

**TAB 25**  
**BOARD EXPENSE**  
**REIMBURSEMENT**  
**POLICY**

**Public Employees' Retirement Association of Colorado**  
**Board Expense Reimbursement Policy**

**Purpose and Background**

- 1) The purpose of this policy is to define the guidelines under which Trustees of PERA will be reimbursed for expenses which they incur in the completion of their duties as a Trustee and to insure that they receive appropriate and timely reimbursement.

**Statutory Authority**

- 2) Section 24-51-203 (4) C.R.S.: The Trustees shall serve without compensation but shall be reimbursed by the association for any necessary expenses incurred in the conduct of their official duties and shall suffer no loss of salary from an employer for service on the Board.

**General Guidelines**

- 3) Individuals serving as Trustees are expected to use prudence, discretion and good judgment to insure that all expenses incurred, regardless of the source of funds, are authorized, reasonable and necessary.
- 4) PERA will reimburse only those expenses that have actually been incurred. Per diem reimbursement in lieu of payment for actual expenses will not be allowed. Authorized expenses include transportation (air, ground, and private auto), food, lodging, parking, telephone, laundry, postage, equipment rental (when necessary) and related gratuities. Expenses that are considered non-reimbursable are expenses for family members or companions, personal entertainment, fees for athletic or exercise facilities, golf or tennis fees, and alcoholic beverages.
- 5) Reimbursement of Trustee expenses will be allowed for PERA business only, which includes:
  - a) Meetings of the Board and its committees;
  - b) Educational sessions, including conferences, workshops, seminars, courses, or other substantive educational activities on any pension administration subject matter;
  - c) Non-educational functions, where requested or approved by the Board; this may include attendance at legislative hearings, organizational meetings, meetings with other state pension funds or to review the activities of PERA's investment managers and custodian bank; and
  - d) Any other matter if so approved by the Board.

- 6) Expenses incurred by a Trustee as a representative of or on behalf of another organization are not reimbursable. Attendance by a Trustee or Trustees at meetings of organizations of which they are a member is not considered PERA business unless they have specifically been requested to attend by the Board. Attendance by a Trustee at meetings of PERA members and/or retirees with the intent to solicit support for election to the Board of Trustees is not a valid PERA business expense.
- 7) Trustees may not accept payment, directly or indirectly, except for reimbursement of travel or other expenses associated with speaking engagements, while holding themselves out as or being represented as members of PERA Board. Vendor sponsored trips are prohibited by the ethics standards because of the appearance of a conflict of interest.
- 8) Trustees who have resigned, retired, lost their re-election bid or chosen not to seek another term on the Board should consider restricting their travel. Trustees who have resigned should not travel at PERA expense after the date their resignation is announced except to and from scheduled Board meetings. Trustees who have retired should not travel at PERA expense after the date their retirement is announced except to and from scheduled Board meetings. Trustees who have lost their re-election bids should not travel at PERA expense after the date the election results are announced. Trustees who have chosen not to seek another term on the Board should not travel at PERA expense after March 1st of the year in which they complete their term of office except to and from scheduled Board meetings.
- 9) When traveling out-of-state on approved PERA business, Trustees will be, when necessary, reimbursed for expenses incurred one day before an event begins and one day after the completion of an event to allow for the time necessary to travel to and return from the event. (Election of a Saturday night stay within the restrictions defined under Transportation - Air Travel is an exception to the stipulations of this paragraph.)
- 10) International travel by a Trustee must be approved in advance by the Executive Committee. Staff or Trustees will make recommendations to the Executive Committee relating to the need for Trustees to travel outside of North America. No more than two trustees per trip will be allowed. All such trips will be educational or due diligence related. Based on interest by Trustees, the Executive Committee will assign attendees. The Trustee will be required to justify the trip. International travel by the Board Chair or Vice-Chair will be approved in advance by the Evaluation Subcommittee of the Board. The Board Chair and/or Vice-Chair will be required to justify the trip. An oral and/or written report to the Board or Board committee may be required upon completion of travel.
- 11) Trustees are encouraged to make travel reservations, including air transportation, hotel, and rental cars through the Executive Director's Administrative Assistant.
- 12) Reimbursement of expenses for family members and/or companions will be limited to those events approved by the Board for reimbursement and to which family members and/or companions have been specifically invited (for example: a retirement dinner).

- 13) Reimbursement of expenses incurred by Trustees will be determined by the guidelines established in this policy. Expenses that do not meet the guidelines of this policy will be reviewed and approved or rejected by the Board Chair or Vice-Chair of the Board.
- 14) Reimbursement of expenses incurred in attending educational sessions will be made in accordance with the terms of, and within the budgeted limits prescribed in, the Board Education and Travel Policy, and within terms of this policy.

## **Reimbursable Expenses**

### **Transportation**

- 15) **Air Travel:** Reimbursement will be made for the lowest available airfare. To obtain this airfare, reservations should be requested far enough in advance to take advantage of advance purchase discounts offered by the airline industry. Trustees may choose the carrier if the preferred carrier has a similar flight at an equal fare to the carrier with the lowest cost fare. Travel on Saturday with an overnight stay is encouraged when the reduction in airfare exceeds the cost of the additional expense incurred and does not inconvenience the traveler.
- 16) When a Trustee chooses, for personal convenience, to deviate from the most cost-effective route of travel, expenses in excess of authorized travel expenses will be paid by the Trustee.
- 17) For Trustees using airports other than Denver International, air travel will be charged against their education budget at the lesser of the actual air travel cost or the fare available for a trip originating in and returning to Denver International Airport. Mileage incurred by Trustees living outside the immediate Denver area to get to another airport or Denver International Airport will be reimbursed but not charged against their education budgets.
- 18) Changes made to a reservation should be reported immediately to the Executive Director's Administrative Assistant upon the Trustee's return. Additional expense incurred due to the change, unless it is termed an emergency or required for PERA business purposes, will be the responsibility of the Trustee. Travel convenience does not constitute an emergency. Unused airline tickets should be returned to the Executive Director's Administrative Assistant so that a prompt refund may be obtained.
- 19) If a Trustee is a member of a frequent flyer bonus program, miles earned while traveling on PERA business may be retained for the Trustees' personal use.
- 20) When several members of the Board or executive management will be attending the same meeting/conference, the Executive Director's Administrative Assistance will propose alternative flights to insure all attendees are not traveling on the same flight.
- 21) Reimbursement will not be allowed for the air travel expenses of family members or companions.

- 22) **Ground Transportation:** Actual cost (including tips) will be reimbursed for necessary ground transportation to and from meeting facilities. When traveling out of state, Trustees are encouraged to use airport and hotel limousine or other available shuttle service in lieu of taxi service when the service expense is less expensive, accessible, and appropriate.
- 23) **Automobile Rental:** Rental cars are to be used only when taxi, hotel limousine, or shuttle service is unavailable or more expensive. When necessary, Trustees are encouraged to make car rental reservations through the Executive Director's Administrative Assistant to take advantage of negotiated, discount rates.
- 24) The collision damage waiver and the personal accident insurance should be waived as PERA provides this coverage through its group auto coverage.
- 25) Compact or mid-size cars will be reserved for business travel. Larger models may be reserved if PERA's equipment necessitates a larger model or if three or more persons will be traveling in the same vehicle.
- 26) Trustees are encouraged to refuel the rental cars prior to returning them in order to avoid a refueling surcharge. Original receipts will be required for all rental car and fuel reimbursements.
- 27) Reimbursement will not be allowed for car rental for personal use or for family members and/or companions.
- 28) **Private Automobile:** Reimbursement will be made to the Trustee for expenses incurred through the use of his/her personal automobile in the completion of PERA business. Reimbursement will be allowed at the current IRS standard mileage allowance rate.
- 29) If a private automobile is to be used in lieu of air transportation the allowable reimbursement will be for mileage only and may not exceed the total round trip cost of the least expensive airfare possible to the destination.
- 30) Reimbursable mileage is defined as miles necessary to be driven to reach the destination by the most direct route.

#### **Food**

- 31) Reimbursement will be made for expenses incurred for meals while on PERA business. This includes expense for meals incurred while traveling on PERA business and while attending scheduled meetings of the Board.
- 32) Any meal expense over \$25.00 must be listed separately on the Expense Report form and requires a receipt in order to receive reimbursement.

33) Reimbursement will not be allowed for meal expenses of family members and/or companions.

34) Alcoholic beverages are not a reimbursable expense under this category.

### **Lodging**

35) Lodging costs will be reimbursed for commercial lodging establishments only.

36) Trustees are encouraged to use the hotels where special business rates have been negotiated. Original receipts will be required for all lodging reimbursements.

37) Lodging costs incurred in state will only be reimbursed for expenses necessary to attend scheduled Board of Trustee meetings or other PERA business.

38) Lodging expenses should be listed separately on the Expense Report form and require a receipt listing the actual hotel expenses incurred in order to receive reimbursement.

39) Hotel reservations, in- and out-of-state, are encouraged to be made through the Executive Director's Administrative Assistant.

40) Reimbursement will not be allowed for personal expenses incurred by the Trustee, family members, or companions.

### **Parking**

41) Parking costs will be reimbursed for necessary parking expenses incurred by Trustees while conducting PERA business. These includes parking costs incurred while attending educational sessions, parking fees charged to guests by hotels, and parking fees incurred at airports or related facilities.

42) Parking expenses should be listed separately on the Expense Report form and require a receipt in order to receive reimbursement.

43) PERA will not reimburse Trustees for parking violations incurred as a result of their negligence.

### **Telephone**

44) Telephone expenses incurred by Trustees while conducting PERA business are reimbursable. These include the cost of communication between Trustees, staff, and members, and expenses incurred while traveling on PERA business in order to maintain necessary contact with their employer and/or family/companion.

45) Telephone calling cards are available to Trustees at their request to make necessary communications less expensive and more convenient.

- 46) Telephone expenses should be listed separately on the Expense Report form and require a receipt in order to receive reimbursement. Reimbursement will not be allowed for personal telephone expenses (other than described above) incurred by the Trustee and/or his family or companion(s).

#### **Laundry**

- 47) Certain laundry expenses are reimbursable. These include cleaning of garments due to unforeseen circumstance while traveling on PERA business, and pressing of garments wrinkled during travel to a destination. Pressing services are to be used only when it is not possible for the traveler to perform this activity personally.
- 48) Laundry expenses should be listed separately on the Expense Report form and require a receipt in order to receive reimbursement.
- 49) Laundry expenses incurred by family or companions are not a reimbursable expense.

#### **Other**

- 50) Reimbursement will be allowed for other necessary expenses, not categorized above, that have been approved by the Chair. These may include such expenses as postage, equipment rental, and gratuities.
- 51) Other expenses should be listed separately on the Expense Report form with an explanation of why the expense was incurred, and require a receipt (except gratuities) in order to receive reimbursement.
- 52) Reimbursement will not be allowed for expenses in this category that have been incurred for personal use or by family members or companions.

### **NON-REIMBURSABLE EXPENSES**

#### **Personal Travel Expenses**

- 53) These expenses are defined as travel expenses incurred by the Trustee and/or his family or companion at their own choosing and not necessary or related to PERA business.

#### **Personal Entertainment**

- 54) Expenditures for movies (in-room and at the theater), snacks/drinks from an in-room bar, theater tickets, sporting events, tours, and similar activities.

#### **Athletic Or Exercise Facilities**

- 55) Expenditures for the use of athletic or exercise facilities and rental or purchase of equipment necessary for participation in these types of activities. Activities included under this category are golf (fees and equipment) and tennis (fees and equipment).

### **Alcoholic Beverages**

56) Alcoholic beverages are not a reimbursable expense under this policy.

### **EXPENSE REPORTING**

57) Only expenses actually incurred by a Trustee will be reimbursed.

58) Travel expenses incurred by a Trustee that are reimbursed by other companies or organizations, should be reported on a Travel Expense Report for disclosure purposes only. It will be the responsibility of the Trustee to seek reimbursement of these expenses directly from the company and/or organization who has agreed to reimburse the expense. The Standards of Professional and Ethical Conduct addresses other ethics limits to which Trustees must comply.

### **Travel Advance**

59) A Trustee may request funds for the payment of travel expenses prior to trip departure. The amount of the travel advance will be determined on a per trip basis subject to certain restrictions.

60) No Trustee shall have more than one travel advance outstanding at any one time.

61) Trustees have thirty days to request reimbursement and/or return any unused portion of a cash advance. New advances will not be issued to Trustees who have not cleared previous travel advances by filing a Travel Expense Report form. Uncleared advance may result in the issuance of an IRS Form 1099 at year-end.

### **Travel Expense Report Form**

62) The Expense Report Form is to be used for reporting expenditures incurred by Trustees on PERA business, obtaining reimbursement, and complying with federal tax requirements. IRS regulations require that the Expense Report be sufficiently complete to show the business purpose of the expenses incurred.

63) Within thirty days following the date that the expenses were incurred, a completed Travel Expense Report, with supporting receipts, should be submitted to the Executive Director's Administrative Assistant. Vouchers, receipts, bills, etc. are considered corroborating evidence, and are not an explanation of a travel expense in and of themselves. Attaching a receipt to the Travel Expense Report does not alter the necessity of providing the date, location, business purpose and business relationship of persons included in the expense.

- 64) Travel costs should be grouped on PERA Travel Expense Report into the categories defined in this policy. Any individual expense over \$25.00 must be listed separately by item, and requires a receipt; any ground transportation expense must be accompanied by a receipt.

### **Expense Reimbursement**

- 65) Expense reimbursements will be distributed by PERA's Accounting Division to Trustees within ten working days of receipt of the properly completed and documented Expense Report Form.

### **Policy Review**

- 66) The Board will review this policy at least once every three years to ensure that it remains relevant and appropriate.

### **Policy History**

- 67) The Board adopted this policy on November 16, 2001.