

Tulare County Employees' Retirement Association  
Education & Due Diligence Policy

**TULARE COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
EDUCATION AND DUE DILIGENCE POLICY**

**Introduction**

The purpose of this document is to provide Retirement Board policies concerning authorized travel and continuing education for members of the Board of Retirement and Retirement Office staff. This document further provides a policy statement for conducting due diligence and payment of education expenses.

**Authorized travel**

LIMITATION ON MEETING FOR BUSINESS PURPOSES: No more than four members of the Board are authorized to meet together for business purposes within the State of California unless there is appropriate public notice of the meeting. *Attendance at conferences, seminars and social activities by more than four members of a Board is not a violation of this provision.*

COMPLIANCE WITH POLICY: Retirement representatives traveling to conferences and educational seminars will abide by the provisions of TCERA's Education policy. In addition, retirement representatives shall abide by County policies relating to: 1) Use of County vehicles, if utilized, 2) providing a copy of current driver's license and proof of insurance and 3) use of a County issued credit card.

ATTENDANCE: It is understood that any retirement representative (Board member, alternate Board member, or staff) authorized to travel on retirement business accepts the responsibility to attend and participate in the conference, seminar, etc. In the event that a retirement representative fails to attend as expected, the Board may require the representative to reimburse any expenses to the fund.

COSTS OF ADMINISTRATION/ANNUAL BUDGET: Education expense of retirement representatives shall be direct costs of administration to TCERA and may not be paid through third party contracts or otherwise without express, prior authorization of the Board. Authorization for travel and training will be based on availability of funds in the annual budget allocation.

SUPPORT OF STATEWIDE ORGANIZATIONS: Members of the Board, alternate members of the Board, the Board's County Counsel representative, and such staff members as authorized by the Retirement Administrator, are authorized to attend regular meetings of the State Association of County Retirement Systems (SACRS) and the California Association of Public Retirement Systems (CALAPRS).

CONTINUING EDUCATION: In order to enhance the ability of individual Board members, alternate

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Board members, and staff to carry out their fiduciary responsibilities, to increase understanding of both the financial and benefit aspects of the retirement plan and to stay abreast of changes in federal/state laws and regulations, retirement representatives are encouraged to attend educational meetings, conferences, seminars and to conduct due diligence related to retirement system administration. It is the policy of the Board that each Board member should attend a minimum of twenty-four (24) hours continuing education per year and is required by law to obtain a minimum of 24 hours of approved education every 2 years. Board members are encouraged to attend SACRS and CALAPRS conferences each year, if their schedules permit. Investment related conference calls and web presentations, as approved by the Board, can also fulfill the annual continuing education requirement. Appropriate topics for board member education include:

- Fiduciary responsibilities
- Ethics
- Pension fund investments and investment program management
- Actuarial matters
- Pension funding
- Benefits administration
- Disability evaluation
- Fair hearings
- Pension fund governance
- New board member orientation
- Other educational topics as approved by the Board of Retirement

The Board will conduct a review of information obtained at continuing educational seminars and conferences. Therefore, attending representatives will prepare a written Summary Education Report (Appendix A) for the Board describing information and knowledge obtained which is deemed to be beneficial to the Association; the report is to include the number of continuing education hours acquired by attending the meeting, seminar or conference. A Summary Education Report is not required for approved education conducted as part of a Retirement Board meeting. The Board Chair will authorize the number of hours of educational credit for such sessions.

**BOARD MEMBER COMPENSATION:** Any Board member eligible for compensation who attends any approved Board or Committee meeting, conference, seminar, or due diligence visit, in conjunction with his/her duties on the Board, shall receive \$100 compensation for such meeting, subject to the statutory limit of not more than five meetings per month. For purposes of this section, any approved meeting, conference, or due diligence event that extends beyond a single day shall be compensated separately for each day of attendance. Meetings held on the same day at the same location will be considered one meeting for purposes of compensation. Educational sessions held as part of a Retirement Board meeting are not separately compensable. Educational sessions accessed on-line or via conference call are not eligible for compensation.

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TRAVEL BY THE RETIREMENT ADMINISTRATOR, ASSISTANT RETIREMENT ADMINISTRATOR, AND STAFF: The TCERA Board or Chairperson retains the authority to approve travel requests for the Retirement Administrator and Assistant Retirement Administrator. The Retirement Administrator is responsible for approving staff travel requests except that out-of-state travel for staff requires pre-approval by the Board.

TRAVEL TIME COMPENSATION FOR EMPLOYEES SUBJECT TO FLSA: Retirement Office staff will be subject to the same policies applicable to County of Tulare departments in accordance with the Fair Labor Standards Act (FLSA). In approving this Education and Due Diligence policy, TCERA incorporates, by reference, the provisions of County of Tulare Administrative Regulation #41.

DEPUTY COUNTY COUNSEL TRAVEL: The TCERA Board or Chairperson retains authority to approve travel requests for the Deputy County Counsel in conjunction with duties related to the Board of Retirement.

TRAVELING WITH KNOWN MEDICAL CONDITIONS/ISSUES: Any Trustee or TCERA staff member who has a known medical condition shall be scheduled for an Interactive Process (IP) meeting with the County Risk Management staff prior to being cleared for travel on TCERA related business. The IP meeting shall have intent of identifying possible accommodations that will assist the Trustee or staff member in traveling without aggravating the pre-existing condition. TCERA staff shall be responsible for coordinating the IP meeting between Risk Management and the TCERA Trustee or staff member.

CONTINUITY OF BUSINESS CONCERNS: It is the Retirement Board's desire to ensure continuity of business in the event of an unforeseen disaster. For this reason, no more than four Board members should travel together.

### **Due Diligence**

In order for the Retirement Board to make prudent and fiduciarily responsible decisions, as outlined in Government Code Section 31595 of the 1937 Act County Employees Retirement Law, the Retirement Board adopts the following policy on due diligence.

It is the Retirement Board's desire to conduct on-site due diligence of investment management firms, consultants, and other service providers which are currently, or under consideration to be retained, and for prospective real estate properties under consideration by the Retirement Board. To this end, the Retirement Board will:

- Schedule an on-site visitation of the investment management firms, consultants, and other service providers currently retained by the Retirement Board at the convenience

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of the Retirement Board, at any time that the Retirement Board deems it prudent and reasonable to do so.

- Conduct on-site due diligence of the investment management, consulting firms and prospective separate account real estate properties under consideration by the Retirement Board, except for those properties under consideration by managers with discretionary contracts.
- Conduct periodic on-site due diligence of all separate account real estate properties. Such visits shall be made at some point following acquisition and shall occur within a period of no more than three years of acquisition with a minimum of one visit every three years thereafter.
- Rely on Investment Consultant due diligence for passive manager allocations. On-site trustee due diligence visits will not be required.
- Rely on Investment Consultant due diligence, at the Board's discretion, when investment opportunity time frames limit the ability to conduct on-site visits. Video conferencing may be conducted in lieu of an on-site visit.

As part of the due diligence process in retaining an investment management firm or any consultant, a "quiet time" will be observed during the search process, whereby no acceptance of meals, travel, hotel or other type of gift will be accepted by the Retirement Board members, alternate Board members, its officers or employees, from an investment manager or consultant under consideration for retainment.

Those members conducting the on-site due diligence under the above circumstances will make a full report to the Board upon their return, together with a recommendation for additional inquiry and/or the appropriateness of continued participation in the investment.

In the event of an emergency, due diligence can be authorized by the Board Chairperson who shall be held accountable to the full Board at its next regularly scheduled meeting.

**Budget, Reporting and Allowable Expenses**

COST CONTROL: It is the policy of the Retirement Board that travel to educational conferences and seminars be achieved in the least expensive, practical manner possible to defray costs to the retirement system. For this reason, Retirement Board members, alternate Board members, and staff are encouraged to travel together when possible; however, the aforementioned continuity of business concerns should be taken into consideration.

SEMI-ANNUAL REPORTS TO RETIREMENT BOARD: At the monthly Retirement Board meeting

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following the conclusion of each six-month reporting period, staff will present a report documenting the number of hours of continuing education obtained by each Board and staff member during the reporting period.

**SUBMISSION OF TRAVEL CLAIMS - BOARD MEMBERS:** All travel claims should be submitted to the Retirement Office immediately upon the return of the Board member. To be considered for reimbursement, travel claims must include all receipts for parking and travel (including taxi and shuttle receipts, if any). Credit card and/or hotel receipts are considered sufficient documentation for reimbursement of meal expenses. Meal reimbursements will be paid on a per diem basis at the rates and subject to the limitations in effect for employees of the County of Tulare at the time the travel expense was incurred. When the cost of a meal is unavoidably in excess of the per diem amount or the destination will clearly require expenditures in excess of the per diem, the Board of Retirement may approve that the actual amount of the meal expense be reimbursed. Detail receipts for meals are not required unless the Board member is seeking approval for reimbursement of the actual expense incurred. Receipts for parking and travel that are lost and where no duplicate can be obtained may be replaced by a signed statement from the Board member stating the amount and nature of the expense and the reason no receipt is available. No claims will be reimbursed for alcoholic beverages or personal expenses. Claims must be submitted no later than twenty (20) days following any travel. Exceptions to the submission time limit must be approved by the Retirement Administrator. *Note, however, that regular mileage reimbursement claims filed by Board members for travel to and from monthly Retirement Board and committee meetings, should be submitted after the end of each calendar-year quarter.*

**SUBMISSION OF TRAVEL CLAIMS – RETIREMENT ADMINISTRATOR AND ASSISTANT RETIREMENT ADMINISTRATOR –** All travel claims should be submitted in accordance with the policy detailed in “SUBMISSION OF TRAVEL CLAIMS – BOARD MEMBERS” above. The Retirement Administrator has the authority to approve travel claims and reimbursement requests filed by the Assistant Retirement Administrator. The Assistant Retirement Administrator has the authority to approve travel claims and reimbursement requests filed by the Retirement Administrator. All such travel claims and requests for reimbursement approved by the Retirement Administrator or the Assistant Retirement Administrator will be submitted to the Administrative Committee for ratification at the next scheduled meeting of the committee. If the Board Chair has not established an Administrative Committee, the full Board will be responsible for ratification of the travel claims and reimbursements.

**SUBMISSION OF TRAVEL CLAIMS – OTHER STAFF –** Other Retirement Office staff claims for authorized travel will be submitted for review and approval by the Retirement Administrator or Assistant Retirement Administrator and shall be filed in accordance with the policy detailed in “SUBMISSION OF TRAVEL CLAIMS – BOARD MEMBERS” above for lodging and travel (including mileage, parking, shuttle, or taxi) reimbursements. Meal reimbursements will be paid on a per diem basis at the rates and subject to the limitations in effect for employees of the

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County of Tulare at the time the travel expense was incurred.

UNEXPECTED MEDICAL ISSUES – TCERA will cover the cost of any travel upgrades deemed necessary due to an unforeseen medical issue involving any Trustee or staff member while traveling on TCERA related business.

CANCELLATION OR CHANGE: Retirement representatives are required to notify Retirement Office staff at least 72 hours in advance, when canceling or changing any travel, hotel or registration arrangements; failure to do so may result in the retirement representative being held responsible for payment of any costs incurred.

LODGING: Lodging costs in excess of the single occupancy room rate will be the responsibility of the Retirement Board member or staff member.

PHONE CALLS: Each Retirement Board member, alternate Board member, or staff member attending out-of-town conferences, seminars, etc., shall be authorized to make one phone call home per day, charged to TCERA. Calls may be aggregated for conferences longer than one day in duration. The total number of calls charged to TCERA may not exceed the total number of days of associated travel. Calls are to be of reasonable duration.

INTERNET ACCESS: Internet access charges imposed by hotels are considered necessary expenses and will be reimbursed by TCERA.

AIR TRAVEL: Air travel may be used when it is the most efficient means of travel. Unused airline tickets shall be the financial responsibility of the individual to whom they were issued.

Occasionally, air fare is less expensive if a Saturday stay is involved. Cost of meals and lodging for extra days in travel status to take advantage of this lower cost fare will be reimbursed if a net cost savings can be documented. This policy is not intended to imply that the Board or staff member is compelled to stay in travel status longer than required, but merely to allow this alternative should the traveler desire.

RENTAL CAR: Use of a rental car is an option for travel.

PERSONAL AUTO MILEAGE REIMBURSEMENT: Personal auto mileage will be reimbursed at the prevailing rate as established annually by the Internal Revenue Service.