

**MARIN COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (MCERA)
TRUSTEE AND STAFF TRAVEL EXPENSE POLICY**

APPROVED: July 11, 2007
AMENDED: October 8, 2008
AMENDED: May 6, 2009
AMENDED: May 20, 2009
AMENDED: September 8, 2010
AMENDED: July 10, 2013
AMENDED: March 12, 2014
AMENDED: May 6, 2015
AMENDED: May 4, 2016
AMENDED: May 10, 2017
REVIEWED: June 10, 2020
REVIEWED: May 3, 2023

I. Purpose.

The Board of Retirement of MCERA (the “Board”) recognizes the importance of education and the conduct of regular, periodic on-site examinations and meetings with its investment professionals and outside advisers to the success of fulfilling its constitutional and statutory fiduciary duty to administer the retirement system prudently. It is also the policy of the Board to ensure that MCERA staff members are properly trained to perform their respective duties and are, on an ongoing basis, exposed to up-to-date benefit, financial, investment, and other information regarding best practices.

In furtherance of its stated Education and Due Diligence policies and in recognition of the need for proper training of staff, the Board recognizes the need to reimburse Trustees and MCERA staff members for reasonable and necessary travel expenses incurred while participating in educational programs and conducting due diligence and other business-related activities. The Board adopts this Trustee and Staff Travel Expense Policy (the “Travel Policy”) to facilitate the appropriate reimbursement of activities pursuant to MCERA’s Trustee Education and Due Diligence Policies. This Policy shall also apply to business-related travel of MCERA staff members. Because these are legitimate expenses of the retirement system, the amounts necessary to cover such expenses, as reflected in the Board’s annual budget, shall be charged as an investment-related expense or as an administration expense, as appropriate.

This Travel Policy is intended to be applied and interpreted in compliance with the relevant provisions of the California Government Code and in harmony with the mission statement, policies and guidelines approved by the Board of Retirement from time to time.

II. Guidelines.

This Travel Expense Policy sets forth the guidelines by which MCERA shall reimburse Trustees and MCERA staff for their reasonable and necessary travel expenses incurred while participating in educational programs and conducting due diligence and other MCERA related activities. The purpose of this Travel Policy is to set forth approval procedures, impose certain limitations on travel reimbursement and identify expense guidelines to promote prudent and cost effective

travel. These guidelines are intended to be read and applied in conjunction with, and to complement, MCERA's Trustee Education and Due Diligence Policies.

A. Approval.

Reimbursement of travel and related expenses for a Trustee or staff members to attend an educational program or conduct a due diligence examination or other business for MCERA requires the prior approval of the Board, except under exigent circumstances when Board approval cannot be obtained in advance. All reimbursement of travel expenses for MCERA staff members, other than the Retirement Administrator, to attend an educational conference or seminar or for administrative purposes or due diligence visits, requires the prior approval of the Retirement Administrator. Trustee or staff member attendance at conferences outside of the United States are generally disfavored. In the event a due diligence audit requires international travel, reimbursement for expenses related to the audit shall require prior approval by a vote of not fewer than six members of the Board. Travel on MCERA business within the Northern California region need not be approved in advance as long as overnight accommodations are not required. In accordance with MCERA's Trustee Education Policy, travel by Trustees and/or the Retirement Administrator or designee to attend a program of the State Association of County Retirement Systems ("SACRS"), California Association of Public Retirement Systems ("CalAPRS"), National Conference of Public Employee Retirement Systems ("NCPERS"), the Council of Institutional Investors ("CII") and the National Association of State Retirement Administrators ("NASRA"), need not be approved in advance; provided, however, that MCERA will not pay for overnight accommodations in locations that are within fifty (50) miles of MCERA's offices, unless pre-authorized by the Board Chair after consultation with the Retirement Administrator; any Board Chair requests for an exemption from this limit must be pre-authorized by the Board Vice-Chair after consultation with Retirement Administrator.

B. Limitation on Attendance by Trustees.

A Trustee is authorized to attend up to three approved educational programs that require overnight lodging each calendar year. Attendance by board members and the Administrator at SACRS conferences, NCPERS' Annual Meeting and Legislative Workshop, CalAPRS roundtables and general assembly, CII general assembly, NASRA Annual Meeting, and educational sessions developed by retained consultants to the Plan are excluded from this limitation. No more than one conference may involve travel to a destination outside the United States. No more than four members of the Board, and less than a quorum of a Standing Committee of the Board, are authorized to meet together for business purposes unless there is appropriate public notice of the meeting. Attendance at educational conferences, seminars and social activities by more than four members of the Board is not a violation of this provision.

A training calendar will be presented for approval at the Board's monthly meetings, listing Board members and staff who anticipate attending specified educational programs. Additional attendees may be added to the calendar at and after each meeting as well.

C. Authorized Expenses.

Trustees and staff members shall be entitled to reimbursement for travel expenses and for all other reasonable and necessary expenses incurred in connection with MCERA business. Expenses are authorized by the Board of Retirement when by majority vote an educational event is added to the trustee training calendar or due diligence meetings are scheduled by the Board.

Reimbursement for expenses will occur in accordance with the schedule attached to this Travel Policy. To the extent that a sponsor of an educational conference provides meals, beverages and reasonable incidentals to conference attendees but does not charge a conference fee, the Board may consider authorizing payment to the conference sponsor for such reasonable and necessary expenses for Trustee and staff members to attend the conference and thereby cover the cost of such meals, beverages and reasonable incidentals.

D. Allocation of Travel Expenses.

Travel and other related business expenses incurred in connection with participation in educational programs or other business of MCERA where the principal focus is not related to investments shall be included in MCERA's annual budget as expenses of administration. Travel expenses for educational programs and due diligence evaluations relating to the system's investment portfolio shall be included in MCERA's investment budget as investment expenses.

E. Claims for Reimbursement.

Reimbursement for travel by a Trustee or staff member shall be submitted on MCERA's Expense Reimbursement Forms, which shall be reviewed and approved (or disapproved) by the Retirement Administrator in accordance with the provisions of this Travel Policy. The Board Chair shall approve expense claims for the Retirement Administrator in accordance with the provisions of this Travel Policy. All approvals are subject to review and concurrence by the Board, as requested by the Board from time to time. In addition, all reimbursement approvals provided to Trustees and the Retirement Administrator shall be reported in writing quarterly to the Finance and Risk Management Committee. All claims must be submitted within thirty (30) days following the date of travel. In no event will a claim for reimbursement be approved if submitted ninety (90) days after the end of the calendar year in which the expense was incurred. MCERA shall be reimbursed for all advances or reimbursements made in excess of allowable expenses within ninety (90) days from the date a refund request has been made.

F. Cash Advances.

Cash advances are allowed on an as needed basis, though they are disfavored for Board members. Consistent with County Administrative Regulation No. 1, cash advances may be limited to 90% of anticipated actual expenses.

G. Expenses for Traveling Companions.

Under no circumstances shall the expenses of a family member or traveling companion of a Trustee or staff member be reimbursed by MCERA.

H. Limitations on Expense Allowance.

Reimbursement for expenses shall not exceed that which is reasonable and necessary for travel to the precise destination and date of the covered occurrence, whether by private automobile or common carrier. Expense costs for extra days prior to or after a conference and/or meeting will be reimbursed only if such extension results in the same or lower overall trip costs in accordance with this Travel Policy. Board members should consult with the Retirement Administrator in advance of any travel if there are questions regarding the reasonable and necessary expenses.

I. Travel and Lodging Cancellations.

Trustees and staff members are responsible for the timely cancellation of or change to any registration to a conference where fees may be charged and/or travel and lodging reservations are made on their behalf. Trustees and/or staff shall be responsible for the costs of any fees charged as a result of the failure to timely cancel or resulting from changes to said reservations, unless otherwise approved, on a case-by-case basis, by the Board Chair after consultation with the Retirement Administrator; any Board Chair requests for an exemption must be approved by the Vice Chair after consultation with the Retirement Administrator. Any fees paid as a result of Trustee or Retirement Administrator cancellations shall be included on the quarterly report on travel reimbursements made to the Finance and Risk Management Committee.

J. Travel Reports.

The Retirement Administrator shall report all travel by Trustees and Staff on the consent calendar that is submitted to the Board on a monthly basis.

K. Gifts of Travel and Education.

Under the California Political Reform Act, travel expenses, including transportation, lodging and meals, the value of which equals or exceeds \$50 from any single source in any 12 month period may not be paid or reimbursed by any third party for the benefit of any Trustee, the Retirement Administrator, or other public official who manages public investments as defined in Government Code §87200, unless such expenses are reported on the individual's Form 700 and ordinarily may not exceed \$470 in any given 12 month period (adjusted periodically for inflation; see Gov. Code section 89503 and FPPC Regulation section 18940.2(a)). The Board may no longer accept gifts of such expenses as gifts to the agency.

If the Board were to accept a gift to the agency of travel expenses as defined herein on behalf of any MCERA staff who do not manage public investments, any such approval by the Board shall be consistent with FPPC Regulation §18944.2, as amended.

In addition, effective February 10, 2010, there is a presumption that gifts provided to the spouse or registered domestic partner of a statutory filer, such as a Trustee, are *gifts to the official* that the official must include in gift reporting and limitation assessments, unless there is an established working, social or similar relationship between the donor/vendor and the official's family member, independent of the relationship between the donor/vendor and the official. FPPC Reg. 18944.

Education and educational materials, including books, reports, pamphlets, calendars, periodicals, videotapes, and free or discounted admission to informational conferences or seminars, may be provided by parties other than MCERA to Trustees and MCERA staff, because they are not considered "gifts" under Government Code §82028(b) and FPPC Regulation §18942.1. However, travel, accommodations, meals and beverages provided in connection with informational conferences or seminars for which admission is free or discounted to MCERA are considered a gift to the attending Trustee or staff member, unless MCERA pays for those expenses, or some other exception applies.

Further, effective January 1, 2014, Trustees are permitted to have certain third parties pay for transportation, lodging, and food that is directly related to the official's public duties, is for a

purpose that would otherwise be paid for with the agency's funds, and is authorized in the same manner as transportation, lodging, and food using the agency's own funds. However, in order to be permitted, those payments must meet detailed requirements and limitations of FPPC Reg. 19850.1. Those requirements include, but are not limited to, posting specified notices by MCERA of the gift(s). Thus, as a matter of policy and internal controls, any determination to accept such a gift of travel from a third party by MCERA on behalf of an official should be first brought to the MCERA Board for consideration.

However, if a Trustee or other public official under Government Code section 87200 makes a speech or other formal presentation at an informational conference or seminar within or outside of the United States, or if a Trustee is conducting bona fide business on behalf of another organization at a conference or seminar, then other rules regarding payment, reimbursement for expenses, and reporting obligations, may apply that would potentially not warrant MCERA Board consideration.

Trustees and staff are encouraged to work with the Retirement Administrator and MCERA's counsel, or their own counsel, to determine, before attending an event that is free or discounted to them, whether any aspect of the event would be considered a gift that is subject to reporting rules and limitations, or income that must be reported, under the Political Reform Act.

L. Travel Arrangements.

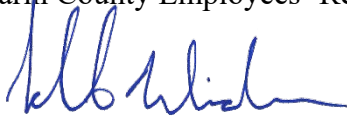
All travel arrangements for which reimbursement will be sought shall be made through or coordinated with the office of the Retirement Administrator.

III. Policy Review.

The Board shall review this Travel Policy at least every three years to assure its efficacy and relevance. This Travel Policy may be amended from time to time by majority vote of the Board.

IV. Certificate.

I, Jeff Wickman, the duly appointed Retirement Administrator of the Marin County Employees' Retirement Association, hereby certify that this policy was reviewed and made effective by the Marin County Employees' Retirement Association on May 3, 2023.



Retirement Administrator

MCERA EXPENSE REIMBURSEMENT SCHEDULE

Airline Travel

Trustees and staff shall be reimbursed for actual and reasonable expenses for airfare for approved travel on MCERA business. Any scheduled U.S. or recognized international air carrier may be used for domestic or international travel. A fully refundable coach class ticket shall be purchased, which shall be at competitive prices. If a restricted or excursion class ticket is purchased at the request of a Trustee or staff member and the ticket is subsequently cancelled, the Trustee or staff member shall be required to reimburse MCERA for the cost of the ticket, unless a credit voucher for future travel is issued by the air carrier; charges incurred because of urgent MCERA business or the cancellation of a meeting or event by the organizing entity are exempt from this requirement.

If savings can be realized on the airfare by having a Trustee or staff member extend their stay to include a Saturday night, at his or her option, said Trustee or staff member may extend his or her stay in order to realize such savings. MCERA shall reimburse the cost associated with the additional lodging and meals resulting from an extended itinerary, not to exceed the savings in airline fare.

If, at the conclusion of a business-related trip, it would be impractical for a Trustee or staff member to return home the same day and arrive home prior to 10:00 p.m. California time due to the distance that must be traveled, or the unavailability of a return flight, the Trustee or staff member may lay over for one additional night and MCERA shall reimburse the costs associated with the additional lodging and meals resulting from the extended stay.

Receipts must be submitted along with a completed MCERA Expense Reimbursement Form to obtain reimbursement.

Hotels

Actual expenses for lodging in a standard class of hotel shall be reimbursed by MCERA. Whenever possible, a request for a government or conference rate should be made. While meals charged to the hotel bill shall be reimbursed in accordance with this Travel Policy, MCERA shall not reimburse expenses related to alcoholic beverages, tobacco, in-room movies, barber/beauty shop, gifts, magazines, personal telephone calls and mini-bar charges. In the case of an extended trip or an emergency situation, laundry and dry cleaning expenses may be reimbursed. Cancellation fees incurred because of urgent MCERA business or the cancellation of a meeting or event by the organizing entity are exempt from this requirement.

Original hotel receipts must be submitted along with a completed MCERA Expense Reimbursement Form to obtain reimbursement.

Meals

A Trustee or staff member will be reimbursed for the cost of meals at a flat rate up to a maximum established by the County of Marin pursuant to the expense reimbursement policies established by its Board of Supervisors. Receipts shall not be required for per diem reimbursement.

For out-of-state travel, a Trustee or staff member will be reimbursed for the cost of meals at a flat rate up to a maximum established by the County of Marin pursuant to the expense reimbursement policies established by its Board of Supervisors.

A Trustee or staff member shall be reimbursed for up to a 15% gratuity. No reimbursement will be made for alcoholic beverages. A Board member and/or staff must provide a receipt for any meal that exceeds \$ 25.00 (excluding tax and tip). When requesting reimbursement for fewer than three meals per day, expenses for a particular meal shall be rounded to the nearest whole dollar, and then submitted not to exceed the maximum percentage of the Per Diem Rate shown below.

<u>Meal</u>	<u>Travel Begins On or Before</u>	<u>Portion of Per Diem Traveler is Entitled to Receive</u>
Breakfast	7:00 am	20%
Lunch	11:00 am	25%
Dinner	5:00 pm	<u>55%</u>
MAXIMUM TOTAL DAILY		100%

When a meal is included in the cost of a conference registration fee, mode of travel (e.g. airfare), or other MCERA-paid activity, employees will not be entitled to reimbursement for item.

Automobile Mileage

A Trustee or staff member who uses his/her personal automobile for transportation on MCERA business may be reimbursed for the actual mileage driven on business and shall report such mileage on a MCERA Expense Reimbursement Form. Reimbursement shall be made at the per-mile rate allowed by the Internal Revenue Service. Pursuant to item H. above, Board members should consult with the Retirement Administrator prior to using a personal vehicle for travel if the use of the vehicle would exceed reasonable and necessary expenses from an alternate method of travel. Staff who receives a car allowance shall not be entitled to reimbursement for miles driven on MCERA business, unless approved in advance by the Chair. Those who use a personal automobile for MCERA business shall carry full automobile insurance coverage

Parking And Tolls

Parking and tolls are reimbursed at cost. Receipts are required for amounts over \$25.00.

Public Transportation

Use of taxis, hired cars and public transportation for MCERA business shall be reimbursed at actual rates. A receipt is required for amounts over \$25.00.

Car Rentals

The use of a rental car by a Trustee or staff member shall be reimbursed when it is economically reasonable to rent a vehicle rather than use taxis, hired cars or public transportation. Rental car discounts must be used whenever possible and appropriate. If available, a compact vehicle will be requested, unless several Board members and/or staff will be using the vehicle together. Full insurance coverage must be purchased in connection with any car rental.

Incidental Business Expenses

Incidental business expenses reasonably incurred in connection with MCERA business, such as telephone, fax, internet access, and similar business expenses, shall be reimbursed as necessary and appropriate. Receipts are required in each instance of such business expense.

Porterage

Maximum reimbursement for porterage is \$10.00 per day of travel. Receipts not required.