

**KENTUCKY RETIREMENT SYSTEMS
BOARD OF TRUSTEES
PER DIEM AND REIMBURSEMENT POLICY**

Approval Date: February 20, 2020

Section 1: Scope

- A. This policy is enacted pursuant to KRS 61.645, which provides that the Board of Trustees (“Board”) of the Kentucky Retirement Systems (“Retirement Systems”) is permitted to adopt procedures necessary to conduct the business of Retirement Systems as needed. As well, this policy is enacted consistent with the Bylaws of the Board of Trustees of Retirement Systems, which provide for reimbursement of the Board in their official duties for Retirement Systems.
- B. Previous revisions to the policies governing the payment of per diems and travel expenses were adopted on August 17, 1995, February 11, 1999, November 18, 1999, and August 19, 2004. This policy shall replace all previous versions, whether specifically named or not.
- C. Pursuant to KRS 16.640, 61.645(7), and 78.780(1), Trustees who do not otherwise receive a salary from the State Treasury shall receive a per diem for each day they are in session or on official duty, and shall be reimbursed for their actual and necessary expenses in accordance with state administrative regulations and standards.
- D. All payments of per diem and/or reimbursement under this policy shall be made consistent with the Model Procurement Code as set forth in KRS Chapter 45A, 200 KAR 2:006, and the Executive Branch Code of Ethics as set forth in KRS Chapter 11A.
- E. In every event, Trustees shall endeavor to conduct the official affairs of Retirement Systems in such a manner as to minimize the cost of providing efficient guidance and administration of the funds entrusted to the Board.
- F. Nothing in this Policy shall be interpreted so as to prohibit or discourage Trustees from attending all official functions of the Board or its Committees, or legislative or other functions, which such Trustee wishes to attend at his or her own expense.

Section 2: Official Duty

- A. “In Session” shall include the following:
 - (1) Meetings of the full Board;
 - (2) Meetings of Committees of which the Trustee is a member or alternate (if needed to make a quorum); and
- B. “Official Duty” shall include the following:
 - (1) Preparation for Board or Committee meetings;

- (2) New Trustee Orientation at the Retirement Systems offices in Frankfort;
 - (3) Self-selected training and training seminars in an amount not to exceed the training requirements in the Board Education Policy;
 - (4) Sessions of the General Assembly, the Legislative Research Commission, or another legislative subcommittee at the invitation of the Legislature, or a Legislator limited to the Chair or Vice Chair only.
- C. The following are not considered to be “in session” or “on official duty” in order to permit the Trustee to seek a per diem reimbursement, unless specific permission is given by the Chair and the Executive Director or designee:
- (1) Group or Association meetings;
 - (2) Membership meetings;
 - (3) Other constituent meetings; and
 - (4) When requested to appear by a court or other government entity.
- D. Trustees attending functions as described in Section 2, subsection (C) above shall only be considered to be official duty when attendance is at the written request, invitation or permission of the Chair of the Board and the Executive Director or designee. Approval will only be granted for a reasonable number of these functions per year.
- E. If the Chair requests authorization for functions as provided under Section 2, subsections (C) and (D) above, the Vice Chair shall approve such requests.

Section 3: Authorization

- A. Prior to attending a non-Retirement Systems and/or non-State (e.g. industry conference) function, a Trustee shall obtain authorization to be reimbursed for attending such a function on official business of Retirement Systems by the Executive Director or designee.
- B. Authorization shall be obtained through written or e-mailed communication, and should contain the following information:
- (1) Name of Trustee requesting authorization;
 - (2) Purpose of the function;
 - (3) Vicinity and length of time of travel;
 - (4) Estimated cost of travel;
 - (5) Signature of person requesting authorization; and
 - (6) Signature of Executive Director or designee.
- C. Attendance at full Board meetings or Committee meetings of which the Trustee is a member requires no separate authorization.

Section 4: Preparation for Meetings

- A. Preparation for a meeting of the Board or a Committee of the Board shall include time spent reviewing written and/or video transcripts of formal administrative

- hearings or the records, exhibits, documents and memoranda provided to Trustees by Retirement Systems prior to each Board or Committee meeting.
- B. Trustees shall be compensated for preparation for a meeting of the Board or a Committee of the Board as provided under Section 4, subsection (A), at an hourly rate equal to the per diem divided by seven and one-half (7 ½) hours. Each member of the Board or Committee shall report the number of hours spent in preparation on the Preparation Reimbursement Form provided by Retirement Systems.
 - C. The Executive Director or designee shall review all Preparation and Reimbursement Forms and approve all hours for payment as deemed appropriate for the required task.

Section 5: Reimbursement

- A. Following the function, all travel expenses should be timely claimed on a Commonwealth of Kentucky Finance and Administration Cabinet Travel Voucher form. In no event shall a Trustee be reimbursed by Retirement Systems for any expenses also claimed reimbursable from another state agency.
- B. Actual and necessary travel expenses shall be paid in accordance with 200 KAR 2:006.
- C. Twice a month, the Executive Director or designee shall prepare the Per Diem Compensation Schedule and approve such payments.
- D. Reimbursement will be made only for individuals who are doing business on behalf of Retirement Systems.
- E. All reimbursement under this Section must be made consistent with the requirements of the Executive Branch Code of Ethics, KRS Chapter 11A. Please refer to the Executive Branch Ethics Commission web site for more information at: <http://ethics.ky.gov/>.

Section 6: Forms

- A. The following forms are attached and are incorporated by reference.
 - (1) Preparation Reimbursement Form - General
 - (2) Preparation Reimbursement Form – DAC/AAC
 - (3) Commonwealth of Kentucky Finance and Administration Cabinet Travel Voucher form
 - (4) All forms incorporated by reference in 200 KAR 2:006
 - (5) Per Diem Compensation Schedule
- B. These forms may be updated and amended as necessary without effect to this Policy.