation or change penalties shall be carefully monitored by the department. If cancellation/change occurs due to direction by the County traveler's department head, or his/her designee, or the County Administrative Officer, the County department will cover the penalty cost. If the cancellation/change occurs due to a traveler's personal request or obligations, the traveler will be required to pay the

penalty. Exceptions shall be made when a traveler is unable to travel because of hospitalization, serious sickness or death of self or an immediate family member or when the department head certifies that the reason for the employee's absence was legitimate and authorized.

B. Transportation Expenses

1. General Conditions

- a) Transportation expenses are the direct costs related to movement of the County traveler from authorized point of departure to destination of travel and back to the authorized point of return.
- b) All transportation expenses incurred shall be based upon the most efficient, direct, and economical mode of transportation required by the occasion.
- c) Whenever a time frame is established as criteria for eligibility for claiming, such as the requirements set forth for meals in Section V, subsection C. 1. d., estimated travel time shall be based upon legal vehicle speed limits, volume of traffic, and weather conditions in effect at the time of travel.

2. Vehicle Transportation

Vehicle use (both County-owned and private) by authorized County travelers during the conduct of official County business is subject to the County Vehicle Use Policy.

a) Private Vehicle

- (1) Travel by private vehicle will be reimbursed at the IRS rate for business use of a personal vehicle in effect in the County at the time of travel.
- (2) Authorized County travelers who travel in a vehicle other than their own may not claim mileage for business use of a private vehicle but may claim reimbursement of actual fuel expenses necessary for the trip and expended by the traveler. Receipts are required and should be claimed by the employee actually paying the expense.
- (3) Authorized County travelers may not claim mileage for business use of a private vehicle in the following instances:
 - (a) when the County traveler is riding with someone who will be claiming reimbursement for the vehicle's use from the County or another source;
 - (b) when the County traveler is traveling in a County or other government

agency vehicle;

- (c) when the County traveler is traveling in a rented vehicle (paid by County);
 - (d) when the County traveler has been assigned a County Vehicle for home retention, is receiving an allowance or lump sum for mileage, unless specifically provided for in the terms of their agreement or contract with the County or by Board resolution.
- (4) County employee mileage to the regular or main place of work from home, and back, is considered commuting and may not be claimed.
- (5) County employee mileage to the temporary work location from home, and back, is considered commuting and may not be claimed except in the following cases:
- (a) if the County employee is required to report to the regular or main place of work before reporting to the temporary work location, s/he is eligible for mileage from the regular or main place of work to the temporary work location;
 - (b) if the County employee is required to report to the regular or main place of work after working at the temporary work location and before going home, s/he is eligible for mileage from the temporary work location to the regular or main place of work.
- (6) Mileage in conjunction with authorized County travel to and from a school, training, convention or meeting shall be based on the distance to the destination from the traveler's home or the regular or main place of work, whichever is less, except in the following cases:
- (a) if the traveler is required to report to his/her work location before leaving, s/he is eligible for mileage to the school, training, convention/meeting from the work location.
 - (b) if the traveler is required to report to his/her work location before returning home, s/he is eligible for mileage based on the distance from the school, training, convention/meeting to the work location.
- (7) Appointed volunteer members of County boards, commissions, or advisory committees may claim mileage to the official meetings of their respective boards from home, and back.
- (8) Members of personnel interview panels may claim mileage to the panel location from their regular or main place of work, and back.

- (9) When two or more County travelers from the same department are traveling to the same site by vehicle, they should use only as many vehicles as are required to accommodate the number of travelers and business needs of the County. If a County traveler chooses to use a separate private vehicle because of personal preferences or obligations, h/she shall not be eligible for mileage or fuel reimbursement for the travel unless the department head determines that reimbursement is appropriate and justified.
- (10) If a County traveler chooses to use a private vehicle instead of an alternative mode of transportation chosen by the department head because of personal preferences or obligations, his/her mileage reimbursement shall not exceed the cost of using the alternative mode of transportation unless the department head determines that the additional reimbursement is appropriate and justified.

b) County Vehicle Transportation

- (1) County travelers using a County vehicle for traveling shall not be eligible for reimbursement for mileage.
- (2) County travelers required to fuel a County vehicle at their own expense should claim the actual fuel costs expended by them. Receipts must accompany the claim. Vehicle license number and the odometer reading should be written on the receipts.
- (3) If the County vehicle experiences mechanical failure, the County traveler shall follow the rules set forth in the "Mechanical Failure" section of the "Vehicle Operator's Handbook" located in the glove compartment of each County vehicle.

c) Rental Vehicle Transportation

- (1) Vehicles may be rented for transportation at the destination point when the County traveler travels to the destination via commercial common carrier and the cost of the rental will be less than the charge for shuttle or taxi service to and from the carrier termination point to the function or hotel accommodations.
- (2) Vehicles may be rented for transportation to the destination point when the cost of the rental will be less than other reasonable and available modes of transportation.
- (3) If more than one County traveler from the same department is traveling to the same function, only one rental vehicle may be claimed and then only if

it is available for use by all of the County travelers.

- (4) The County traveler shall choose the least expensive size and mileage limits appropriate to the use required. Rental expenses for luxury cars, motorcycles and recreational vehicles may not be claimed.
- (5) Rental cars shall be refueled prior to return to the rental agency to reduce cost to the County. Rental cars should be returned to the renting location and on time to avoid additional charges.
- (6) When traveling domestically the County traveler shall waive additional vehicle insurance (except for additional driver and coverage for drivers under 25 years of age), provided that the employee has his/her own vehicle insurance coverage. When traveling internationally additional insurance should be accepted if the traveler lacks other similar coverage.
- (7) An original car rental receipt showing the number of days and type of vehicle rented is required for vehicle rental claims. A copy of the receipt or a credit card receipt alone is insufficient.

d) Commercial Carrier Transportation

- (1) County travelers shall seek and attempt to use the lowest rates available for the type of commercial carrier service being utilized. Whenever possible, travelers should take advantage of flight arrangements that minimize County cost (for example, purchasing a round trip ticket may be less expensive than two one-way tickets). Reservations should be made as far in advance as possible to take advantage of available discounts and special offers. Travel agents that have added ticket handling charges should be avoided.
- (2) Claims for travel via commercial carrier shall be limited to the cost of travel at economy rates for the same day and time of travel or actual cost, whichever is less. County travelers may upgrade tickets, provided that the traveler and not the County pay for the difference in cost for such upgrade. The County will not reimburse any type of travel insurance unless the Department Head requests the traveler to purchase cancellation coverage. Reasonable baggage charges, if imposed by the airline, on the first checked bag are reimbursable.
- (3) Claims for commercial carrier tickets shall be substantiated by an original ticket document (such as an e-ticket or passenger receipt ticket copy) showing the price, date, date/time of travel and class of travel. A copy of the credit card receipt or statement from a travel agency alone is insufficient.

- (4) County business traveler may retain frequent flyer/hotel rewards and similar program benefits. However, participation in these programs must not influence flight/hotel/etc. selection, which would result in incremental cost to the County beyond the lowest available airfare/hotel cost unless the difference is paid by the traveler. Free tickets or cash allowances for volunteering to be denied timely boarding may be retained by the traveler but no additional cost to the County or interruption of County work is allowed and any additional time required to complete the trip is to be personal time.
- (5) Should a Saturday night stay reduce the cost to the County of a ticket more than the total of any additional hotel/meal/parking cost, the costs to do so are reimbursable to the traveler but should be well-documented with a clear savings to the County.

e) Private Aircraft Transportation

- (1) Traveling by private aircraft which is flown by a County employee may be authorized if it will be the most efficient means of travel and the flight is incidental to the purpose of the County travel. Said use shall require the advance written approval of the County Administrative Officer. If approved, the following must be provided to the Auditor-Controller's Office in advance of the travel:
 - (a) a copy of the pilot's Federal Aviation Administration (FAA) pilot's certificate and instrument rating for the category and class of aircraft to be flown and the type of flying to be performed;
 - (b) a copy of the pilot's current medical certificate;
 - (c) a copy of the FAA Pilot Proficiency Award Program certificate issued to the pilot within the twelve months prior to the flight;
 - (d) a copy of the pilot's flight log showing a minimum of 250 hours of flight time within the twelve months prior to the flight;
 - (e) a certificate of public liability and property damage insurance of not less than \$1,000,000 naming the County as an additional insured.
- (2) Traveling by private aircraft, which is flown by a non-County employee, except for flights conducted by members of the Sheriff's Air Squadron in the performance of their official duties, is normally prohibited.
- (3) County travelers who operate a private aircraft in connection with approved County travel may be reimbursed the actual cost paid by the

traveler for fuel used by the aircraft on the trip or the County's mileage rate for each air mile at the travelers option.

f) Other Transportation Expenses

(1) The following necessary transportation expenses may be claimed at actual cost (receipt required) when directly related to transporting the County traveler to and from the business destination point:

- (a) taxi, shuttle, or public transit fares;
- (b) parking fees (airport long-term parking is required for travel exceeding 24 hours);
- (c) bridge, road or ferry tolls;
- (d) other actual transportation expenses determined to be reasonable and necessary by the department head and the Auditor-Controller.

(2) The following transportation expenses may not be claimed:

- (a) traffic and parking violations;
- (b) emergency repairs or non-emergency repairs on non-County vehicles;
- (c) personal travel while at an out-of-County location;
- (d) other actual transportation expenses determined to be unreasonable or unnecessary by the department head or the Auditor-Controller.

C. Meal Expenses

1. Eligibility for Meals

- a) County employees, contractors and volunteers may be reimbursed for in-County meal costs that are 1) ordinary (not extravagant) and necessary, 2) directly related or associated with bona fide County business matters and 3) approved by a member of the Board of Supervisors or a department head (or his or her designee). County business discussions associated with a meal must be conducted in a “clear business setting”.
- b) County travelers involved with in-County travel that does not require an overnight stay away from their home are not eligible to claim for meals taken outside the County, unless the requirements of paragraph a) above are met, or unless provided for in a Board of Supervisor-approved written County policy.

- c) County travelers on out-of-County business travel that requires an overnight stay away from their home are eligible to claim for meals taken out-of-County.
- d) County travelers are eligible to claim the meal reimbursements noted below for travel requiring overnight lodging if the total travel time (work time, plus the lunch period plus round-trip travel time) is estimated to equal or exceed 12 hours.
 - (1) Breakfast may be claimed if the County traveler must reasonably be away from home because of County business travel at or before 7:00 a.m.
 - (2) Lunch may be claimed if the County traveler must reasonably be away from home because of County business travel at or before Noon.
 - (3) Dinner may be claimed if the County traveler must reasonably be away from home because of County business travel at 7:00 p.m. or after.
- e) Snacks are a personal expense, not reimbursable.
- f) Claims for meals purchased by a County employee or volunteer on behalf of federal, state or local public officials or employees is prohibited, including any other Monterey County employees, unless provided for under other Board of Supervisor approved written County policies.
- g) County travelers are not eligible to claim meals or other expenses for those persons who are not otherwise eligible to file a claim themselves for County reimbursement.
- h) County travelers are not eligible to keep or claim per diem allowances for anyone other than themselves.

2. Meal Claims

- a) The County maximum full day meal and incidental expenses rate shall be equal to the maximum federal per diem meal and incidental expenses (M&IE) rate established by the GSA. Said maximums include taxes and gratuities.
- b) Meal expense amounts shall be calculated by the Auditor-Controller for first and last partial days of travel based on the maximum federal per diem meal rate for the appropriate meal(s).
- c) Claims for out-of-County meals taken in conjunction with travel that includes an overnight stay away from the traveler's home shall be reimbursed in the form of a "per diem allowance", which means the traveler is eligible to be reimbursed at the maximum rate allowed and receipts are not required (except for Board of

Supervisor Members). Partial days shall be reimbursed at the appropriate meal rate.

- d) Allowable meal costs may only exceed the prescribed per diem rates if the meal is being served at a conference or workshop and the costs of the speaker, conference, and/or registration are included in the price. The agenda/brochure or other documentation describing the event and the price must accompany the claim to the Auditor-Controller's Office.
- e) A County traveler may not claim a per diem allowance or reimbursement for any meal which is provided, or otherwise available, to the County traveler with the lodging or function, whether or not there is an actual charge for the meal. For example, if lunch is provided at the function or breakfast is included in the cost of lodging, the traveler may not claim a per diem allowance or request reimbursement for eating elsewhere. For purposes of this section, continental breakfast and meals provided during airline or other commercial carrier travel do not constitute provided meals and do not need to be deducted from the per diem allowance. A County traveler may not claim a per diem allowance for a meal that was paid for by someone else.
- f) If a breakfast is included in the cost of lodging, the traveler may not claim for a breakfast meal; however, s/he may apply the next day's breakfast allowance amount towards the maximum lodging amount. For example, if the maximum lodging amount is \$79.00 and the breakfast allowance is \$8.00, the employee may claim up to a maximum of \$87.00 for lodging which includes a continental breakfast. (For purposes of this section, continental breakfast does not constitute a provided breakfast meal.)
- g) Claiming for alcoholic beverage expenses are prohibited in all cases.
- h) As required by California Government Code 53232.2 Board of Supervisors members must provide receipts for all meals and will be reimbursed at the lower of the appropriate per diem amount or the actual expense.

D. Lodging Expenses

1. Eligibility for Lodging

- a) County travelers are not eligible to claim for lodging for in-County functions.
- b) For out-of-County business that is conducted on one business day, if the County traveler's actual time for the day is estimated to equal or exceed 12 hours (including work time, the lunch period and round-trip travel time), then the County traveler will have the option of securing one night's lodging at either the

front-end or back-end of the trip. Illustration: A member of the County Board of Supervisors who resides in Monterey County is required to attend a one-day business meeting in Sacramento. The Board member estimates that his total time for the day without obtaining lodging would be 14 hours (8 hours of meetings, 1 hour for lunch and 5 hours for round-trip travel). The Board member will have the option of securing one night's lodging in Sacramento, either the night before the meeting, or after conclusion of the meeting.

- c) For out-of-County business that requires multiple business days, if County travelers are eligible to claim lodging for the first and last evenings of an out-of-County trip, they are also eligible to claim lodging for any evenings that fall in between the first and last evenings of the trip.
- d) County travelers are not eligible to claim reimbursement of lodging costs when staying overnight as a guest of friends or relatives.

2. Lodging Claims

- a) Lodging expenses shall be claimed at either the actual cost of the lodging (limited to the single occupancy rate for a single room) or the County's maximum lodging rate (Federal Per Diem Rate), whichever is less. Receipts are required. Taxes are in addition to the Federal Per Diem Rate.
- b) Lodging costs may exceed the County's maximum lodging rate only when a conference, meeting or convention is being sponsored by an organization of which the County, the department or employee is a member, the lodging may be claimed at the actual cost if seminars or meetings are to be held at the particular hotel and/or events are scheduled for evening hours, and the department head has given advance written authorization.
- c) An original room folio receipt, showing the number of days and the number of occupants, is required for lodging claims. A copy of the receipt, travel agency statement or a credit card receipt alone is insufficient.
- d) When a room is shared with a fellow County traveler, the expense may either be prorated, and the prorated amount claimed by each County traveler, or one County traveler may claim the total expense at the multiple occupancy rate.
- e) When a room is shared with a person other than a County traveler and said person will also be claiming reimbursement from the County or another source, the amount shall be prorated between the two travelers.
- f) Lodging expense may not be claimed for guests of the County traveler. Where expense for a family member or friend is included in the receipt, the claim must not exceed the single occupancy rate.

- g) Special lodging, such as accommodations in apartments, RV parks, campgrounds or other semi-permanent lodgings, shall require advance written authorization of the County Administrative Officer and the Auditor-Controller.
- h) County travelers should inquire when making lodging arrangements whether the County is exempt from Transient Occupancy Taxes (TOT) in the locale where they are staying and should provide the necessary form to the lodging facility, if required to do so to obtain the waiver.
- h) Except when registering for lodging at a pre-arranged group rate in conjunction with a conference or meeting, County travelers shall request the government rate or lowest available eligible rate when making lodging arrangements.
- i) Travelers are responsible for canceling hotel rooms before the cancellation period ends and should record the cancellation number in case of disputes. Travelers will not be reimbursed for “no-show” hotel charges unless there are unavoidable reasons for not canceling the room.
- j) When multiple county travelers are traveling together and the rooms are put on one invoice, one traveler may take care of the invoice but should provide the details on who stayed in each room on the invoice.

E. Registration Fees

Conference, convention and seminar registration and tuition fees may be claimed at the actual cost, provided that the agenda/brochure or other documentation describing the event, including the price, accompanies the approved claim to the Auditor-Controller's.

F. Other Travel Expenses

1. County travelers are eligible to claim a per diem incidental allowance, limited to the maximum federal per diem incidental rate established by the IRS, for each day of travel requiring an overnight stay away from the traveler's home. Said allowance covers fees and gratuities for persons who provide services, such as food servers and luggage handlers, and does not require receipts (Except for Board of Supervisors Meals). If applicable (such as a Board of Supervisor meal), gratuities are limited to not exceed 15% of the service costs unless billed by a provider's standard policy at a higher rate.
2. County travelers are eligible to claim the following expenses at actual cost, even if they also qualify for a per diem incidental allowance. Receipts are required.
 - a) County business calls (traveler must annotate purpose of call on the bill)
 - b) fax machine charges incurred to send or receive documents for County use.

- c) copy machine charges incurred to copy documents for County use.
- d) Internet access connection and/or usage fees away from home not to exceed \$15.00 per day, if Internet access is necessary for county related business.
- e) other business related expenses determined to be reasonable and necessary by the department head and the Auditor-Controller.

VI. OTHER COUNTY BUSINESS EXPENSES

A. General Guidelines

In the course of conducting County business, employees, contractors or volunteers may incur business expenses (including meal expenses pursuant to Section V.C) on behalf of the County. Such expenses will be approved for reimbursement if the disbursement meets the following requirements:

- The disbursement is for an ordinary (not extravagant) and necessary expense of conducting County business, or is an expense that is required by the County,
- The expense is approved by a member of the County Board of Supervisors, or a County department head (or his or her designee), and
- The payee accounts for the expense in accordance with the rules for a “Accountable Expense Reimbursement Plan”, as set forth in the Internal Revenue Code and related regulations.

B. Taxation of Business Expense Reimbursements

If a reimbursement to an employee, contractor or volunteer meets the requirements of an “Accountable Expense Reimbursement Plan”, then such reimbursement will not be reportable for federal or California income tax purposes.

VII. CLAIMING PROCEDURES FOR OUT-OF-COUNTY TRAVEL

A. Travel Advance Claims

1. Authorizations and Eligibility

- a) Travel advances are strongly discouraged and are only available to County employees. The issuance of travel advances creates double work for departmental and auditor-controller staff and should only be used if a County travel card cannot be used or the employee does not have a personal credit card. Board of Supervisors Members are not eligible for travel advances.

The first choice is for travelers to use their personal credit cards to pay for their

travel expenses and be reimbursed before their monthly statement arrives. Secondly, the County has arranged for the use of the Travel Card to pay many travel related expenses. Departments may use their Travel Cards to pay for airline tickets and conference registration expenses for all of their employees, not just the cardholder. Commercial carrier and conference registration expenses should not be considered in the advance calculation. The third choice would be a cash advance, if necessary.

- b) Travel advances require the authorization of the department head or his/her designee, and the Auditor-Controller or his/her designee.
- c) The net amount of the travel advance shall not exceed the following:
 - (1) 75% of the total estimate for the following travel expenses, exclusive of payments made payable directly to the vendor:
 - (a) lodging (documentation, including at least the confirmation number and hotel name should be provided), including hotel parking
 - (b) rental vehicle transportation;
 - (c) per diem meal allowances;
 - (d) long-term airport parking;
 - (e) other out-of-pocket expenses deemed necessary and reasonable by the Auditor-Controller.
 - (2) 50% of the total estimate of reimbursement for mileage for business use of a private vehicle.
- d) A travel advance shall not be issued for a net amount less than \$100.00 nor more than \$2,000.00.
- e) A travel advance shall not be issued more than thirty (30) calendar days in advance of the commencement of travel.
- f) Travelers are not eligible for an additional travel advance if they have an unsettled advance, unless the advances are for travel taken consecutively. In such case, the sum total of the travel advances shall not exceed \$2,000.00.

2. Travel Advance Requests

- a) Requests for travel advances involving travel shall be submitted by the department head to the Auditor-Controller's Office on a completed and signed

"County of Monterey Travel Request" form, accompanied by all documentation relative to the request, at least ten (10) working days in advance of the commencement of travel.

- b) After a completed and approved "County of Monterey Travel Request" form is received by the Auditor-Controller's Office, a warrant payable to the County traveler for the amount requested shall be issued, up to the 100% maximum amount allowed pursuant to this County travel policy.

3. Travel Advance Settlements

- a) Within five (5) working days of completion of travel, the County traveler shall submit all receipts for allowable travel expenses to the Department and within fifteen (15) working days of completion of travel to the Auditor-Controller's Office on a completed County claim form. Credit for the travel advance shall be subtracted from the amount owed to the County traveler.
- b) In the event that allowable expenses are less than the amount of the travel advance, the County traveler shall submit the difference in the form of a check or money order made out to the "County of Monterey" with the claim form.
- c) County travelers who cannot provide a required receipt shall reimburse the County for the amount of the money advanced to them for that expense.
- d) Travelers who do not submit the required documentation by the time frames set forth above may lose their eligibility for future travel advances.
- e) Department heads are responsible for ensuring that their employees settle their travel advance claims within the time frames set forth in subsection a) above. Non-compliance may jeopardize advances for the entire department.

B. Prepaid Vendor Claims

1. Vendor Claim Requests

- a) Once travel has been authorized, claims to the vendor may be submitted for lodging and registration fees when there is sufficient time for the check to be processed before the authorized County traveler commences travel.
- b) If the travel requires a "County of Monterey Travel Request" form, the approved form shall be submitted with the claim. If the original has been submitted with a previous claim, then that shall be noted on the claim form and a copy of the form attached.
- c) Whenever possible, the County shall be named as registrant for events to allow

transfer of attendance privilege when conflicts prevent the original registrant from attending.

- d) The County will mail the warrant directly to the vendor unless the traveler requests that the warrant be returned to them to hand carry to the vendor.

2. Vendor Claim Settlements

- a) Each vendor claim must have an original receipt attached in order to settle the claim. The required receipts for vendor claims that have been prepaid shall be forwarded to the Auditor-Controller's Office within thirty (30) calendar days after completion of travel.
- b) Claims paid directly to vendors that are not substantiated by receipts within thirty (30) calendar days of the completion of travel shall be considered to be unsettled travel advances to the County traveler.
- c) Department heads are responsible for ensuring that their employees return their receipts within the time frames established by this policy. Non-compliance may jeopardize the department's ability to have travel expenses paid in advance.
- d) In the event that all or a portion of the prepaid cost to a vendor is reduced after the check has been processed, the County traveler is responsible for ensuring that the entire difference is returned to the County within the time frames established for settling the claim.

C. **Travel Reimbursement Claims**

1. After completion of travel, the County traveler shall submit a completed County claim form to the department head for authorization. After review and authorization, the department head shall submit the authorized claim, together with any required receipts, to the Auditor-Controller's Office. Said claim shall be received by the Auditor-Controller's Office within thirty (30) calendar days of the completion of travel.
2. The traveler shall not be reimbursed until s/he has signed the certification for the claim that is required by the Auditor-Controller's Office.
3. The Auditor-Controller's Office shall review the claim for compliance with applicable County policies and procedures. If approved by the Auditor-Controller's Office, the claim shall be processed and a check sent to the claimant within ten (10) working days. If denied, or denied in part, the department's contact person will be notified immediately. The Auditor-Controller has the final decision on allowable expenses.
4. No reimbursement for travel shall be paid to the employee until all required receipts

for the travel claim have been filed with the Auditor-Controller's Office.

5. Travel reimbursements are to be paid via checks and not to be paid via petty cash.

D. Mileage Claims

1. Whenever travel requires advance authorization of the department head, or his/her designee, the resulting mileage expense shall be claimed on the same claim form as the other expenses that apply to that travel. The only exception is if mileage is the only expense of the trip, in which case the traveler may claim the mileage on the monthly "Mileage Reimbursement" claim form.
2. Whenever travel does not require advance authorization of the department head, or his/her designee, the resulting mileage expense shall be claimed on the "Mileage Reimbursement" claim form.
3. Mileage claims shall be submitted monthly, unless the total for the month is less than \$50.00, in which case the claim may be held for an additional month. However, the claim must not be held over to the next month more than twice, regardless of the dollar amount.
4. All mileage claims for the last month of the fiscal year must be processed by year-end close.
5. Mileage Claims are to be paid via warrants and not to be paid via petty cash.

E. Reimbursement by Outside Source

1. County travelers receiving reimbursement from an outside source for travel on County time shall forward said reimbursement to the Auditor-Controller for handling and deposit if the traveler intends to submit an expense claim to the County or use County resources, including a County vehicle, to travel. In such cases, the traveler shall then be entitled to submit a claim for actual and necessary expenses for transportation, meals, lodging, and incidentals, subject to the claiming conditions set forth in this travel policy. Said reimbursement shall be delivered to the Auditor-Controller's Office within thirty (30) days of the receipt of the funds.
2. If a County volunteer or non-employee will be receiving a per diem or other reimbursement of travel expenses from a source outside of the County, the volunteer shall not be eligible to claim or receive any additional reimbursement from the County for the same expenses.

F. Late Claims

If a claim for reimbursement or settlement of a travel claim is submitted after the allowed time frames, the payment to the employee shall not be made until the claim has

been reviewed and approved by the Auditor-Controller or his/her designee.

G. Travel Card Use

Subject to the rules contained in the Travel Card Policy, travel expenses (airline, hotel, vehicle rental, gas, emergency repair of county vehicles and airport parking) may be charged to County of Monterey Travel Cards. Prohibited items include employee meals, room service, movies, cash advances, gift cards of any kind, liquor, tobacco and other items prohibited by the Travel Card Policy. Under no circumstances should personal items (even if reimbursed to the county) be charged to the travel card. Expenses paid on the travel card should not be included on a claim for reimbursement.

VII. INTERPRETATIONS

The Auditor-Controller, or his/her designee, shall be responsible for interpretations of this policy.

VIII. EXCEPTIONS

Exceptions to this policy require the approval of the Auditor-Controller or his/her designee.

IX. CONFLICT WITH RULES

In the event that this County Travel policy is in conflict with another County policy, the policy with the strictest application shall prevail.