



Introduction

System assets, including operating funds and property, must not be left unprotected, inadequately maintained or exposed to unnecessary risk. Expenditures must have sufficient controls to meet audit standards and to avoid reputational risk to the Board that would undermine its credibility and hinder the Board's governance of the System. As fiduciaries, the trustees must see that only reasonable and necessary expenses are incurred in the governance and management of the System. Section 104.180.3 requires that board members shall receive reimbursement for necessary expenses incurred and this policy will define those necessary expenses.

Travel Budget

Travel is necessary to prudently conduct board and system business, conduct due diligence, and to obtain opportunities for education to further the interests of the System. The Board will prudently budget adequate resources to meet the required travel needs of both the trustees and staff to carry out required duties. The process of adopting an annual operating budget and monitoring budgetary compliance is an essential financial and internal control of the System.

In-State Travel

Travel related to any noticed board meeting or board event, or for attendance at the Missouri Association of Public Employee Retirement Systems' (MAPERS) annual conference or any seminars, conferences or education classes intended to meet the statutory trustee education requirements, is approved travel and does not require prior express approval. In-state travel related to MPERS, to meet with any MoDOT or Patrol employee or employer group, legislator or legislative committee, or state or federal government official is approved travel and does not require prior express approval. Other in-state travel to conduct system business must be approved by the Board Chair or Vice Chair and must comply with this policy, as well as be consistent with other applicable policies such as the Board's education policy. Board Chair or Vice Chair approval should be confirmed electronically to the Executive Director or the Director's executive assistant to document the approval. The Board Chair shall obtain the Vice Chair's approval for in-state travel and vice versa.

Out-of-State and International Travel

The Board Chair or Vice Chair shall review and approve, in advance, all requests for out-of-state travel by trustees. The Board Chair shall obtain the Vice Chair's approval for out-of-state travel and vice versa. The request for out-of-state travel, including international travel, must be submitted on *MPERS' Out-of-State Travel Authorization Form*. A trustee may request staff assistance in submitting a travel request.

Expense Reimbursement Procedure

Travel expenses are typically reimbursed after they are incurred and paid by the trustee. In some cases certain expenses, such as lodging, may be arranged in advance and direct billed to MPERS. Reimbursable travel expenses are limited to those expenses authorized and essential to the transaction of official MPERS business. Expense reimbursement for eligible expenses is payable after the trustee completes and files an MPERS expense report. If MPERS has reserved lodging for a trustee and arranged for direct billing a trustee who subsequently cancels the travel and lodging arrangement must provide 48 hours' notice to MPERS via email to the Executive Director and the Director's assistant to

assure cancellation without undue costs to the System. If a trustee is negligent in making a timely cancellation notice trustee may be billed by MPERS for unnecessary lodging expenses.

Itemized receipts are required for hotel bills, car rental, registration fees, commercial transportation, taxi fares, parking, and any incidental expenses necessary to transact official MPERS business (postage, faxes, supplies, etc.) and must be included with the expense report.

Staff will review trustee expense claims and assist the trustees in proper filing. Staff does not approve or deny expense claims, but will prepare an exception sheet to note expenses that are not fully documented or that present possible exceptions to this policy. If staff review results in no exceptions, the expense reimbursement will be paid by the System without further review. The Board Chair or Vice Chair will review expense claims where staff has attached an exception sheet and make a final determination of the amount authorized for expense reimbursement.

Non-Reimbursable Items and Exceptions

Expenses incurred for the sole benefit of an MPERS trustee, such as any type of insurance, travel loan, finance charges, personal credit card fees or dues, laundry, television charges, bar bills, extra meals, newspapers, magazines and other like charges, shall not be reimbursable. Expenses incurred by spouses or other family members will not be reimbursed. Alcohol and tobacco products are not reimbursable.

Hotel expenses shall be in reasonable relationship to their average cost for the applicable city. The applicable CONUS rate for hotels is presumed reasonable. If the lodging rate exceeds CONUS by more than \$100 then comparative pricing information and an explanation should be attached to the expense report. If staff has assisted you with lodging arrangements you may request staff to assist you in obtaining comparative pricing information and an explanation of the lodging cost. The hotel rates for a hotel in which a conference is being held are presumed to be a competitive rate. Lodging expenses are reimbursed at the single room rate.

Other expenses necessary to conduct MPERS business, such as telephone calls and faxes, may be allowed, if approved. These necessary incidental expenses shall be itemized on the MPERS expense report with receipts attached.

The Board Chair or Vice Chair may approve unusual travel expenses not covered by this policy. The trustee's request for reimbursement of unusual travel expenses must be presented in the MPERS expense report.

Meals

MPERS has established a meal per diem standard that applies a rate for each meal as established below. You may claim the per diem for an eligible meal unless a meal is provided as part of a registration fee paid by MPERS or a meal is provided by a third party.

The per diem rates will be consistent with the rates applicable to staff. These rates are tied to the federal rates, are reviewed annually, and updated accordingly on the expense reimbursement form.

A trustee may claim the applicable per diem amount for each eligible meal (breakfast, lunch or dinner) while in travel status. Tips on meals are part of the per diem and may not be claimed separately. Please note that during a travel day the meal per diem for a particular meal could vary based upon the location where the meal is taken.

Travel status begins when you leave your residence or place of employment to travel on MPERS business. Travel status ends when you return to your residence or your place of employment.

Meals Included in Conference Fees or Paid by Third Party

When attending a meeting or conference you may claim the applicable meal per diem for those meal times where you document that no meal was provided as part of the meeting or conference registration or other fees. You should submit a copy of the meeting or conference agenda with your expense documentation. When an agenda indicates limited food service, such as a continental breakfast, snack, or reception, you may still claim a meal.

When a meal is provided by a third party you should not claim the meal per diem for that meal. In lieu of the per diem allowance, indicate that the meal was provided by a third party. Meals provided by third parties when you are in travel status should be shown and reported on an expense statement in accordance with the Trustee Code of Conduct and Conflicts of Interest Policy.

Meals Purchased for Others

When it is necessary and clearly in the interest of conducting MPERS' business for trustees to pay for meals other than their own, the reason required and the names of the guest(s) should be reflected on an attached statement. In these cases, the actual receipts are required and the actual meal expenses will be reimbursed provided the expense appears reasonable and necessary.

Incidental Expenses

MPERS will reimburse reasonable and necessary incidental expenses incurred for MPERS' benefit that are not solely at the personal discretion or for the exclusive personal benefit of the trustee. These necessary incidental expenses shall be itemized on the MPERS' expense report with receipts attached unless waived.

Such expenses may include postage, fax, internet or other business center fees necessary for MPERS business. Related travel expenses such as toll charges for bridge and turnpike use and parking charges will be allowed. Expenses may also include baggage charges or related tips where the duration of the trip merits extra baggage.

Incidental expenses are also allowed for necessary taxi, shuttle, or public transportation charges for MPERS business which are not incurred for the sole personal benefit of the trustee.

Receipts are required but may be waived for nominal charges less than \$10 so long as the charges appear reasonable or where the basis for no receipt, or for a lost receipt, is noted.

Transportation

Trustees may travel by plane, train, bus, personal automobile or system-owned automobile, rental car, or taxi, whichever method serves the requirements of the System most economically and advantageously. The routing of each trip for mileage computation shall be by the most commonly traveled route unless unusual circumstances warrant other less direct routes. The following provides guidance on ground and air transportation.

Transportation by Privately Owned Vehicle

- For travel in privately owned automobiles, mileage allowance shall be the rate utilized by the Internal Revenue Service. Mileage should be rounded to the nearest whole mile. Other expenses such as toll charges for bridge and turnpike use and parking charges will be allowed. Receipts for these expenses are required.
- When more than one person travels in the same automobile, only the owner of the vehicle shall be allowed mileage. (The per mile compensation for the use of a privately owned vehicle is considered reimbursement for wear, tear, use, gas, depreciation, and insurance. MPERS is not responsible for any damage to privately owned

vehicles while being used for business travel. Individuals are responsible for maintaining personal liability automobile insurance protection on privately owned vehicles. MPERS does not provide primary liability insurance protection for privately owned automobiles for business travel.)

- If a privately owned vehicle is used for business travel versus flying, reimbursement will be for one roundtrip mileage from Jefferson City or the trustee's official domicile to the most convenient major airport (that results in the lower airfare) plus the cost of one roundtrip air ticket (or two roundtrip air tickets if two trustees are driving together), or the total mileage multiplied by the mileage rate, whichever is less.

Transportation by Leased or Rented Vehicle

- Expenses for rental cars will be allowed when driving is necessary. The lowest possible rate should be secured when reserving a rental car. A collision damage waiver (CDW) or related physical damage coverage should be purchased and this is a reimbursable expense.
- Rental fees associated with additional days beyond those necessary for business travel, or fees associated with drivers who are not MPERS employees or trustees, will not be reimbursed.
- The System will reimburse for a midsize vehicle. A full-size vehicle is justified if three or more trustees or staff traveling to the same location or if a midsize car is not available.

Air Travel

- Any airfare that is within \$100 of the lowest available fare can be booked without prior approval. This range is provided to give flexibility in scheduling flight times and non-stop fares when time is a consideration. Airfares that exceed the lowest available fare by more than \$100, must be approved by the Board Chair or Vice Chair. Documentation of the lowest available fare must accompany the MPERS expense report. Trustees should coordinate travel through MPERS staff to assure appropriate pricing documentation can be obtained.
- Airfare should be booked and paid for at the time of purchase by the individual making the trip. The payment receipt must accompany the MPERS expense report.

Travel and Expenses Summary

A summary of all board travel shall be compiled by staff and provided to the full Board annually to facilitate compliance with the board education and the board self-evaluation policies. The Budget Committee shall review the travel expenses of the trustees biannually.

Travel Paid for By Third Parties

Travel related to MPERS or trustee business and paid for or reimbursed by third parties is addressed in the Trustee Code of Conduct and Conflict of Interest Policy.