

TRUSTEE TRAVEL POLICY

PURPOSE

- 1) This Trustee Travel Policy is intended to encourage and facilitate the pursuit of relevant educational and/or business-related travel by trustees of KCERA. The policy is intended to ensure that travel expenditures incurred are prudent and reasonable, and mitigate the risk of improprieties arising from such travel.

DEFINITIONS

- 2) "External Education Programs" shall refer to education sessions sponsored by third parties and may include conferences, workshops, seminars, courses, and other similar events that take place in a physical location such as a hotel, conference center, or academic institution.

PRINCIPLES

- 3) The Trustee Travel Policy rests on the following important assumptions:
 - a) Prudent oversight of a public sector pension plan requires that trustees occasionally travel to business meetings and External Education Programs. Travel and related costs incurred in doing so represent legitimate expenses of KCERA and are a sound investment in the success of KCERA in meeting the needs of the membership.
 - b) Notwithstanding the above, any expenditures relating to travel and reimbursement by KCERA trustees must be consistent with the Board's fiduciary duties.
 - c) The most appropriate means of assessing whether expenditures incurred by trustees are appropriate is through the application of a reasonableness test. This is in contrast to setting out specific, detailed expenditure guidelines and limits that may or may not be appropriate in many circumstances.
 - d) This policy shall reflect the unique needs and circumstances of KCERA, but shall be generally consistent with the standards set out in the travel policy of Kern County.
 - e) The most effective means of ensuring that trustees comply with the letter and spirit of the Trustee Travel Policy is to require full disclosure of all covered expenditures.

POLICY GUIDELINES

- 4) Trustees shall only be reimbursed for expenses relating to travel that has been approved by the Board. Whenever possible, trustees shall seek to obtain pre-approval by the Board for any travel to be undertaken.
- 5) All requests by trustees to attend External Education Programs will be placed on the next board meeting agenda as a consent item, and shall:
 - a) Include an agenda and supporting information on the pertinence and relevance of attendance to a fiduciary;
 - b) Provide specific information as to whether trustees will serve as a speaker or panel participant; and
 - c) Contain specific information concerning the attendance fees and estimated travel cost involved. Such estimated costs shall be conservative, reflecting the higher cost travel options that might reasonably be undertaken.
- 6) KCERA shall only pay for, or reimburse, travel or business-related expenses incurred that are in compliance with the provisions contained herein, the Trustee Education Policy, and the Conflict of Interest Policy of KCERA.
- 7) KCERA shall only pay for, or reimburse, travel or business-related expenses relating directly to KCERA trustees (as opposed to family members or other acquaintances that may be traveling with the trustee).
- 8) Trustees shall notify the Chief Executive Officer of any changes in travel or accommodation arrangements made on their behalf in a timely manner. Failure to do so may result in the trustee being responsible for additional costs incurred as a direct result of late changes and cancellations, at the option of the Board.
- 9) Trustees shall have the option to extend a trip only if such extension incurs no additional expense for KCERA.
- 10) All arrangements for airline tickets and hotel accommodations shall be made through the office of the Chief Executive Officer.
- 11) KCERA business-related expenses that may be reimbursed to trustees or paid on their behalf, include, but are not limited to, the following:
 - a) Air fare;
 - b) Fares relating to taxis, airport shuttles, trains, subways, etc.;

- c) Rental cars and personal automobile use (in accordance with the travel policy of Kern County);
 - d) Hotel accommodations (single occupancy);
 - e) Meals and beverages consistent with County per diem amounts, which exclude alcoholic beverages; and
 - f) Telephone calls and business services (photocopies, faxes, computer services, etc.) incurred in the service of KCERA business.
- 13) Trustees are expected to obtain receipts pertaining to expenses incurred in connection with KCERA business (excluding receipts for meals and beverages) and, at their earliest convenience, submit the receipts to the office of the Chief Executive Officer for reimbursement. Trustees shall receive reimbursement for expenses as promptly as possible.
- 14) Where trustees attend External Education Programs sponsored by KCERA's service providers or attend due diligence visits, KCERA shall directly pay, or reimburse attendees for, the associated travel, lodging and meal costs in accordance with this policy. Notwithstanding paragraphs 11 (d) and (e) above, reimbursement limits for hotel accommodations, meals, and non-alcoholic beverages that may be provided at such External Education Programs or due diligence visits shall not be subject to the county per diem limits, and shall be reimbursed to the service provider at fair market value.¹
- 15) When deciding among closely similar External Education Programs or identical programs offered in different locations, KCERA trustees shall favor those programs that minimize travel, participation, and related fees and expenses.
- 16) The Chief Executive Officer shall recommend to the Board a travel policy for staff that is generally consistent with the provisions of the Trustee Travel Policy set forth herein.
- 17) Board or staff members may receive or accrue ancillary benefits while traveling on KCERA business (for example, rewards for frequent flying, hotel stays, or car rentals), provided that no incremental costs are incurred by KCERA. When making travel arrangements, however, trustees and staff members shall seek the most economical travel arrangements, without consideration of ancillary or other benefits the trustee or staff member may receive.

¹ KCERA shall request that the service provider provide an invoice for the fair market value of all meals and non-alcoholic beverages provided to participating trustees. Alcoholic beverages may not be reimbursed by KCERA, and may need to be recorded by the trustee as a gift pursuant to the Fair Political Practices Commission's Regulations.



POLICY REVIEW AND HISTORY

18) This policy shall be reviewed at least every five years.

19) This policy was:

- a) Adopted by the Board on September 27, 2000.
- b) Amended on June 23, 2004; June 27, 2007; October 22, 2008; June 15, 2011; December 12, 2012; April 13, 2016; August 11, 2021; and April 13, 2022.