



**PUBLIC SCHOOL EMPLOYEES'
RETIREMENT SYSTEM**

COMMONWEALTH OF PENNSYLVANIA
PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

Board and Staff Travel Policy

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Revision History

Travel Policy Established

July 13, 2021

Amendment:

August 5, 2022

Section VII. amended for clarification of contracts executed prospective of the original policy adoption date (July 13, 2021) and those executed after that date.

I. OVERVIEW

The Board of Trustees (Trustees) of the Pennsylvania Public School Employees' Retirement System (System) hereby desires to formally adopt a policy providing for the formal review, written approval and disclosure of all System related travel and travel expenses as being prudent, necessary, and in the interest of the Public School Employees' Retirement Fund (Fund) beneficiaries

The Trustees, each, individually in their capacity as a fiduciary, owe a duty of loyalty to the beneficiaries of the Fund and therefore are obligated to render decisions that are informed, without bias and in the sole interest of the Fund's beneficiaries.

Throughout the year in the course of fulfilling their fiduciary duties, the Trustees, the Executive Director, the Chief Investment Officer, and investment staff of the Fund may occasionally be required to travel on behalf of the System to attend meetings, educational seminars, due diligence reviews and satisfy such other fiduciary oversight and public outreach responsibilities.

The Trustees desire to ensure all investment advice and recommendations rendered to and resulting from decisions of the Trustees are free from undue influence, bias or conflict, whether actual or perceived, that may result from persons or entities with a direct or indirect financial interest in Fund investments paying for System travel expenses.

II. PURPOSE

The purpose of this Policy is to set a framework for the Public School Employees' Retirement System travel, including prudent use of System resources, authorization of cost and business necessity, and reimbursement of expenses.

This Policy is applicable to the Trustees and their designees, the Executive Director, the Chief Investment Officer, and investment staff.

Additionally, this Policy applies to the rest of PSERS staff for other non-investment-related travel.

Collectively, all Trustees and Staff will be referred to as "Travelers" throughout this Policy.

III. OTHER POLICIES AND MANAGEMENT DIRECTIVES

The Public School Employees' Retirement System, an independent administrative board of the Commonwealth of Pennsylvania, is subject to [Management Directive 230.1](#), Commonwealth Travel Policy and [its accompanying Manual 230.1](#), subject to certain exceptions granted by the Commonwealth.

PSERS' Board of Trustees has adopted this Policy as a supplement to the Commonwealth Travel Policies and other relevant laws and policies covering travel issues, including Pennsylvania Ethics Law and the Governor's Code of Conduct.

IV. REASONS FOR TRAVEL

Travelers may be required to travel to fulfill the fiduciary obligations of their respective positions, such as attending:

- Board and Committee meetings and other Board business
- Meetings with PSERS' members and employers
- Business meetings at PSERS' Regional Offices
- Educational and industry conferences
- Vendor-sponsored client meetings and conferences
- Periodic meetings with PSERS' consultants and other service providers at their offices
- Due diligence meetings at the offices of potential investment managers, consultants, and vendors
- Investments oversight and monitoring, such as:
 - Limited Partner Advisory Committee ("LPAC") meetings for all funds where PSERS is an LPAC member
 - Annual General Meetings ("AGM") for all funds where PSERS is a limited partner
 - Periodic, ongoing manager oversight meetings at the offices of existing investment managers
 - Consultant-sponsored, manager-sponsored, and client conferences

V. GUIDELINES FOR TRAVEL APPROVAL

A. Within Pennsylvania

All intrastate travel by Trustees, the Executive Director, the Chief Investment Officer and investment staff of the Fund related to the management and fiduciary oversight of the Fund shall be submitted to, reviewed, and approved by the Executive Director.

Whenever possible, such request for approval should be submitted at least one month prior to the start of travel. **See Appendix A** for a copy of the Travel Request Form.

The Executive Director has approval to travel throughout the Commonwealth of Pennsylvania for meetings with Regional Offices, members, and employers, and other Agency business.

B. Within the Continental United States

All travel by Trustees, the Executive Director, the Chief Investment Officer and designated investment staff of the Fund within the continental United States related to the management and fiduciary oversight of the Fund, having an estimated cost of \$2,000 or more, shall be submitted to, reviewed, and approved by the Chair of the Board of Trustees, or in the absence of the Chair, the Vice Chair of the Board. All travel having an estimated cost of less than \$2,000 shall be submitted to, reviewed, and approved by the Traveler's supervisor and the Executive Director.

Whenever possible, such request for approval should be submitted at least one month prior to the start of travel. See Appendix A for a copy of the Travel Request Form.

C. Outside of the Continental United States

All travel by Trustees, the Executive Director, the Chief Investment Officer and designated investment staff of the Fund outside the continental United States related to the management and fiduciary oversight of the Fund shall be submitted to, reviewed, and approved in writing by the Chair of the Board of Trustees, or in the absence of the Chair, the Vice Chair of the Board.

Whenever possible, such request for approval should be submitted at least one month prior to the start of travel. See Appendix A for a copy of the Travel Request Form.

D. Travel by Board Chair

In the case of the Chair of the Board's travel, the Vice Chair of the Board and Executive Director must approve.

E. Travel by Trustees and Designees

Trustees' and their designees' travel are subject to all travel restrictions imposed by the Board in its Bylaws or other governing documents. Additional guidance on Board members travel can be found in the following Board policies:

- Education Policy
- Ethics Policy
- External Board Appointment and Attendance at Meetings Policy
- Statement of Organization, Bylaws, and Other Procedures

Trustees and their designees do not require approval to travel to PSERS' Board and Committee meetings as well as other meetings at PSERS' offices where official PSERS business is conducted, such as meetings to review Requests for Proposal.

VI. GUIDELINES FOR TRAVEL ARRANGEMENTS

Travelers will use prudence, discretion, and good judgment to ensure personal safety and that all travel expenses are authorized, reasonable, and necessary. To reduce cost, the System will consider the use of teleconference and other forms of electronic communication whenever warranted.

To avoid actual or perceived conflicts, all travel arrangements (airfare, hotel, car rentals, train, etc.) are to be made by PSERS unless otherwise approved by the Executive Director or the Chair of the Board. Exceptions include conferences and events where the total registration cost includes such items as conference registration fees, hotel, and meals.

Travel arrangements made by PSERS are subject to Management Directive 230.1, Commonwealth Travel Policy and its accompanying Manual 230.1. PSERS has been granted certain exceptions to the Commonwealth Travel Policy. A list of exceptions to the

Commonwealth Travel Policy granted to PSERS and currently in effect is attached as Appendix B. The list of exceptions may be revised from time to time.

VII. PROHIBITING REIMBURSEMENT OF TRAVEL EXPENSES

All Trustees, Officers, and employees who are responsible for or contribute to the decision to hire, retain, or terminate any investment fund, manager, management company, partnership, consultant, or other third-party who does, seeks or may seek to do business with the System shall be prohibited from accepting gifts, entertainment, or travel funding from such third parties.

In fulfilling obligations pertaining to business of the System, all travel-related expenses, including transportation, lodging, and subsistence, among others, incurred by Trustees, Officers, and employees, shall be paid by the System.

The Trustees desire to ensure all investment advice and recommendations rendered to and resulting from decisions of the Trustees are free from undue influence, bias or conflict, whether actual or perceived, that may result from persons or entities with a direct or indirect financial interest in Fund investments paying for System travel expenses. For that reason, all payment and/or reimbursement of travel expenses by third parties will be declined.

This provision will be addressed in all contracts prospectively from the date of policy adoption (July 13, 2021) and will not apply to contracts already executed by the System. Contracts executed after policy adoption (July 13, 2021) shall expressly prohibit payment or reimbursement of travel expenses to the System and/or its employees.

VIII. IMPLEMENTATION AND ADMINISTRATION OF REIMBURSEMENT PROCESS

Due Diligence: PSERS defines due diligence as travel necessary to review a potential investment and is conducted before an investment is presented to the Board for approval. Due diligence travel expenses are not eligible for reimbursement by the manager. PSERS prohibits third-party reimbursement for travel expenses incurred by Travelers for travel to conduct due diligence at the location of potential consultants, managers, and other vendors. PSERS also prohibits acceptance of food and beverage while conducting due diligence of potential consultants, managers, and other vendors. Time constraints may necessitate that due diligence visits be combined with monitoring visits.

Guidelines for Transportation

Travelers will utilize the following modes of transportation: commercial aircraft, train, subway, bus, rental automobiles, paid rides such as taxi or Uber/Lyft, and either agency or personal automobiles.

Travelers, with approval of the Executive Director, may book economy plus or business class air travel for scheduled one-way flights of 8 continuous hours or more outside the continental United States and Canada, including stopovers and change of planes. The

underlying principle for business class air travel includes ease of working throughout the flight, ability to sleep on overnight flights, and the health and safety of the traveler.

Guidelines for Lodging

Notwithstanding Bureau of Commonwealth Payroll Operations Exception #6621 (Appendix D), all Travelers will follow Commonwealth Travel Procedures Manual guidelines regarding Maximum Allowable Lodging Rate, including Conference Lodging.

Guidelines for Food & Beverage

Food and beverage provided in relation to attending an LPAC meeting, AGM, conferences, or periodic oversight meetings at the consultants', managers', or vendors' location are permitted as part of a conference, convention, or other event. Excluded from this provision are meal/break/reception events where not all attendees are permitted to attend. For example, a dinner sponsored by a company for only invited participants is prohibited unless paid for by the Traveler or the System.

Acceptance of or reimbursement for all other food and beverage is subject to the Commonwealth Travel Policy.

Guidelines for Travel Disruption

If a disruption in a Traveler's planned itinerary is caused by circumstances beyond the control of the Traveler, such as a transportation service provider or weather event, government imposed travel restrictions or new government travel guidelines, the Traveler may incur and be reimbursed for reasonable unplanned travel expenses otherwise not permitted by the Commonwealth Travel Policy.

Entertainment

Entertainment that is purely recreational in nature must be declined unless the Traveler reimburses the sponsor/event host for the pro-rata share of the costs or such entertainment is included in the cost of the conference, convention, or training session paid for and approved in advance by PSERS.

Recreational entertainment includes any activity generally considered to provide entertainment, amusement, or recreation. Examples include a featured performance or show, sporting events, greens fees, and other tourist-type activities provided for an audience. Music provided for background ambiance is not considered entertainment.

IX. REPORTING

All travel expenses incurred by Trustees, the Executive Director, the Chief Investment Officer, and designated investment staff of the Fund shall be publicly disclosed and reported to all members of the Board of Trustees on a quarterly basis.

The quarterly travel disclosure report shall include, at a minimum:

- Full name of the person traveling
- Approved purpose of the travel
- Dates of travel
- Locations of travel
- A description of the travel including identification of any investment or fund managers, partnership, consultants, investment properties visited, or investment operations reviewed

The quarterly travel disclosure report shall also include a detailed account of all individual expenses incurred in excess of fifty dollars (\$50).

PSERS staff will prepare and maintain a record of all travel undertaken by Travelers and their direct travel expenses.

For any travel expenses paid, PSERS will obtain a detailed report of the direct costs incurred to contain substantially the same information identified in Appendix C.

The quarterly travel disclosure report is not required to include indirect costs such as meeting space and catering costs incurred for larger group meetings that include other third-party investors in a fund or similar costs incurred for a conference. The report will be shared quarterly with the Board and posted to PSERS website.

All due diligence reports provided to the Board of Trustees on any proposed investments or contracts shall include a detailed disclosure of all travel expense information provided by the manager for current and, if available, past investments, as well as a certification that PSERS paid travel costs and was not reimbursed for the travel costs related to the due diligence trip.

X. POLICY INTERPRETATION

In instances where interpretation of this Policy is not clear or does not address a particular issue, the Executive Director, in consultation with the Chair of the Board and PSERS Chief Counsel, shall interpret this Policy in accordance with the framework established in this Policy at Section II. Such instances will be documented and addressed, as considered necessary, through an update to this Policy at the next scheduled Board meeting.

The Executive Director in consultation with PSERS Chief Counsel will address any questions from Travelers regarding the application of this Policy.

XI. POLICY REVIEW

This policy will be reviewed once every three years by the Board, or more frequently if needed.

Appendix B- Travel Exceptions

Exception 6189 - Personal Vehicles. Allows Trustees of the Public School Employees' Retirement System to be exempt from using the least expensive mode of transportation when traveling to Board meetings.

Exception 6621 - Staff and Board to Incur and Exceed. Allows Board Members, the Executive Director, and selected senior staff to exceed the monetary limits for lodging and subsistence published in Manual 230.1 and to incur subsistence expenses on behalf of others in accordance with Section 4.5 of Manual 230.1

Exception 7401 – Issued by Governor's Office May 29, 2019 – Eliminated the prior requirement that all PSERS Out-of-State travel be approved in advance by the Governor's Office.



TO: Beverly Hudson
Deputy Executive Director for Administration
Public School Employees' Retirement System

MEMO

FROM: Stephen R. Burns 
Director
Bureau of Commonwealth Payroll Operations

DATE: March 14, 2022

RE: Travel Exception Request # 6189 - Personal Vehicles

We reviewed your March 11, 2022 memorandum requesting an extension of Exception #6189 which allows the six trustee members of the Public School Employees' Retirement System to be exempt from using the least expensive mode of transportation when traveling to board meetings. The memorandum was forwarded to the office of Mr. Brian Lyman, Chief Accounting Officer, along with our recommendation for approval.

We are pleased to advise you that Mr. Lyman responded favorably to our recommendation.

If approval is required beyond the expiration date of February 28, 2023, a written request must be submitted no later than 30 days prior to this date.

This approval in no way sets a precedent for future requests. Please feel free to contact William Cox at (717) 787-3759 if you have any questions.

Exception # 6189 must be entered in the exception # box on the Report Header Page of the Travel Expense Report (TER). TERs submitted with a blank exception # will be returned for correction.



TO: Beverly Hudson
Deputy Executive Director for Administration
Public School Employees' Retirement System

MEMO

FROM: Stephen R. Burns 
Director
Bureau of Commonwealth Payroll Operations

DATE: July 19, 2022

RE: Travel Exception Request # 6621 - Board to Incur and Exceed

We reviewed your July 5, 2022 memorandum requesting an extension of Exception #6621 which allows PSERS Board Members to exceed the monetary limits for lodging and subsistence set forth in Manual 230.1 and also allows them to incur subsistence expenses on behalf of others in accordance with Section 4.5 of Manual 230.1. The memorandum was forwarded to the office of Mr. Brian Lyman, Chief Accounting Officer, along with our recommendation for approval.

We are pleased to advise you that Mr. Lyman responded favorably to our recommendation.

If approval is required beyond the expiration date of August 31, 2024, a written request must be submitted no later than 30 days prior to this date.

This approval in no way sets a precedent for future requests. Please feel free to contact William Cox at (717) 787-3759 if you have any questions.

Exception #6621 must be entered in the Exception # box on the Report Header Page of the Travel Expense Report (TER). TERs submitted with a blank exception # box will be returned for correction.

cc: Mercedes Evans
Commonwealth Office of Travel Operations

Travel Exception Request # 7401

**COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR**

MEMO

DATE: May 29, 2019

SUBJECT: Out-of-State Travel Submissions

TO: Glen Grell, Executive Director
Public School Employees' Retirement System

FROM: Kalie Snyder *Kalie Snyder*
Executive Assistant
Office of Governor Tom Wolf

The Governor's Office has conducted a review of the current Out-of-State Travel Policy. There is presently no process in place for members of the Public School Employees' Retirement System to submit requests for review of out-of-state travel. Per the Management Directive 230.10, Commonwealth Travel Policy, all departments, boards, commissions, and councils under the Governor's jurisdiction, must submit form STD 189, for review, prior to making any arrangements to travel outside the Commonwealth of Pennsylvania.

Effective as of the date of this memorandum, the Governor's Office will require that only those employees/members of the Public School Employees' Retirement System, appointed by the Governor, be required to submit an STD 189 form, through the Commonwealth Out of State Travel Application (COSTA) system, for approval prior to making plans for any travel outside the Commonwealth of Pennsylvania.

You can access the COSTA system at the following link: <https://costa.pa.gov/>. We are happy to assist in familiarizing all appointed employees/members of the Public School Employees' Retirement System, with how to navigate the COSTA system.

Thank you for your assistance and cooperation. For your convenience, below are links to the Commonwealth Travel Procedures Manual, the Commonwealth Travel Policy, and the Out-of-State Travel Policy (for your reference). If there are any questions or concerns, please do not hesitate to contact me.

Manual 230.1, Commonwealth Travel Procedures Manual –
https://www.oa.pa.gov/Policies/Documents/m230_1.pdf

Management Directive 230.10, Commonwealth Travel Policy –
https://www.oa.pa.gov/Policies/md/Documents/230_10.pdf

Out-of-State Travel Policy –
<https://www.budget.pa.gov/Services/ForCommonwealthTravelers/Documents/out-of-state-travel-policy.pdf>

Appendix C- Quarterly Report Sample

- Name of the person traveling
- Purpose
- Dates
- Locations
- Description of the travel including identification of any investment or fund managers, partnership, consultants, investment properties visited, or investment operations reviewed*
- Account of all individual expenses incurred.

*Due-Diligence visits to potential fund managers or investments will have the name of the fund manager or investment and location redacted on all reports available to the public.

SAMPLE REPORT: See next page. The format of this report may change based on available data.

Quarterly PSERS Travel Report												
Control Number	Org Unit	Bureau	Individual	Trip Number	Start Date	End Date	Location	Purpose	Trip Description	Expense Type	Amount	Source
1	PSERS	IO	Jones, John	41201	3/1/2020	3/4/2020	Atlanta, GA	Due Diligence	Equity Fund IV	Lodging	\$ 630.00	
2	PSERS	IO	Jones, John	41201	3/1/2020	3/4/2020	Atlanta, GA	Due Diligence		Meals	\$ 150.00	
3	PSERS	IO	Jones, John	41201	3/1/2020	3/4/2020	Atlanta, GA	Due Diligence		Trans	\$ 476.00	
4	PSERS	IO	Jones, John	41201	3/1/2020	3/4/2020	Atlanta, GA	Due Diligence		Rental Car	\$ 235.00	
5	PSERS	BOCC	Smith, Jean	39845	3/15/2020	3/20/2020	Orlando, FL	CEM User Conf	Vendor Training	Lodging	\$ 1,037.00	
6	PSERS	BOCC	Smith, Jean	39845	3/15/2020	3/20/2020	Orlando, FL	CEM User Conf		Meals	\$ 110.00	
7	PSERS	BOCC	Smith, Jean	39845	3/15/2020	3/20/2020	Orlando, FL	CEM User Conf		Trans	\$ 456.00	
8	PSERS	BOCC	Smith, Jean	39845	3/15/2020	3/20/2020	Orlando, FL	CEM User Conf		Registration	\$ 2,000.00	
9	PSERS	Board	Nasium, Jim	40440	3/21/2020	3/24/2020	San Diego, CA	NCTR	Education	Lodging	\$ 654.00	
10	PSERS	Board	Nasium, Jim	40440	3/21/2020	3/24/2020	San Diego, CA	NCTR		Meals	\$ 223.00	
11	PSERS	Board	Nasium, Jim	40440	3/21/2020	3/24/2020	San Diego, CA	NCTR		Trans	\$ 578.00	
12												
13												
14												
15												