

Education & Travel Policy

I. Introduction

Recognizing its fiduciary responsibility to plan participants, and its responsibility to meet statutory education requirements, it is the desire of the Board of Retirement (Board) to encourage members of the Board, and its Staff, to enhance their knowledge of the financial and benefit aspects of the Retirement System by attending educational meetings, conferences and seminars. Attendance at such functions is essential to ensure that Board members and Staff are able to carry out their fiduciary responsibilities.

II. Purpose

- A. The purpose of this policy is to align Board and Staff education/training and related travel with the Mission, Vision, and Values of VCERA. The Board recognizes that attending educational conferences, trainings, and administrative meetings on VCERA's behalf is a component of building a knowledge base and operational understanding for Board members and Staff given their fiduciary responsibilities. Such education will equip them to discharge their fiduciary duties for the sole benefit of the VCERA membership.
- B. To ensure reimbursement for travel is allowed for only those expenses deemed reasonable and necessary for the proper administration of the Plan, this policy will be administered in a manner that may be overseen by the Board and understood by VCERA members and other stakeholders as reasonable, cost effective, and value driven.

III. Compliance with State Law

In compliance with Section 31522.8 of the California Government Code, all Board members shall receive a minimum of 24 hours of trustee education within the first two years of assuming office, and for every subsequent two-year period the Board member continues to hold membership on the Board. Of the required 24 hours, 2 hours must be training in general ethics principles and ethics laws, and 2 hours must be training and education on sexual harassment prevention.¹ Further, the Board will maintain a record of Board member compliance with the policy. In accordance with Section 31522.8, this policy and an annual report on Board member compliance shall be placed on the Internet Web site.

¹ Training in sexual harassment prevention must be completed within a new trustee's first 6 months.

IV. On-Site Due Diligence

- A. Investment on-site due diligence visits to VCERA's investment providers including investment managers with portfolio investments or commitments greater than or equal to \$100 million; investment consultants; and the custodial bank shall be conducted with those providers domiciled within North America at least every three years. For managers outside of North America, the frequency shall be every four years, and whenever possible in conjunction with an educational opportunity to maximize the value of the overseas trip. More frequent evaluations shall be conducted if there have been material organizational changes, significant underperformance of the investment, or for any other reason deemed appropriate by the Chief Investment Officer (CIO) and approved by the Board, or the Retirement Administrator (RA) if timing is of the essence.
- B. The CIO shall propose a schedule for all on-site due diligence trips to be conducted in the upcoming year, and work with the RA to agendaize it. On-site due diligence evaluations may include the CIO and/or investment staff, and the RA and/or the RA's designee. Up to two Trustees may also attend due diligence visits if deemed necessary and appropriate by the Board. The Board Chair shall designate the Trustee(s) to participate in each on-site evaluation if any, or may delegate to the CIO the authority to designate trustee participants. In advance of each due diligence trip, the CIO shall submit the travel cost estimates to the Board for approval for such visits. Every effort shall be made to rotate on-site due diligence visits among Trustees to maximize the educational benefits of such visits. A representative of the due diligence visit team shall provide a written or verbal report to the Board no later than the second subsequent regular Board meeting summarizing their findings and recommendations, if any.

V. Limitation on Meeting for Business Purposes

Travel by multiple Board members shall be conducted in such a manner as to not violate the provisions of the Brown Act (Government Code Section 54950 et. Seq.) or the Board's Trustee Communication Policy. Board member attendance at educational meetings, conferences, seminars and related social events is not a violation of the Brown Act; however, caution should be taken to avoid discussion of items that may come before the Board now or in the future.

VI. Education & Travel Authorization

- A. Approval for a Board member to attend an educational meeting, conference, or seminar, whether in person or virtual, including registration costs (and related travel costs, if applicable), shall be made in an open meeting of the Board, except for attendance at the Spring and Fall State Association of County Retirement Systems (SACRS), or for events for which the total cost is anticipated to be less than \$500 per person.
- B. For education and travel for Board members that do not require Board approval, Board members shall request approval from the RA. The RA is also authorized to approve all Staff education and travel. Approval criteria will include (1) whether there are sufficient funds in the budget to cover the item, (2) whether the costs are reasonable, (3) whether it meets the provisions of this policy, and (4) whether there is a sufficient business need.
- C. The RA will report to the Board any education and travel conducted by VCERA Board and Staff members on at least an annual basis.
- D. Trustees and Staff are expected to be mindful and financially prudent in all travel and trip-related expenditures that consume resources funded by VCERA. All monies held in the Fund by VCERA are ultimately due and payable in the form of pension benefits to members and beneficiaries. Therefore, all administrative, operational and travel expenditures should be able to withstand the scrutiny of our members, stakeholders, plan sponsors and the public at large, thereby minimizing any reputational risk to VCERA. Trustees and Staff are accountable for their actions and responsible for appropriate use of organizational resources.
- E. Trustees may consider whether and when to cease arranging future travel and expenses for educational conferences and administrative meetings once they become aware their term of service will end. In considering this issue, Trustees may consider the following factors: For appointed Trustees, awareness may occur in the final year of their appointment and after the Board of Supervisors votes on the next appointment, or when an appointed Trustee has been told they will not be reappointed. For elected Trustees, awareness may occur when an elected Trustee decides not to run for reelection or when, as a candidate, is replaced once election results are certified by the Board of Supervisors. For the Ex Officio Trustee, this occurs once a retirement is announced.

VII. Gifts & Fee Waivers

- A. Although State law may permit gifts of travel to the System, if a third party offers to pay for some or all of the travel expenses associated with a particular conference, seminar or meeting, the Board shall decline the offer. However, the Board may consider authorizing attendance at the particular conference, seminar or meeting at VCERA's expense if such attendance would be beneficial to VCERA.
- B. The RA may accept fee waivers for training conferences or seminars on behalf of Staff members and Trustees, if offered by governmental trade organizations.
- C. If the Board has approved a Staff member's membership on an investment managers advisory board or committee (i.e. Limited Partnership Advisory Committee (LPAC)), and the cost of related travel is included in the fees paid to such investment managers, the cost of such travel is not a gift, and VCERA need not pay additional for it.

VIII. Annual Travel Budget

- A. The RA shall include in the annual budget to be approved by the Board sufficient funding to allow each member of the Board, and key Staff, to attend the Spring and Fall SACRS conferences and the CALAPRS General Assembly conference.
- B. Additionally, funds will be budgeted, based upon the information available on scheduled conferences and input from individual Board members during the budget preparation process, to allow each Board member and executive Staff to attend up to three additional conferences, educational meetings, seminars and site visits each fiscal year. This limitation of three additional events per Board member shall not apply to on-site visits that are made with the consent of the Board, including in connection with the retention of a new manager, nor shall it apply to any conference, educational meeting, seminar or site visit where the cost to the Association can reasonably be expected to be \$500 or less.
- C. The following conferences for executive Staff will be included in the annual budget:
 - 1. Retirement Administrator: CALAPRS Administrators' Institute
 - 2. General Counsel: National Association of Public Pension Attorneys (NAPPA)
 - 3. Chief Financial Officer: Public Pension Financial Forum (P2F2)

4. Chief Technology Officer: Public Retirement Information Systems Management (PRISM)
 5. Chief Investment Officer: International Limited Partners' Association (ILPA)
 6. Chief Operations Officer: To be determined annually based on business need
- D. Additional funds will be included in the annual budget to cover other education/training and travel for Staff as deemed necessary to maintain a qualified and knowledgeable workforce.
- E. Travel expenses of Board members and Staff shall be considered an administration cost, where permissible by law, or investment cost.

IX. Recommended Education

- A. It is the intention of the Board to establish a standard whereby attendance at educational meetings, conferences and seminars will be approved only if the agenda for the event contains an average of five (5) hours of substantive educational content per day. This standard would not apply to meetings with investment managers, consultants, short seminars, etc., which would not be expected to last for five hours.
- B. The Board establishes the following as recommended educational meetings, conferences and seminars that qualify as Trustee and/or Staff education:
1. State Association of County Retirement Systems (SACRS), including meetings of SACRS Board or Committees, on which a member of the Board or Staff participates. The Board recognizes the importance of having its Trustees and Staff actively participate as members of the SACRS Board or its committees. Therefore, attendance at such meetings shall not count towards the three conferences, educational meetings, seminars, or site visits limitation set forth above, even if such cost exceeds \$500.00.
 2. California Association of Public Retirement Systems (CALAPRS) Annual General Assembly, Trustee and Staff Round Tables, Advanced Board Leadership Institute, Administrators' Institute, Management/Leadership Academy, Retirement Plan Administration Courses, and the Principles of Pension Governance for Trustees courses. Also included are meetings of the CALAPRS Board or Committees, on

- which a member of the Staff participates. (Attendance shall not count towards the three-conference limit.)
3. Public Pension Investment Management Program (SACRS/UC Berkeley).
(Attendance shall not count towards the three-conference limit.)
 4. Programs sponsored by the Institute for Fiduciary Education (IFE).
 5. National Conference on Public Employee Retirement Systems (NCPERS) Annual Conference.
 6. Pension and Investment courses with The Wharton School, University of Pennsylvania.
 7. National Association of Public Pension Attorneys (NAPPA) Conference.
 8. California Retirement County Employees Association (CRCEA) Conferences.
 9. Nossaman's Annual Pensions, Benefits & Investments Fiduciaries' Forum.
(Attendance shall not count towards the three-conference limit.)
 10. Public Pension Financial Forum (P2F2) Annual Conference.
 11. Public Retirement Information Systems Management (PRISM) Annual Conference.
 12. Council of Institutional Investors (CII).
 13. Institutional Limited Partners Association (ILPA).
 14. Client conferences sponsored by investment managers, asset custodians and consultants with whom the Retirement System has a current professional relationship. (Attendance shall not count towards the three-conference limit.)
- C. Board members may request approval to attend the recommended, or any other multi-day educational meetings, seminars and conferences by submitting a written request to the RA, along with the conference agenda, to be included on the next Board agenda if required as explained in the EDUCATION & TRAVEL AUTHORIZATION section of this policy above. The request should confirm the training meets the average 5-hour-per-day standard and indicate the number of hours of educational hours the training provides. Requests approved by the Board or RA qualify as Board member education. Educational seminars

sponsored by the state or national public pension fund organizations and seminars sponsored by accredited academic institutions shall be deemed to meet Board member education requirements.

X. Appropriate Topics

- A. Appropriate topics for Board member education, may include, but are not limited to, the following:
1. Fiduciary responsibilities.
 2. Ethics.
 3. Pension fund investments and investment program management.
 4. Actuarial matters.
 5. Pension funding.
 6. Benefits administration.
 7. Disability evaluation.
 8. Fair hearings.
 9. Pension fund governance.
 10. New Board member orientation.
 11. Sexual Harassment Prevention.

XI. Travel Arrangements

- A. It is the preference of the Board to have travel arrangements made through VCERA Staff. This would include processing of registrations, hotel accommodations and transportation. However, a Board member may arrange his/her own transportation, but if the traveler selects a more expensive mode of travel, the traveler shall claim only the cost that would have been incurred had the lower cost option been utilized and shall provide documentation of the lower cost option.

- B. VCERA Staff will not make travel arrangements for, or reimbursement to a Board or Staff member for any costs associated with the attendance of a spouse or traveling companion to any function.

XII. Travel Costs

- A. It is the policy of the Board that travel to educational meetings, conferences, seminars, and due diligence visits be achieved in the least expensive practical manner possible in order to reduce costs to the retirement system. When weighing the options of air transportation vs driving a personal or rented vehicle, comparison of total anticipated costs should be considered (ex: parking, mileage, shuttle costs, etc.) and the least expensive option should be favored whenever practical to do so. If the traveler chooses a materially higher cost transportation mode for personal reasons, reimbursement will be limited to the lower cost option.
- B. Except as provided under “Air Transportation” for lengthy flight time travel, Trustees or Staff who upgrade to business or first-class airfare must provide documentation of the price of coach/economy on a date that is at least 4 weeks prior to the date of travel, preferably on the date the Trustee or Staff books the upgraded travel.
- C. Reimbursement or payment for travel related expenses may not be made in certain instances. For travel to meetings within the State of California, lodging and other eligible travel related expenses will be paid for the evening prior to the start of the meeting only if the meeting starts at or prior to 9:30 a.m. Lodging for the night of the last day of the conference will not be paid by the Retirement System, except as provided for in the subsequent paragraphs.
- D. For travel outside of the State of California, lodging and other travel related expenses will be paid by VCERA for the evening prior to the day the meetings starts.
- E. Lodging will not be paid by VCERA for the evening of the final day of the meeting unless the substantive portion of the meeting ends after 2:00 p.m. or it can be demonstrated that a reduction in airfare can be achieved by staying over for an additional day which will more than offset the cost for an additional night’s lodging and other travel related costs that would be incurred.

- F. In order to avoid unnecessary costs to the Retirement System, Board and Staff members should immediately notify VCERA's RA of the cancellation or other changes in their travel plans.
- G. Travel related costs which will be paid or reimbursed to a Board or Staff member include the following:

1. Air Transportation

Every attempt should be made to make air travel reservations in advance to take advantage of available discounts. Airfare will be paid for coach/economy passage only (or the lowest fare that allows a carry-on bag), with the exceptions listed below:

Flight Time	Seating Level Allowable
Exceeds 4 hours	1 level above coach/economy
Exceeds 8 hours	Business class, with Board approval

2. Hotel Accommodations

Payment for lodging will be at the single occupancy rate, plus applicable room tax. Any lodging costs in excess of the single occupancy room rate will be the responsibility of the Board or Staff member.

3. Meals & Beverages

Reimbursement for the cost of meals and beverages for the Board and Staff members while on travel will be made at the rates as shown in the following table. No meal allowance will be paid for any meal that is provided by the host, at the conference, or included with the price of airfare or other mode of transportation, unless for medical dietary restrictions.

	Receipts Required			No Receipts Required (Per Diem)		
	Within California	Out-of-State	High-Cost Areas (HCA)*	Per Day	Per Meal*^	Per Meal (HCA*)^
Breakfast	\$25.00	\$29.00	\$32.00	\$74.00	\$18.00	\$22.00
Lunch	\$25.00	\$29.00	\$32.00	\$86.00 (HCA*)	\$20.00	\$23.00
Dinner	\$48.00	\$55.00	\$62.00	75% of above for first/last days of travel	\$31.00	\$36.00

* As designated by the current Internal Revenue Service (IRS) Special Per Diem Rates publication

^ \$5 for incidental expenses also available; adding individual meal amounts plus \$5 equals the per day rate.

Note: Tax and tips on meals are included as part of all of the above capped amounts, and tips may not exceed 18% of the meal per the Tips section below.

Exceptions: For VCERA Trustee/Staff group meals while attending a conference, reimbursement for the total eligible meal/beverage cost may be made to the person paying a combined bill, not to exceed an amount equal to the maximum allowable meal cost multiplied by the number of attendees.

4. Tips

The gratuity for meals may not exceed 18% of the charge, rounded up to the nearest dollar, unless the establishment adds it to the bill. Other 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 \$10 per day. Tips for taxis or ride share service shall not exceed 15% of the fare, rounded up to the nearest dollar.

5. Rental Car

Every attempt should be made to utilize public transportation, ride share (Uber, Lyft), airport and hotel shuttle services which are reimbursable expenses. A rental car may be used if cost effective. The Retirement System will not be responsible for any loss or damage resulting from the use of a rental car.

6. Parking

Reasonable automobile parking expenses are reimbursable.

7. Mileage

Board and Staff members will be reimbursed for the use of their own automobile at the current mileage rate authorized by the Internal Revenue Service.

8. Non-Reimbursable Expenses

Expenditures, which are not substantive to VCERA business will not be reimbursed by VCERA, such as:

- a. Any expenses related to alcohol and tobacco;
- b. Internet usage fees (unless the internet is used for VCERA business);
- c. Any expenses related to entertainment and recreational activities.

9. Documentation of Expenses and Submission of Reimbursement Claims

All requests for reimbursement of travel costs shall be supported by detailed receipts or other documentation. Agendas from the training may be attached to the travel claims, along with notations of the sessions attended with the associated hours recorded on the face of the claim. All travel claims shall be submitted to VCERA's RA or Chief Financial Officer no later than the 60th calendar day after the expense is incurred by the Board or Staff member. A signed travel claim constitutes certification that the claimed expenses were incurred for the approved purpose.

XIII. Reporting

- A. Board members shall, no later than the 2nd subsequent Board meeting, provide a brief written or verbal report to the Board on meetings or conferences attended on behalf of VCERA.
- B. The RA shall, no later than the second month of the calendar year, report on annual Board member compliance and post said report on the VCERA Web site.

XIV. Policy Review & History

In order to keep the provisions of this policy current, the Board will review this policy on an annual basis at a minimum.

Date	Action	Comments
July 6, 1998	Policy Adopted	
April 17, 2000	Reviewed	See board meeting records
April 16, 2001	Reviewed	See board meeting records
May 6, 2002	Reviewed	See board meeting records
April 21, 2003	Reviewed	See board meeting records
April 19, 2004	Reviewed	See board meeting records
October 17, 2005	Reviewed	See board meeting records
May 1, 2006	Reviewed	See board meeting records
April 16, 2007	Reviewed	See board meeting records
September 15, 2008	Reviewed	See board meeting records
June 15, 2009	Reviewed	See board meeting records
June 21, 2010	Reviewed	See board meeting records
June 20, 2011	Reviewed	See board meeting records
July 2, 2012	Reviewed	See board meeting records
January 28, 2013	Reviewed	See board meeting records
June 17, 2013	Reviewed	See board meeting records
June 2, 2014	Reviewed	See board meeting records
February 23, 2015	Reviewed	See board meeting records
June 15, 2015	Reviewed	See board meeting records
May 2, 2016	Reviewed	See board meeting records
June 19, 2017	Reviewed	See board meeting records
June 18, 2018	Reviewed	See board meeting records
December 13, 2021	Reviewed	See board meeting records
January 3, 2022	Reviewed & Amended	See board meeting records
January 23, 2023	Reviewed & Amended	See board meeting records
February 27, 2023	Reviewed & Amended	See board meeting records
March 13, 2023	Reviewed & Amended	See board meeting records
March 25, 2024	Reviewed	No changes
February 24, 2025	Reviewed & Amended	See board meeting records
October 27, 2025	Reformatted	Reformatted based on new policy format adopted by the Board on March 24, 2025