

ILLINOIS POLICE OFFICERS' PENSION INVESTMENT FUND

POLICY AND PROCEDURE

POLICY NUMBER: PP-2023-01
SUBJECT: TRAVEL POLICY
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A. INTRODUCTION

1. Prudent oversight of the Illinois Police Officers' Pension Investment Fund requires that Trustees and staff occasionally travel to business meetings, educational conferences or seminars and meetings with participants and stakeholders, held in or outside the state of Illinois.
2. The purpose of the Travel Policy is to encourage and to assist Trustees and staff in meeting their fiduciary duties to govern, administer, and oversee the Investment Fund and to ensure that expenditures incurred in the education and travel process are prudent and cost-effective, and to mitigate the risk of improprieties arising from travel for Fund-related activities.
3. Travel and related costs not only represent legitimate expenses of the Fund but are a sound investment in the ongoing success of the organization and meeting the needs of participants.

B. TRAVEL REIMBURSEMENT CRITERIA

1. The objective of this Policy is to establish criteria and approval authority for reimbursement of travel and meal expenses (collectively "travel expenses") for the Board of Trustees and staff members.
2. Conditions under which expenses will be paid:
 - a. Travel expenses will be paid only when the expenses are actually incurred for the purposes of conducting official IPOPIF business, representing IPOPIF in an official capacity, or obtaining training or information directly beneficial to IPOPIF operations ("official Fund business").
 - b. The actual cost of travel must be reasonable, utilizing the least expensive methods available as determined by the Trustee, the Executive Director, or the Chief Investment Officer, as applicable, given the particular circumstances involved in each trip.

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- c. When the Executive Director or Chief Investment Officer approve specific travel expenses for travel authorized by the Board of Trustees, or when the travel expense is authorized by Board action, including by this Policy, the travel expenses will be considered reasonable and necessary for official Fund business.
3. Travel expenses that can be paid or reimbursed:
- a. Transportation expenses
 - i. Actual and necessary transportation expenses are reimbursable. Necessary transportation expenses consist of the most efficient, economical mode and class of transportation reasonably consistent with scheduling needs, based on a determination by the Trustee, Executive Director, or Chief Investment Officer.
 - b. Rental car
 - i. The use of a rental car by a Trustee or staff member will be reimbursed when it is fiscally reasonable to rent a vehicle due to circumstances where ground transportation is unavailable, unduly expensive, or otherwise impracticable.
 - ii. Trustees and staff are required to obtain and purchase (and IPOPIF will reimburse) Loss Damage Waiver and Supplemental Liability Insurance when renting vehicles on IPOPIF business.
 - iii. The Fund shall reimburse the cost of an intermediate or standard rental car, provided that such vehicle is used exclusively for Fund-related travel. A larger vehicle may be rented in circumstances where several Trustees and/or staff will be using the vehicle together.

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- c. Private vehicles.
 - i. Personal vehicle mileage costs will be reimbursed in accordance with this Policy based on Internal Revenue Service (IRS) then current standard mileage reimbursement rate.
 - ii. The reimbursement request shall include documentation of the mileage driven (e.g., the use of a mileage calculator, a copy of the map and route taken).

- d. Airfares and related expenses:
 - i. Trustees and staff must use good judgment to obtain airline tickets at competitive prices. The Fund will pay for or reimburse the actual cost for “economy plus”, “main cabin extra”, or “Wanna Get Away” fares or equivalent airline (or rail) tickets. The Fund will not reimburse a Trustee or staff member to fly business or first class. An individual may, at his or her own expense, pay to upgrade travel to business or first class but must document the cost of the upgrade.
 - ii. The Fund will reimburse the actual cost of baggage for no more than two bags per trip, provided that such expense is substantiated by a receipt.
 - iii. Charges incurred for cancellations or changes in travel arrangements are the personal responsibility of the claimant except in cases of unavoidable circumstances, including but not limited to, illness, injury, a conflict with job responsibilities, or a *force majeure* event. For the avoidance of doubt, convenience or personal preference shall not be considered an “unavoidable circumstance.”
 - iv. The Fund will not reimburse for advance or preferred boarding fees not included in the fare.
 - v. No Trustee or staff member may be reimbursed for any ticket in excess of \$1,000, unless approved by the Executive Director or Chief Investment Officer prior to purchase of the ticket.

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- vi. Trustees and staff are encouraged to make airline reservations at least two weeks in advance of the first day of travel and to make reservations directly with the airline to avoid issues with refunds, rather than booking through brokers such as Expedia or Priceline.
 - vii. When a Trustee or staff member travels on Fund business by commercial airline, the Trustee or staff member may stop over at other cities as long as the airfare does not exceed the cost of a direct, "economy plus" fare obtained with a two-week advance purchase, or such other purchase standard recognized at that time by the airline industry. No expenses incurred while in a layover city are reimbursable, except for meals which may be reimbursed in accordance with this Policy.
 - viii. If a significant savings can be realized on the airfare by having a Trustee or staff member extend their stay to include a Saturday night, the Trustee, or staff member, at his or her option, may extend his or her stay in order to realize such savings.
- e. Lodging expenses.
- i. Actual and necessary lodging expenses will be paid or reimbursed when travel on official IPOPIF business reasonably requires an overnight stay, including a stay the night before the official Fund business commences or after the business ends, in accordance with this Policy.
 - ii. If such lodging is in connection with a conference such lodging expenses may not exceed the group rate published by the conference sponsor for the conference.

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- iii. Lodging rates that are equal to or less than the government rates available at the hotel are assumed to be reasonable and reimbursable for the purposes of this Policy. Lodging expenses incurred are considered reasonable and necessary if approved in advance by the Executive Director or Chief Investment Officer.
 - iv. If a Trustee's or staff's personal choice is to stay at a non-sponsored hotel, reimbursement will be limited to the government rate, or the group rate published by the conference sponsor, as applicable.
 - v. If, at the conclusion of an authorized Fund trip, it would be impractical for a Trustee or staff member to return home the same day, the Trustee or staff member will be entitled to be reimbursed for one additional night of lodging and the actual and necessary expenses incurred in accordance with this Policy.
 - vi. One-day meetings. Trustees or staff residing within 50 miles from the meeting place will not receive reimbursement for lodging for a one-day meeting.
- f. Meal expenses:
- i. Actual meal expenses (breakfast, lunch, and dinner) for each authorized day of travel. Meal expenses are not to exceed \$100 per day of travel and may include non-alcoholic beverages, taxes, and a reasonable tip (not to exceed 20%). An itemized receipt is required for all meal reimbursements.
 - ii. A meal expense is not necessary and will not be paid or reimbursed by IPOPIF if a meal is included, for no additional charge, as part of a conference, mode of travel (e.g., airline in-flight meals), or is included with the lodging accommodations.
 - iii. Expenses for alcoholic beverages will not be paid or reimbursed by IPOPIF.
- g. Miscellaneous expenses and limitations.

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- i. Government or group rates shall be used when available.
- ii. Trustees and staff will be reimbursed up to \$25.00 per authorized day for incidental expenses. Receipts will not be required for these expenses.
- iii. Actual tolls, ground transportation, parking expenses, and expenses for communications (e.g., internet fees, fax, telephone, overnight mail/postage, and copying/printing) may be paid or reimbursed if the expense is reasonable and necessary for official Fund business.
- iv. Only self-parking expenses necessary for the claimant's vehicle will be paid. Valet parking will not be paid if there is a non-valet option.
- v. Personal travel club memberships and frequent flyer or hotel loyalty program fees will not be paid or reimbursed by IPOPIF, and IPOPIF will not reimburse travel expenses waived as a result of a claimant's membership in such a program.
- vi. Expenses for additional days prior to or after a conference or meeting will be reimbursed only if determined by the Executive Director or Chief Investment Officer to be reasonable and necessary because of the conference or meeting schedule, travel exigencies, or if the extension results in overall trip costs that are the same as or lower than overall trip costs without the extension ("authorized days").
- vii. IPOPIF will not reimburse or pay for charges for attendance at or participation in networking, social or entertainment type events that are in addition to or not included in the general conference registration fee. "Entertainment" includes, but is not limited to, shows, amusements, theaters, sporting events, or any other place of public or private entertainment or amusement, unless ancillary to the purpose of the program or event.
- viii. Other actual and necessary expenses not listed in this Policy may be paid for or reimbursed if determined to be reasonable and necessary by the Executive Director or Chief Investment Officer.

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- ix. Expenses of family members and/or traveling companions are not reimbursable by IPOPIF. All meal receipts must identify itemized authorized expenses for the claimant.
- x. Charges incurred for cancellations or changes in travel arrangements are the responsibility of the claimant, except in cases of unavoidable circumstances, including, but not limited to, illness, injury, a conflict with job responsibilities, or a *force majeure* event. For the avoidance of doubt, convenience or personal preference shall not be considered an “unavoidable circumstance.”

C. TRAVEL EXPENSE REIMBURSEMENT PROCEDURE

1. Trustees and staff shall be reimbursed for travel expenses, while on Fund business, which shall be approved in accordance with the Accounts Payable Policy.
2. Trustees and staff will be required to complete an expense reimbursement claim form, as outlined in the Accounts Payable Policy, to document the expenses incurred while participation in a business meetings, educational conferences, seminar, or meeting with participants or stakeholders. Allowable expenses are those allowed by Board Policy or specifically approved by the Board of Trustees. Appropriate documentation and receipts are required to be included.
3. Travel claims must identify how the expenses relate to official Fund business and attest that the expenses meet the requirements of this Policy.
4. A receipt that includes location, date, time, and amount must be included as proof of expenses. The receipt should be either a copy of the charge slips or hotel bill, if charged to a credit card or hotel room, or an itemized cash receipt, if paid by cash.
5. Travel claims should be submitted within 60 days of the completion of travel and must be accompanied by receipts documenting the expenses.

D. REIMBURSEMENT FOR MEALS FOR MEETINGS OF THE BOARD OF TRUSTEES, EMPLOYEE WORKGROUPS, OR IPOPIF RELATED EVENTS.

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1. With the Executive Director's or Chief Investment Officer's approval, meals for Trustees, staff, trainers, speakers, and subject matter experts required to attend training sessions, meetings, and events that require staff and/or Trustees to work and/or attend during a mealtime may be paid for (or reimbursed if the meal is obtained by the claimant) by IPOPIF.
2. When Trustees and staff are working outside normal work hours, and it is more practical to provide meals than to have Trustees or staff leave and return, meals may be paid or reimbursed by IPOPIF. Scheduling meetings during mealtimes should be based upon business necessity and only in circumstances where the best interests of IPOPIF and its members are served by doing so.
3. With the Executive Director's or Chief Investment Officer's approval, staff members and Trustees shall be reimbursed for reasonable and necessary expenses incurred while promoting the interests of IPOPIF within their particular areas of responsibility. Such expenses may include meal costs for persons who are not IPOPIF employees but who are involved in official IPOPIF business.
4. Claims for such expenses shall include itemized receipts supporting the reimbursement requested. The names of the people who attended the business purpose meeting and a brief description of the business discussed or conducted shall be submitted with the reimbursement request.

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E. MEALS DURING EMERGENCY SITUATIONS

1. With Executive Director or Chief Investment Officer approval, IPOPIF may provide employees with food or drinks when employees are required to work before, during, and after normal meal periods due to emergencies, provided the amounts claimed are within the limitations of this Policy.
2. In these cases, a written explanation must be provided detailing the emergency situation, and additional documentation must be provided as noted below under additional documentation related to purchases of food or drinks.

F. CASH ADVANCES

1. Cash advances to cover known expenses will be provided upon request for conferences, seminars, meetings, and educational courses that have been pre-approved by the Board of Trustees.
2. All cash advances shall be requested in writing through the Executive Director or Chief Investment Officer.
3. Any cash advance that is not used shall be repaid to the Fund within 5 business days of the last authorized day of travel.
4. Trustees and staff are encouraged to use credit cards to pay expenses.

G. TRAVEL BUDGET

1. The Board of Trustees shall set an appropriation within the annual budget for Trustees and staff for travel and education expenses. The fiscal year budget shall be adopted at a public meeting each year.
2. The Executive Director and Chief Investment Officer are responsible for developing and managing travel expense programs consistent with the best interests of IPOPIF and for justifying the annual budgetary requests.

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H. MISCELLANEOUS

1. This Policy for determining reasonable expense reimbursement for Trustees and staff is adopted by the Board of Trustees exercising its fiduciary responsibility to discharge their duties under the prudent person standard, which is a standard used by similar public pension funds.

I. POLICY REVIEW

1. The Policy is subject to change at the discretion of the Board.
2. The Board of Trustees will review this Policy at least every two (2) years to ensure that it remains relevant and appropriate.
3. In the event of legislative changes applicable to any portion of this Policy, this Policy shall be so amended, and the Board will approve a conforming Policy on a timely basis.
4. This Policy was adopted by the Board on February 10, 2023.
5. This Policy was amended by the Board of Trustees on October 13, 2023, in accordance with legislative changes made in Public Act 103-506.