



## RETIREMENT BOARD POLICY AND REFERENCE MANUAL

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| <b>SUBJECT:</b> CONTINUING EDUCATION AND DUE DILIGENCE VISITATIONS POLICY STATEMENT | <b>Section:</b> 2-1<br><b>Date Adopted/Revised:</b> 06/15/2005   |
| <b>SYSTEM(S):</b> JOINT   | <b>Approved:</b><br><br><div style="text-align: right; font-size: small;">Retirement Administrator</div> |

### PURPOSE

This Continuing Education and Due Diligence Visitations Policy statement is to be implemented in harmony with existing philosophy, objectives, policies and guidelines previously approved by the Boards.

### POLICY

It is the desire and intention of the Retirement Boards ("Boards") of the City of Fresno Fire and Police and Employees Retirement Systems ("CFRS") to insure that individual Board members and staff receive current benefit, financial and policy information; to provide the Retirement Administrator with discretionary authority to approve staff travel as necessary in carrying out the administrative responsibilities of the Systems, such as attendance at legislative meetings/hearings, and conducting on-site visits as part of the due diligence evaluation of proposed providers of services; and to attend investment-related advisory meetings and the like.

Responsibility for establishing standards of accountability for CFRS Board Members and retirement staff relative to official travel is vested with the Boards.

#### **A. Due Diligence Visitations**

It is the Boards' desire to conduct on-site due diligence visitations of portfolio management firms and consultants which are currently retained or under consideration for retention by the Boards. To this end, the Boards will consider conducting biennial on-site due diligence visitations of the portfolio management firms and consultants currently retained by the Boards. It is expected that representatives of the Boards will conduct the on-site visitations along with the Retirement Administrator and/or consultants if the Boards desire.

This policy is supplemental to the filing and disclosure requirements under the Political Reform Act and is not in lieu of those requirements.

The Boards will also conduct on-site due diligence visitations of the portfolio management and consulting firms under consideration for retention by the Boards. It is expected that no more than four (4) representatives of the Boards, along with the Retirement Administrator and/or consultants will conduct the on-site visitations.

Once a Request for Proposal ("RFP") has been issued as part of the process in retaining a portfolio management firm or consultant, a diligence "quiet time" will be observed during the search process. During this "quiet time" no meals, travel, hotel or other type of gift will be accepted by the Board Members, its Board officers or employees, from a portfolio manager or consultant under consideration of retention.

This policy shall periodically be reviewed by the Administrative and Investment Committees and may be amended by the Boards at any time.

**B. Travel Authorization**

Travel for public retirement systems meetings and conferences listed in Section G, do not require prior Board approval. Travel for meetings and conferences not listed in Section G, require prior approval by the Board and should be submitted to the Board in the form of a consent item requesting the meeting or conference. The Retirement Administrator may approve travel by a staff member for administrative purposes, provided sufficient funds are included in the Retirement Office Budget or as amended by the Boards.

**C. Limitation on Meeting for Business Purpose**

No more than two members of either Board are authorized to meet together for business purposes, unless there is appropriate public notice of the meeting. Attendance at conferences, seminars and social activities by more than two members of a Board is not a violation of this provision.

**D. Costs of Administration**

Travel and hotel expenses of Board members and staff shall be direct costs of the administration to the Systems and may not be paid through third party contracts, or otherwise, without express authorization of the Boards.

**Exceptions:**

1. While traveling, Board Members may participate in meals provided by third parties. In these situations, Board Members may not claim per diem reimbursement for such meals and must comply with the Political Reform Act (Gov. Code sec. 81000 et seq.) and the Board's disclosure policies and procedures, as applicable.
2. Board Members may accept payment for necessary transportation, meals and lodging from a conference organizer, when the receipt of such is in connection with a speech as defined in regulations implementing the Political Reform Act and does not constitute a reportable "gift" under the Political Reform Act.

**E. Authorized Expenses**

Authorized expenses for travel for Board members and staff shall be determined by the Boards as set forth on the attached schedule. Such reimbursement rates shall require an annual adjustment based on an annual change in the Consumer Price Index (CPI) and shall be approved by the Boards. In addition, Board Members and staff shall be entitled to reimbursement for all other reasonable and necessary expenses incurred in connection with CFRS business. Board Members and staff are authorized to travel in "business class" or equivalent class for international flights.

**F. Claims for Reimbursement**

Travel expense reimbursements shall be claimed by completing a Travel Reimbursement Form and submitting the form to the Retirement Office.

**G. Attendance at Public Retirement System Conferences and Meetings**

Members of both Boards, the Retirement Administrator and retirement staff (the Retirement Administrator can authorize retirement staff to attend meetings if travel and training appropriations are available in the annual budget) are authorized to attend the following without Board approval:

1. Regular meetings of the State Association of County Retirement Systems (SACRS)
2. The Annual Conference and the Annual Legislative Workshop of the National Conference on Public Employees Retirement Systems (NCPERS)

3. The Annual Conference of the International Foundation of Employee Benefit Plans (IFEBP)
4. Conferences and training sponsored by the International Foundation of Employee Benefit Plans (IFEBP).
5. Benefits, Accountants, Administrators, Legal and other Roundtable meetings conducted by the California Association of Public Retirement Systems (CALAPERS)
6. Conferences and training sponsored by the Institute for Fiduciary Education (IFE)
7. Public Safety Employees Pension & Benefits Annual Conference
8. Client Conferences sponsored by portfolio managers of CFRS
9. Client Conferences sponsored by investment consultant of CFRS
10. Conferences and training sponsored by the Governmental Finance Officers Association (GFOA)
11. Conferences sponsored by the International Institute for Research (IIR)
12. Annual Conferences sponsored by Pensions & Investments
13. Conferences and training sponsored by Opal Financial Group
14. Fundamental of Money Management Course or the Pension Fund and Investment Management Course at the Wharton School of Business
15. Information Management Network
16. Center for Fiduciary Studies
17. Investment Management Consultant Association (IMCA)
18. Institutional Investor  
Authorization to attend client conferences organized or sponsored by a single company or firm shall be restricted to those conferences sponsored by firms who maintain a professional relationship with CFRS.

**H. Travel Advances**

Travel advances can be received by preparing a Travel Advance Form and submitting the form to the Retirement Administration Office.

**I. Expenses for Spouses**

Expenses of spouses and/or traveling companions are not reimbursable.

**J. Limitation on Allowance of Time and Expense**

Allowance for time and expense shall not exceed that which is usual and reasonable as claimed by others to that precise destination. When meeting, conference, or seminar agendas calendar substantive content prior to 9:30 a.m., travel and arrival the evening before is authorized. When substantive content continues after 4:00 p.m., lodging for that night is authorized. Lodging and per diem for extra days prior or after a conference will be reimbursed if such extension results in lower overall trip costs. For staff, cost comparisons for trip extensions shall include the costs of salary for any work days lost by the extension.

Attendance at either the Fundamentals of Money Management Course or the Pension Fund and Investment Management Course (sponsored by the Wharton School) is required for newly elected Board Members. This requirement shall not apply to a person who formerly served as a member of the Boards and may be waived by the Board if the best interests of the Systems would be served by such waiver. The Boards may, from time to time, approve courses or programs that may be substituted for the Wharton School courses to satisfy the requirements of this paragraph.

**K. Taxi, Bus Fares and Car Rentals**

Payment for collision and personal property insurance will be reimbursed in cases where car rental is appropriate. Reimbursement for travel to lodging, meals, meeting sites and airports are allowed. Reimbursements will be provided for the most appropriate transportation including taxi, bus fares or a rental car when such transportation is necessary in the conduct of Retirement System business.

**L. Cancellation of Travel and Lodging Arrangements**

Individuals are responsible for timely cancellation of travel and lodging arrangements made on his/her behalf which will not be used, so that no costs will be incurred by the Systems.

**M. Responsibility for Travel and Lodging Costs**

Absent special situations which shall be reviewed by the Boards, costs incurred by the Systems as a result of non-cancellation of travel and lodging arrangements in a timely manner will be the responsibility of the traveler.

**N. Limitation on Attendance at Seminars and Conferences**

Every Board Member is authorized to attend up to four (4) approved conferences per fiscal year (not including due diligence visitations). No more than one of the conferences may involve travel to a destination outside of the United States. If a Board Member wants to attend more than four conferences in a fiscal year, attendance must be approved by the Board.

**O. Report Following Attendance at Conference and Seminars**

Board Members and staff who travel to conferences and seminars may, when appropriate, file with the secretary of the Boards a report which briefly summarizes the information and knowledge gained, provide an evaluation of the conference, and provide a recommendation concerning future participation. Such report shall be made by completing the form attached hereto as Exhibit "A", and shall be filed at the time the expense claim is submitted. The Secretary of the Boards shall cause a copy of the report to be distributed to each member of the Boards, and the Retirement Administrator and the Assistant Retirement Administrator.

**P. Political Reform Act Requirements**

Individual CFRS Board Members have the responsibility to ascertain and comply with their obligations under the Political Reform Act. For example, if a Board Member's accepts meals or transportation that is paid for by a third party (i.e. not the Board Member or CFRS), the Board Member is responsible for his or her compliance with the Political Reform Act.

