

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (FCERA)  
EDUCATION AND TRAVEL POLICY**

**I. INTRODUCTION**

- 1) The Board of Retirement of FCERA (the "Board") recognizes and affirms its constitutional and statutory fiduciary duty to prudently administer the retirement system for the exclusive benefit of FCERA's members and their beneficiaries as set forth below:
  - a) "[T]he retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system..." Cal. Const. Art. XVI, § 17
  - b) "Except as otherwise expressly restricted by the California Constitution and by law, the board may, in its discretion, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the board." Cal. Gov. Code § 31595(a)
  - c) "The board and its officers and employees shall discharge their duties with respect to the system...(b) [w]ith the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims." Cal. Gov. Code § 31595(b)
- 2) Effective January 1, 2013, Section 31522.8 was added to the Government Code. This Policy is intended to comply with Section 31522.8, which requires each Trustee to complete a minimum of 24 hours of trustee education within the first two years of assuming office and for every subsequent two-year period in which each Trustee continues to hold office.
- 3) Travel by multiple Trustees shall be conducted in such a manner as to not violate provisions of the Brown Act (Cal. Gov. Code § 54950 et seq.).
- 4) The Board also recognizes the need to reimburse Trustees and authorized staff for travel and other expenses reasonably and necessarily incurred while participating in educational programs, conducting due diligence, and other activities on behalf of the retirement system. These expenses are legitimate expenses of the retirement system. The Board adopts this Policy and the accompanying Preapproved Travel Expense Reimbursement Schedule (Exhibit A) to facilitate reimbursement of qualifying travel expenses. This Policy shall also apply to business-related travel of the FCERA Administrator, his or her designees, and staff.

## **II. PURPOSE**

- 1) The objectives of this FCERA Education and Travel Policy are:
  - a) To ensure all Trustees gain the knowledge necessary to carry out their fiduciary responsibilities.
  - b) To ensure access to relevant information is made available to all Trustees.
  - c) To ensure Trustees possess shared knowledge relevant to pension administration and the investment of trust assets, to enable effective group discussion, debate, and decision-making.
  - d) To enable each Trustee to achieve and maintain proficiency in the conduct of FCERA's business by educating himself or herself in matters central to the prudent administration of the retirement system and the investment of retirement funds.
  - e) To set forth the guidelines by which FCERA will reimburse Trustees, the Retirement Administrator, and staff for qualifying travel expenditures.
  - f) To ensure that travel expenditures incurred are prudent and cost effective, and to mitigate the risk of any impropriety (whether perceived or actual) that could arise from retirement system and/or FCERA business-related travel.

## **III. TRUSTEE EDUCATION GUIDELINES**

- 1) Trustees must develop and maintain an appropriate level of knowledge and skill necessary to prudently administer the retirement system. The role of Trustee is distinct from management; therefore, the knowledge and educational needs of a Trustee may also be distinct. Accordingly, Trustees shall endeavor to gain knowledge that is consistent with the Board's role as a high level, policy setting, and oversight body. California Government Code section 31522.8 identifies appropriate topics for Trustee education, which may include, but are not limited to, the following pension related areas:
  - a) Fiduciary responsibilities
  - b) Ethics
  - c) Pension fund investments and investment program management
  - d) Actuarial matters
  - e) Pension funding
  - f) Benefit administration
  - g) Disability evaluation
  - h) Fair hearings
  - i) Pension fund governance
  - j) New Trustee orientation

- 2) The Board finds the following shall assist in establishment of Trustee proficiency in the prudent administration of FCERA and therefore shall be considered appropriate educational activities for compliance with this Policy and Section 31522.8 of the Government Code:
  - a) FCERA’s “New Trustee Orientation Program” (as defined in Section VII below) upon initial appointment or election as a Trustee
  - b) State Association of County Retirement Systems (“SACRS”)
    - i. Semiannual Conferences
    - ii. Public Pension Investment Program
  - c) California Association of Public Retirement Systems (“CALAPRS”)
    - i. General Assembly
    - ii. Trustee Roundtables
    - iii. Administrator Roundtables
    - iv. Board Leadership Institute
    - v. Principles of Pension Management Program
  - d) FCERA in-house educational programs
  - e) Due diligence evaluations, as an observer, with current or prospective investment managers or other FCERA service providers, consistent with FCERA’s Due Diligence Policy.
  - f) Self-study of educational materials obtained independently or provided to the Board by the Retirement Administrator.

#### **IV. EDUCATIONAL PROGRAM SELECTION AND APPROVAL PROCESS GUIDELINES**

- 1) Certain educational programs are well known to provide important training to Trustees of retirement systems governed by the County Employees Retirement Law of 1937 (“CERL”). Trustees are generally authorized to attend the following conferences/programs without further approval:
  - a) SACRS – Semiannual conferences
  - b) CALAPRS – Trustee Roundtables and General Assemblies
- 2) Other educational programs offered by the SACRS, CALAPRS, National Conference on Public Employee Retirement Systems, International Foundation of Employee Benefit Plans, Government Financial Officers Association, Pension Real Estate Association, Public Funds Forum, Institutional Investor Conferences; commercial enterprises such as Strategic Research Institute, or institutions of higher education such as The Wharton

School, the Stanford Directors' College, Institute for International Research, and the Pacific Pension Institute, provide valuable trustee education. The Retirement Administrator shall regularly identify appropriate educational programs of this nature based on the individual needs of the Trustees. Attendance by Trustees at such programs shall require the consent of the Board, upon consideration of the following:

- a) The extent to which attendance is expected to provide the Trustee with the level of knowledge and understanding sought by this Policy;
  - b) The cost effectiveness of the opportunity, considering the substance of the information presented;
  - c) The timeliness and relevance of the opportunity; and
  - d) The number of FCERA Trustees proposed to attend.
- 3) In considering whether to approve attendance at a particular program, the Board shall give priority to Trustees who have not previously attended such program, reflecting the Board's intent to distribute educational opportunities equitably among the Trustees.
- 4) Trustees whose terms are coming to a definite end within 6 months of available educational programs, including educational programs listed in Paragraphs IV. 1) a) and b) shall require the consent of the Board, upon additional consideration of the relative value of attendance prior to separation from service.

## **V. TRAVEL GUIDELINES**

- 1) Approval
  - a) Authorization and reimbursement of travel and related expenses for staff, except the Retirement Administrator, are subject to the approval of the Retirement Administrator.
  - b) Authorization and reimbursement of travel and related expenses for the Retirement Administrator are subject to the approval of the Board Chair, or Vice Chair, except for attendance at and reimbursement for the following:
    - i. Trustee education and travel pre-authorized under Section IV. (1) of this Policy;
    - ii. CALAPRS Administrator and CIO Roundtables; and
    - iii. The CALAPRS Administrators' Institute.
  - c) Authorization of estimated travel and related expenses for a Trustee to attend an educational program, conduct a due diligence examination, or conduct other FCERA-related business requires the prior approval of the Board, except for:

- i. Exigent circumstances when Board approval cannot be obtained in advance;
  - ii. Where this Policy and/or the Due Diligence policy authorize attendance without Board approval; and
  - iii. Travel where overnight accommodations are not required, provided the expense reimbursement request is less than \$500.00 and complies with this Policy.
- d) Reimbursement of travel and related expenses for Trustees is subject to the approval of the Retirement Administrator, or Assistant Retirement Administrator in the absence of the Retirement Administrator.
- e) Disapprovals are subject to the review and approval of the Board, generally as a consent item on the agenda, at the next available Board meeting.
- 2) Expense Allocations
- a) Travel expenses related to educational programs, where the principal focus is not related to investments, shall be included in FCERA's annual budget as expenses of administration.
  - b) Travel expenses for educational programs and due diligence evaluations relating to the retirement system's investment portfolio shall be included in FCERA's investment expenses.
- 3) Limitation on Attendance
- a) Trustees are encouraged to seek education that will further the purpose of this Policy. A Trustee may attend additional Board approved educational programs requiring overnight lodging, subject to the criteria of this Policy. The Board, at its sole discretion, may limit Trustee attendance to no more than four (4) educational programs (in addition to those pre-authorized by this Policy) during the calendar year, or allow additional attendance under special circumstances as determined by the Board (i.e. new Trustee or unique training opportunity).
- 4) Expenses other than Pre-approved Expenses
- a) The Board shall approve or disapprove, by a majority vote, expenses for travel, education, and other reasonable and necessary expenses that deviate from the attached Preapproved Travel Expense Reimbursement Schedule (Exhibit A).
- 5) Requests for Reimbursement
- a) Reimbursement for travel by an attendee shall be submitted on FCERA's Business Expense Reimbursement form. All such forms will be reviewed and approved (or disapproved) in accordance with the provisions of this Policy. All requests for reimbursement shall be submitted within sixty (60) days following return to Fresno. In no event will a request for reimbursement be approved if submitted ninety (90) days after the end of the calendar year in which the expense was incurred.

- b) Reimbursements or advances in excess of allowable expenses must be returned to FCERA within thirty (30) days after the excess amounts become evident.
- 6) Cash Advances
  - a) Cash advances will not be allowed unless specifically approved by the Board.
- 7) Expenses for Traveling Companions
  - a) Expenses of family members and/or traveling companions are not reimbursable by FCERA.
- 8) Limitations on Expense Allowance
  - a) 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 will be reimbursed only if such extension results in lower overall trip costs or is necessitated by the conference schedule or available flights.
- 9) Travel and Lodging Cancellations
  - a) Trustees are responsible for the timely cancellation of registration fees, as well as travel and lodging reservations made on their behalf that will not be used, so that FCERA will incur no unnecessary expense. Trustees will be personally responsible for paying any fees caused by their failure to timely cancel any registrations or reservations, unless otherwise determined by the Board.
- 10) Gifts
  - a) When traveling on official FCERA due diligence business travel, FCERA's trustees, officers, or employees shall not accept payment of travel or lodging from any person or entity.
  - b) Food and beverages provided during the normal course of the day, as part of due diligence business travel, may be accepted, provided such food and beverages are uniformly offered to all attendees.
- 11) Travel Arrangements
  - a) All travel arrangements for which reimbursement is or will be sought shall be coordinated with the office of the Administrator.

## **VI. IN-HOUSE EDUCATIONAL SESSIONS**

- 1) The Retirement Administrator is responsible for coordinating two (2) educational sessions for the Board each year. These sessions may take any form and may be of any duration

the Retirement Administrator deems appropriate with an emphasis on topics not routinely included in conferences.

- 2) Investment managers and staff retained by FCERA are an excellent source of education for the Board. The Retirement Administrator will organize an annual Board Educational Offsite, specifically designed to educate the Board on current and prospective investment and operational themes.
- 3) Nothing in this Policy shall preclude the Retirement Administrator from inviting managers to make presentations to the Board unrelated to the Board's annual Educational Offsite meeting.
- 4) The Board, by formation of an Ad Hoc Trustee Roundtable Committee, will organize Trustee roundtables for purposes of board development from time to time. These educational sessions are designed to allow Trustees to raise any issue of interest or concern to them, including educational, governance, or organizational matters.

#### **VII. NEW TRUSTEE ORIENTATION PROGRAM**

- 1) In order to provide information to those who are considering becoming Trustees, the Retirement Administrator shall provide copies of this and other Board policies relating to Trustee responsibilities to each candidate seeking election or appointment to the Board of Retirement, and shall post such policies on the FCERA website.
- 2) The Retirement Administrator shall be responsible for developing a New Trustee Orientation Program, designed to familiarize each new Trustee with all aspects of FCERA's operations and policies. The goal of this program is to assure each new Trustee is prepared to participate fully in the responsibilities of the Board and to discharge his or her fiduciary duties. The Administrator shall schedule, and new Trustees shall participate in, the orientation program within forty-five (45) days of being elected or appointed to the Board.
- 3) The New Trustee Orientation Program shall include an orientation on:
  - a) The history and organization of FCERA and all relevant governing documents;
  - b) An introduction to the FCERA Board, staff, and premises;
  - c) Fiduciary duties of a Trustee and the Board;
  - d) Most recent actuarial valuation and financial statements;
  - e) Most recent asset/liability study;
  - f) Most recent investment performance report;
  - g) Most recent business plan and budget;

- h) Relevant legal guidelines affecting the Board and FCERA, including CERL, the Public Employees' Pension Reform Act of 2013 (PEPRA), the California State Constitution, the Brown Act, conflict of interest laws, the public records act, and state financial reporting requirements;
- i) Review of pending litigation to which FCERA is a party or other litigation that is likely to materially impact FCERA;
- j) Appropriate information regarding the Board's policies regarding communications with the press and/or stakeholders;
- k) Appropriate information regarding benefit administration procedures and disability procedures;
- l) Board Bylaws, Policies, Charters, Procedures and the 2000 Settlement Agreement, which impacts the benefits earned and paid to many FCERA members;
- m) Current organization chart;
- n) Current issues before the Board; and
- o) Current calendar, relevant manuals, materials, and documentation.

#### **VIII. REPORTING**

- 1) A Trustee attending an educational program other than those provided in-house by FCERA shall provide a written report to the Board, no later than the second regular Board meeting following the program, which summarizes the program's merit and content. Such report will be included in the public meeting agenda back up materials on the consent agenda. The Trustee shall provide the Retirement Administrator materials obtained during the program for dissemination to other Trustees and staff members.
- 2) The Administrator, or designee, shall submit a quarterly report on all travel by Trustees. Such reports shall identify the individual Trustee, the location, purpose, registration fee, and cost of travel, the number of completed trips to date, the average cost per trip, and a count of trips subject to the Board's additional educational trip limit. The report shall be placed on the agenda and reviewed by the Board of Retirement at the second regular meetings in January, April, July, and October of each calendar year. The report also shall include anticipated travel for the ensuing quarter, based on approved travel requests to date.

- 3) In compliance with Government Code section 31522.8, the Retirement Administrator, or designee, shall prepare an annual report on each Trustee's compliance with that section. The report shall be on a calendar year basis, included on the Board's consent agenda for the second regular meeting in January, and posted on FCERA's website for the remainder of the year, appearing immediately below the link to this Policy.

**IX. POLICY REVIEW**

- 1) The Board shall review this Policy at least every three (3) years, ensuring it remains relevant and appropriate. This Policy may be amended from time to time by a majority of the Board.

**X. POLICY HISTORY**

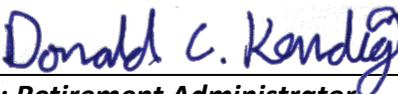
- 1) The Board of Retirement reviewed and modified this Education and Travel Policy on November 2, 2016, January 17, 2018, and March 7, 2018.
- 2) The Board of Retirement reviewed and modified the Education Policy on August 3, 2005, April 4, 2007, August 4, 2010, January 15, 2014, and November 2, 2016, merging the Education Policy with the Travel Policy.
- 3) The Board of Retirement reviewed and modified the Travel Policy on February 15, 2012, January 15, 2014, and on November 2, 2016, merging the Travel Policy with the Education Policy.

**XI. Secretary's Certificate**

I, Donald Kendig, the duly appointed Secretary of the Fresno County Employees' Retirement Association, hereby certify the adoption of this Policy.

March 7, 2018

***Date of Action:***

  
***By: Retirement Administrator***

**EXHIBIT A – PREAPPROVED TRAVEL EXPENSE REIMBURSEMENT SCHEDULE**

**AIRLINE TRAVEL**

1. Travelers may be reimbursed for actual and reasonable expenses of air travel for approved travel on FCERA business. To be eligible for reimbursement, fully refundable coach class tickets must be purchased at competitive prices unless otherwise approved by the Board. Receipts shall be required for reimbursement.
2. If savings can be realized on the airline fare by having attendees extend their stay, at their option, the attendees may extend their stay in order to realize such savings. FCERA will reimburse the additional lodging and meal costs resulting from an extended itinerary, not to exceed the savings in airline fare. Similarly, if overall travel expenses can be reduced by booking a flight out of an airport other than Fresno Yosemite International Airport, the attendee may, at his or her option, travel from such other airport and FCERA will reimburse consequential mileage, parking, airport shuttle, and/or other similar expenditures, not to exceed the savings in airline fare.

**HOTEL**

3. Travelers may be reimbursed for actual and reasonable expenses for lodging. Reimbursement will be limited to a single occupancy room considered to be in a standard class. Whenever possible, travelers should request the applicable governmental or conference rate.
4. The following expenses will not be reimbursed: alcoholic beverages, tobacco, in-room movies, barber shop, beauty shop, gifts, magazines, personal telephone calls, minibar charges, or similar uniquely personal charges.
5. If, at the conclusion of a business-related trip, it would be impractical for a traveler to return home the same day and arrive prior to 9:00 p.m. PST (due to the distance traveled or the unavailability of a return flight), the attendee may be reimbursed for one (1) additional night's lodging.
6. Original hotel receipts showing a zero balance due must be submitted with a completed FCERA Business Expense Reimbursement form in order to obtain reimbursement.

**MEALS**

7. Travelers may be reimbursed for the actual and reasonable cost of meals and incidentals either at the flat rates in accordance with the current fiscal year U.S. General Services Administration Per Diem Rates, where receipts shall not be required for per diem reimbursement, or at the higher rates listed below where receipts shall be required. Election of Per Diem or Actual Receipts may be determined in whole day increments.
8. Reimbursements will be in accordance with the rates shown in the table on the following page.

Meal	Travel begins on or before	Travel ends on or after	Receipts required for reimbursement up to the following limits (including gratuity)	Portion of Per diem traveler is entitled to receive (no receipts required)
Breakfast	6:00 AM	8:00 AM	\$20.00	24%
Lunch	11:00 AM	1:00 PM	\$23.00	25%
Breakfast & Lunch	6:00 AM	1:00 PM	n/a	49%
Dinner	5:00 PM	7:00 PM	\$45.00	44%
Lunch & Dinner	11:00 AM	7:00 PM	n/a	68%
Incidentals	Daily	Daily	\$5.00	\$5.00
Day	MAXIMUM TOTAL DAILY ALLOWANCE (Inclusive of Incidentals)			100%

- When a specific meal, the mode of travel (e.g. airfare), or another FCERA paid activity is included in the conference registration fee, the attendee is not entitled to reimbursement for that expense.

**TIPS**

- Tips may be reimbursed for other legitimate services such as maid service, portage, and parking valet service paid in the scope of the traveler’s duty, not to exceed \$15 per day. (No receipts required.)

**AUTOMOBILE MILEAGE**

- Travelers, who use a personal automobile for transportation on FCERA business, must provide records of the actual mileage driven on business and report such mileage on the FCERA Business Expense Reimbursement form. Reimbursement is made at the current per-mile rate allowed by the U.S. Internal Revenue Service.
- Travelers, who elect to use a personal automobile for travel will be reimbursed for mileage not to exceed the cost of a fully refundable round trip coach class ticket between Fresno and the destination city, unless the Board determines there was good cause to incur mileage costs in excess of the cost of a fully refundable round trip coach class ticket between Fresno and the destination city.

**PARKING AND TOLLS**

- Parking and tolls will be reimbursed at current rates. Documentation is required for reimbursement.

**PUBLIC TRANSPORTATION**

14. The use of taxis, hired cars, and public transportation for FCERA business is reimbursed at current rates. Documentation is required for reimbursement.

**CAR RENTALS**

15. Travelers may be reimbursed for the use of a rental car by a traveler when it is economically reasonable to rent a vehicle rather than using taxis, hired cars, or public transportation. Reimbursement may include premiums for collision and personal property insurance. Rental car discounts must be used whenever possible and appropriate. If available, a compact vehicle should be requested, unless vehicle size is impractical due to multiple riders or vehicle interior dimensions. A receipt is required for reimbursement.

**OTHER BUSINESS EXPENSES**

16. Travelers may be reimbursed for other business expenses reasonably incurred in connection with FCERA business, such as telephone, fax, internet access, and similar business expenses. Documentation is required for reimbursement.