

MAINE STATE LEGISLATURE

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VIA EMAIL
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January 30, 2013

Honorable Justin Alfond
President of the Maine State Senate
3 State House Station
Augusta, ME 04333-0003

Honorable Mark W. Eves
Speaker of the Maine House of Representatives
2 State House Station
Augusta, ME 04333-0002

RE: MainePERS Policies

Dear Senate President Alfond and House Speaker Eves:

Attached please find three Maine Public Employees Retirement System (MainePERS) policies required by 5 M.R.S.A. Section 12022 as enacted by PL 2011, chapter 616, "An Act To Implement the Recommendations of the Office of Program Evaluation and Government Accountability and the Government Oversight Committee Regarding Quasi-independent State Entities". These three policies address the policy statements required by section 12022.

MainePERS designed or updated these policies to ensure compliance with all requirements of the law. Board Policy 5.4, "Budgeting, Spending, and Reporting", encompasses the MainePERS Board of Trustees responsibilities under this law. This is a comprehensive oversight policy which assigns the Executive Director to ensure all parts of the law are fully implemented in MainePERS administrative policy.

MainePERS administrative policies 1.3, "Procurement", and 1.4, "Travel", include the specific steps to fully comply with section 12022.

MainePERS has historically prohibited contributions and lobbying expenses. These policies document this practice and represent no change from past practice. Indirect lobbying expenses included in allowable dues to professional organizations for activities conducted at

the federal level are generally for providing technical information on issues that affect federal regulations governing state retirement systems.

Competitive bidding for purchases over \$10,000 is a reduced threshold for MainePERS. Exceptions to this threshold which we believe would be detrimental to conducting our business efficiently or within our fiduciary duty are included in Administrative Policy 1.3, "Procurement". MainePERS has historically reimbursed travel expenses on an actual and reasonable basis. The System is changing to a per diem basis with the implementation of Administrative Policy 1.3, "Travel".

The MainePERS Board of Trustees will monitor compliance of 5 M.R.S.A section 12022 through the Audit Committee of the Board and that committee's budgeting and reporting process. The Audit Committee of the Board meets quarterly and reports to the full Board of Trustees after each meeting. MainePERS staff will provide the Audit Committee with procurement and travel budgets as part of the annual budget approval process. The MainePERS Internal Auditor will also add review of this reporting to the internal audit schedule. MainePERS staff will provide a semi-annual and annual report to the Audit Committee of travel and procurements, including any sole source procurements. MainePERS prohibits contributions and direct lobbying expenses by Board policy.

Please do not hesitate to contact us or provide us with questions about these policies. Our implementation date for all new provisions will be no later than June 30, 2013.

Sincerely,



Sandra J. Matheson
Executive Director

SJM/nlp
Attachments

cc: Peter M. Leslie, Chair, Board of Trustees
John C. Milazzo, General Counsel and Chief Deputy Executive Director
Kathy J. Morin, Manager, Actuarial and Legislative Affairs
John Fleming, Internal Auditor

MainePERS Governance Manual

5.4 – Budgeting, Spending, and Reporting

Date Adopted: October 11, 2012

Date Amended: December 13, 2012

Policy

The Board of Trustees shall safeguard System assets and maintain quality services by overseeing System budgeting, spending, and financial reporting in support of the System’s mission.

Statutory Provisions

- 5 M.R.S.A. § 12021 *et seq.* (*L.D. 1843*–“An Act to Implement the Recommendations of the Office of Program Evaluation and Government Accountability and the Government Oversight Committee Regarding Quasi-independent State Entities”)
- 41 C.F.R. Chapters 300-304
- 26 U.S.C. 401(a)(1) [“Exclusive benefit rule”]¹
- 5 M.R.S.A. §§ 17102, 17103, 17105

Budgeting

The System's annual budget and interim budget modifications shall support the Board's mission and System outcomes.

Accordingly, the Executive Director shall develop financial planning/budgeting for Board approval which:

- Ensures Board compliance with its statutory and fiduciary duties;
- Limits costs to those reasonable and necessary for accomplishing the Board's mission and the System’s outcomes;
- Complies with all Board policy and statutory requirements;
- Substantiates compliance with all Board, administrative and statutory requirements;
- Substantiates all costs by department and line item; and
- Includes an annual travel budget separately approved;
- Includes a five-year capital budget separately approved.

¹ The exclusive benefit rule prohibits the use or diversion of pension funds for purposes other than the exclusive benefit of the beneficiaries. In determining whether pension plan expenditures meet the requirements of the rule, courts have historically looked to whether the expenditures are reasonable in amount, closely related to the purposes of the plan, ultimately further the interests of the plan’s beneficiaries, allocated fairly and accurately across plans and incurred in accordance with established policies or practices. See also Treas. Reg. §§ 1.401-1, 1.401-2.

Spending

The Executive Director shall not cause or allow the material deviation of actual expenditures as established by the budget without notification to the Chair of the Audit Committee. The Executive Director shall manage spending by limiting costs to those reasonable and necessary for accomplishing the Board's mission and System outcomes.

Accordingly, the Executive Director shall manage spending to:

- Implement Board adopted actuarial, investment, and interest assumptions;
- Accurately calculate and timely pay all benefits due members in accordance with law;
- Maintain internal equity between staff salaries at market level, not above or below;
- Accurately and timely collect receivables in accordance with administrative policy that allows for reasonable grace periods within regulatory and statutory rules;
- Keep stakeholders informed on matters of interest;
- Maintain transparent and open financial records except where prohibited or protected by statute or regulation;
- Settle payroll and debts in a timely manner;
- Accurately file and pay all tax or other government-authority ordered payments in a timely manner;
- Select, engage, and timely pay vendors in accordance with administrative policy that:
 - Establishes competitive procurement as the standard procurement method except where it creates unnecessary cost or might jeopardize compliance with fiduciary duties or is in conflict with other regulatory or statutory requirements;
 - Specifies conditions under which competitive procurement may be waived;
 - Maintain justification and documentation on all procurements in excess of \$10,000 that were not competitively procured for five years, including Board resolutions exempting certain types of procurement that might jeopardize compliance with the System's fiduciary duties;
- Plan, approve and conduct travel or sponsor business meals in accordance with administrative policy so that:
 - Travel expenses are pre-approved and in accordance with the standards in the Government Services Administration's (GSA) Federal Travel Regulations (FTR) (41 C.F.R. Chapters 300-304). Accordingly, travel shall be limited both in scope and in personnel to what is reasonable and necessary to further the Board's mission and the System's outcomes;
 - Travel expenses are pre-paid by the System wherever possible and incidental expenses are reimbursed based on expense reports;
 - Business meals are sponsored only when necessary for conducting Board or System business;
- Prohibit expenses not related to the Board's mission and business, including contributions and lobbying;
 - The System may belong to and pay dues to professional organizations that primarily provide access to industry information and similar professionals in other states when

there are no readily accessible or local peer groups. Incidental or informational lobbying conducted by a professional organization to which the System pays membership dues will not be considered to fall within the restriction contained in § 12022(6).

Reporting

The Executive Director shall cause regular financial reporting to be prepared for and reviewed by the Audit Committee whose policy determines reporting content and schedules to the Board.

Accordingly, the Executive Director shall develop a reporting system for the Board which:

- Presents quarterly financial reports to the Audit Committee. These reports shall include:
 - Actual financial performance against budget, with reasons for and substantiation of variations from budget;
 - Any recommended budget adjustments to accommodate unanticipated requirements or unexpected changes in costs;
 - Compliance with statutory requirements for which the Board is responsible, including;
 - Annual Report to the Legislature due February 1 each year documenting compliance with 5 M.R.S.A. § 12023
 - Annual Report to the Legislature documenting annual operations in compliance with 5 M.R.S.A. § 17103 (11)

MainePERS Administrative Governance

1.3 – Procurement

Date Adopted: January 29, 2013

Date Amended:

Policy

The Maine Public Employees Retirement System (“System”) shall ensure that all procurement of goods and services and all awards of contracts conform to the established budget, stated mission of pension administration, and applicable laws and regulations. The System shall make every reasonable effort to obtain all supplies, equipment and services at the lowest cost that meets required quality, including track record and industry knowledge where applicable, from the resources available at the time of procurement.

Statutory/Legal Provisions

- 3 M.R.S. § 951 *et seq.*
- 3 M.R.S. § 991 *et seq.*
- 5 M.R.S. §12021 *et seq.*
- MainePERS Rule Chapter 602

Departmental Responsibility

Each department within the System shall exercise sound judgment and prudent business practices when procuring items, supplies, and services in accordance with the fiscal year’s budget. Responsibilities include:

- Obtaining competitive bids for any procurement not otherwise exempt that exceeds \$10,000 in accordance with MainePERS Rule Chapter 602;
- Complying with the criteria for waiver of the \$10,000 minimum in the competitive bidding process if a direct procurement is made;
- Providing written documentation that includes justification for direct procurement for Sole Source procurements that exceed \$10,000 for which no competitive bid was conducted. Such documentation shall be maintained on file for five (5) years.
- Developing supply sources that ensure low cost and both high quality and service from suppliers when obtaining goods or services;
- Annually evaluating the performance of vendors;
- Identifying opportunities to reduce costs by periodically conducting price/cost analyses;
- Maintaining a record of purchasing and vendor usage that demonstrates the low cost/high quality standards of this policy;
- Participating in shared procurement with other departments for routine or recurring supplies and services whenever feasible;

- Reviewing invoices to ensure cost control and alignment;
- Providing documentation to the Accounting and Finance Department;
- Negotiating contracts under the oversight of the General Counsel for services, leases, and equipment;
- Ensuring that all procurement is managed in accordance with the Purchase and Work Order standards established by the Accounting and Finance Department.
- Provide all documentation necessary to the Accounting and Finance Department in order to ensure timely payments and credits.

Contracts, Requests for Proposals, and Negotiations

All contracts for services, leases and equipment shall be submitted to the General Counsel prior to execution to review the contract language and any special contractual requirements. Prior to the issuance of a Request for Proposal (“RFP”) in accordance with System Rule Chapter 602, the General Counsel shall review the RFP to ensure it complies with the provisions of law and this policy.

Purchase Orders and Work Orders

Purchase Orders and Work Orders must comply with the Accounting and Finance Policy 5.04.05.00. Any Purchase Order or Work order must have the appropriate signatures.

Costs shall be controlled by ensuring the projected costs of Purchase and Work Orders are within the fiscal year budget. Deviations in initial cost must be approved when identified and a modified Purchase or Work Order submitted. Final invoices must include an explanation of the difference.

Cancellation or modification of Purchase and Work Orders must be documented with an explanation submitted to the originating department.

Emergency Procurement

Goods or services may be obtained without a Purchase or Work Order in order to prevent the following conditions:

- A hazard to either persons or property;
- Damage to buildings or facilities;
- A violation of statute or local ordinance;
- Serious detriment to the System;
- Any other bona fide emergency necessitating expedited action.

A department representative initiating an emergency Purchase or Work Order should obtain verbal approval based on an estimated amount and the budget line from which the purchase or work order is derived. A Purchase or Work Order shall be submitted as soon as practical and shall include the reasons for and documentation regarding the emergency procurement.

Requests for Proposals (RFP)

Procurements that exceed \$10,000 and are not otherwise exempt require the issuance of an RFP. Each required RFP shall comply with the provisions of MainePERS Rule Chapter 602 prescribes how Requests for Proposals (RFP) for issuance, scoring and management. Exceptions to competitively procured goods or services are addressed in section 3.0.

Contracts

Contracts may be for either services or material goods with the term of the contract clearly specified. The System's General Counsel shall review all contracts prior to execution.

Leases

Square footage cost must be competitive for the market in which the property is located. The System shall document its efforts at establishing the market rates and the criteria used in making a selection of leased property.

Prior to entering into any lease arrangements, an analysis will be made of purchase alternatives to ensure the most economical and practical procurement is performed.

The General Counsel shall oversee and review all leases, lease purchase agreements, and rental agreements prior to execution.

Capital Purchases

Capital purchases exceeding \$50,000 shall be budgeted for in the annual Capital Budget. Capital purchases shall be made using the Purchase Order guidelines in this policy. MainePERS capitalization threshold is \$5,000. Items with an extended unit cost equal to or exceeding this amount are added to the System's property records and should be charged to the appropriate departments or amortized over the life of the purchase.

Sole Source Procurements

Sole Source Procurements exceeding \$10,000 must be documented and may be made only under the following circumstances:

- Property or services are available only from one vendor;
- Compatible additions to existing equipment where a different manufacturer's equipment are impractical for the specific need or incur additional expense because of potential incompatibility issues;
- Competitive bidding is precluded because of the existence of control of raw materials, patent rights, copyrights, or similar circumstances;
- Technical services in connection with installation, servicing of equipment, or assembly are only available from one qualified vendor;

- Components or parts used as replacements for equipment are designed and marketed by only one vendor;
- Procurement where, in the judgment of the System, there is only one vendor in the market that has the capacity to provide and/or maintain the equipment being purchased.
- Procurement of electric power or energy, gas, water or other utility where only one vendor or broker exists.
- Contracts with investment fiduciaries or advisors as provided in 5 M.R.S. § 17108.
- Contracts with persons or associations for investment counsel or advice or for other professionals or other assistance as provided in 5 M.R.S. 17109,
- Contracts for the custodial care of securities as provided by 5 M.R.S. § 17110
- Any other circumstance where adhering to the requirements set forth in this policy would, in the judgment of senior management or the Trustees of the System, result in a breach of fiduciary duty or violation of law.

Sole Source Justification and Documentation

Sole source procurements excluding emergency procurements must be documented and justified in advance. Documentation must be maintained for a minimum of five years following the procurement. The following criteria must be considered in justifying sole source procurement:

Uniqueness:

- Details about the unique nature of the vendor must be provided;
- If the item or services are unique to a sole vendor, the characteristics and justification for requiring the same must be described;
- Expertise: if the vendor or contractor possess a unique expertise, both the necessity of the expertise and its nature must be documented;
- Equipment: if the vendor or contractor has unique or proprietary data, equipment, or facilities, the need for the same must be explained and documented.

Timeframe:

- Time constraints create a necessity to override competitive bidding;
- Specific documentation of the timeframe and the need must be documented, including the date by which material goods or services must be delivered and the justification for that date.

Approving Authority:

- Purchases under this section shall be reviewed and approved by a member of Senior Management.

Legal:

- Senior Management or the General Counsel shall review and approve details and justification.

Board of Trustees

The System shall provide the Audit Committee of the Board with an annual budget that includes a specific category for procurement expenses. The System shall also provide the Audit Committee of the Board with a semi-annual and annual report listing the actual procurement and sole source procurement costs that have been incurred within that budget. The Audit Committee of the Board shall provide the Board of Trustees with the budget including procurement and the two procurement reports.

MainePERS Administrative Governance

1.4 - Travel

Date Adopted: January 29, 2013

Date Amended:

Policy

The Maine Public Employees Retirement System (System) shall ensure fiscal and budgetary responsibility through compliance for authorization, travel, reporting and reimbursement of travel and related expenses incurred for the purpose of conducting System business.

Statutory/Legal Provisions

- 5 M.R.S. § 17103
- 3 M.R.S. § 951 *et seq.*
- 3 M.R.S. § 991 *et seq.*
- 5 M.R.S. §12021 *et seq.*

Definitions

Gift - any gratuity, discount, entertainment, hospitality, loan, forgiven debt, or other tangible or intangible item having monetary value greater than \$35. A gift includes, but is not limited to 1) cash 2) food and beverages and 3) honoraria and travel expenses for engagements for the purpose of influence. A "gift" does not include food or beverages provided in connection with a business meeting, educational seminar, conference or convention.

Travel Procedures

All travel shall be conducted for official System business by System employees for which travel is part of their work, for meetings related to official System business, or for education deemed necessary to maintain required skills or knowledge.

Pre-Travel Authorization

Travel may be authorized when it is consistent with the mission of MainePERS and sufficient budget exists to cover the anticipated costs. Generally, staff travel for the purpose of conducting System business must be scheduled and approved in advance by the employee's supervisor using the Federal Travel Regulations Lodging and Per Diem schedule as applied in this policy:

- In-state travel requiring overnight accommodations must be pre-approved in writing;
- Out of state travel must be pre-approved by the Executive Director or designee and the employee's supervisor in writing;

- Lodging that will exceed the GSA published rates at <http://www.gsa.gov/portal/content/110007> must be approved in advance of the travel and may be approved up to 250% of the published rates under the following circumstances:
 - No rooms maintaining traveler safety are available within reasonable travel distance using safe travel services to the location where System business is being conducted;
 - Lodging has been procured at a prearranged place such as a hotel where the meeting or conference is being held and convenient and safe alternative lodging is not available;
 - Other reasons approved in advance by the Executive Director or designee.
- Request for reimbursement for actual meal expenses must be made in advance of the travel if the specific circumstances of the travel will require meal costs in excess of the per diem. Circumstances justifying this request would be unusual and not anticipated.

Travel Expenses

System business shall be incurred using the Federal Travel Regulations "lodging plus per diem" method contained in 41 Code of Federal Regulations (CFR), Chapters 300 through 304.

Allowable Transportation Expenses

Transportation expenses, including fares, rental fees and mileage reimbursement for use of a personal vehicle are allowed. The method of transportation used must be that method that is most advantageous to the System, taking into account travel time and time lost from work, actual cost of transportation, safety of the traveler, and any other relevant factors.

When traveling by air, employees will be reimbursed for coach class accommodations unless granted a pre-approved exception for business-class for health reasons or lack of seating availability. A physician's note must be provided if using business class for health reasons. A traveler may upgrade to business-class or first-class at his or her personal expense.

When arranging for transportation, authorized travelers should consider the usually traveled route for the trip. Travel outside of the usually traveled route must be pre-approved and must be for the benefit of the System. Additional costs incurred as a result of traveling outside of the usually traveled route without specific approval are the responsibility of the traveler.

When a traveler is pre-approved to use their personal vehicle, mileage will be reimbursed at the optional standard mileage reimbursement rates then in effect used by the Internal Revenue Service to calculate the deductible costs of operating a motor vehicle for business purposes for the shortest route between destinations determined by an Internet map service (Google Maps, Mapquest, etc.)

Receipts for transportation expenses are required.

Local Transportation Expenses

Local transportation costs (cab fare, bus fare, subway, etc.) are allowable provided the transportation is between the traveler's place of lodging and the airport or other common carrier and between the traveler's place of lodging and places of business on an official trip. Local transportation costs may also be allowable for the purpose of obtaining meals while travelling on official business, provided there are no places to obtain meals at the place of business or approved place of lodging.

Rental cars may be used if there is no available local transportation, traveler safety is a concern, or the cost of the rental car and related expenses such as parking are less than safe available local transportation. Additional incidental and reimbursable travel costs may include tolls, tips, or parking fees associated with the particular mode of travel. Travelers must provide receipts when available to substantiate these costs.

Receipts for transportation are required unless they are unavailable for incidental travel expenses, generally not exceeding \$50.

Allowable Lodging Expenses

Generally, lodging must be in conventional lodging facilities, including hotels, motels, etc. Lodging for domestic travel will be reimbursed at the single occupancy rate up to the allowable GSA rate published at www.gsa.gov/perdiem or successor site, or up to 250% of the published rates if approved in advance of the travel under specific circumstances listed under *Pre-Travel Authorization*. If the city or the county in which the city is located are not listed, then a standard rate \$77 per night applies.

Domestic lodging taxes and other lodging charges are not included in the GSA travel per diem rate. Lodging taxes and other lodging charges paid by the traveler are reimbursable as a miscellaneous travel expense limited to the taxes on reimbursable lodging costs and do not affect whether or not the lodging costs meet the GSA published rates.

Lodging for foreign travel will be reimbursed at the single occupancy rate up to the allowable State Department rate published at http://aoprals.state.gov/web920/per_diem.asp or successor site. Lodging taxes *have not* been removed from the established foreign per diem rates. Other lodging charges paid by the traveler are reimbursable as a miscellaneous travel expense and do not affect whether or not the lodging costs meet the GSA published rates.

Receipts for lodging are required and must be itemized to include dates of stay, room rates and taxes, and any other lodging charges (telephone, internet connectivity, meals, etc.).

Meals and Incidental Expenses (M & IE)

Travelers will receive a standard meal allowance for Meals and Incidental Expenses. This allowance will be reimbursed using the Government Services Administration per diem rate

for meal and incidental expenses for the city or locality of the traveler's destination listed in Attachment 1, or at www.qsa.gov/mie or successor site. If the city, or the county in which the city is located, are not listed, then a standard rate of \$46 per day for meals and incidental expenses applies.

With the exception of meals provided by a common carrier (airline, rail service, etc.) or complimentary meals provided by a hotel or other lodging establishment (continental breakfasts, etc.), the M & IE allowance will be reduced for meals provided at the destination. For example, if attending a conference at which meals are provided as part of the program at no cost to the traveler, the traveler cannot also request a meal allowance for that meal. The cost of meals for guests is not reimbursable.

The M&IE rate includes taxes and tips in the rate. Incidental expenses include items such as fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships.

Receipts for meal expenses are not required unless *Pre-Travel Authorization* for reimbursement using actual expenses has been obtained. Approval may be made after the travel if receipts are available and the circumstances are approved by the Executive Director or designee. Circumstances justifying this request would be unusual and not anticipated. The traveler will be expected to pay the difference between the *Pre-Travel Authorization* and expenses incurred if circumstances do not justify the expense.

Miscellaneous Expenses

Other expenses incurred while traveling on official System business may be reimbursed provided the expenses are reasonable and necessary for conducting the System's business while away. Examples of other expenses include use of phones, faxes, or internet access.

Claims for reimbursement of Miscellaneous Expenses must be substantiated by providing a receipt itemizing the expense.

Unallowable Expenses

The following types of travel-related expenses are specifically not allowable.

- Alcoholic beverage expenses.
- Personal expenses, including personal entertainment expenses such as movie rental charges, or other expenses considered non-essential to official System business.

Gifts and Travel Subsidies

Acceptance of gifts is strongly discouraged. Acceptance of gifts in excess of \$35 is not allowed. Gifts in excess of \$35 must be provided to the System for distribution to charity or other appropriate parties.

Meals, lodging and entertainment provided by vendors are allowed if reimbursed by the System. The cost of these items must comply with the limitations in this policy.

Travel subsidies must be evaluated prior to the travel authorization. Travelers are required to disclose all travel subsidies prior to obtaining *Pre-travel Authorization*. Travel subsidies include lodging rates subsidized by vendors to enable MainePERS compliance with GSA rates or free or reduced cost meals. Use of subsidized lodging or meals to specifically influence MainePERS procurement decisions is prohibited. Use of subsidized lodging or meals as part of a general industry conference is generally discouraged and unallowable except when approved in the *Pre-Travel Authorization*.

Combining Personal Travel with Business Travel

When vacation is combined with a business trip, the travel may be reimbursed as business travel only when it is clearly established that the business travel is the primary purpose and the vacation incidental.

When personal time extends the traveler's stay at the business location either prior to or after the business activity, the entire transportation cost may be reimbursed. If any other destination, other than normal connecting points, is included on the ticket that is not related to the business activity, the amount reimbursed will be the fare directly related to the point(s) of business based on the fare class used. The traveler must obtain a quote at the time the ticket is purchased showing what that rate would be and submit this with the expense report.

Car rental expenses must be pro-rated based on the number of days dedicated to business use. Lodging will be reimbursed for those nights where the business activity and travel considerations justify overnight stay. An itemized receipt from the lodging facility showing the dates of occupancy must be submitted with the expense report.

Miscellaneous expenses including parking fees must be reduced for personal day expenses. Ground transportation expenses for personal days including taxis, subways and buses are not reimbursable. When the personal portion of the trip is either at the beginning or the end of a combined trip, a traveler is considered to be traveling for business on both the day of departure and the last day of travel and allowable expenses incurred on those days are reimbursable.

No M & IE allowances are permitted for any day an employee is completely in personal time status.

Local Travel

Travelers may be reimbursed for local travel at the optional standard mileage reimbursement rates then in effect used by the Internal Revenue Service to calculate the deductible costs of operating a motor vehicle for business purposes for System business when traveling to destinations other than their permanent work assignment. Travelers will not receive a standard meal allowance for local travel unless an overnight stay is required

for business reasons. In the event of overnight stay, travelers will receive a standard meal allowance only for dinner.

Reimbursement

A traveler is required to submit an expense report upon completion of travel in accordance with procedures established and administered by the Accounting & Finance Department. Requests for reimbursement should be made within 60 days of completing the travel and incurring the expenses. Requests for reimbursement made beyond 60 days must be accompanied by a written explanation as to why the request was delayed. The explanation must be signed by both the traveler and the traveler's supervisor.

In the event that a traveler received an advance, the traveler must substantiate expenses by submitting an expense report upon completion of the travel and return any excess funds. Excess funds not returned within 120 days of the completion of the travel will must be considered income and reported to the IRS as appropriate.

Approval

All System travel shall be approved by an individual having sufficient knowledge of relevant law and statutes, MainePERS rules, policies and procedures (including the Code of Ethics) and the Federal Travel Regulations. The individual authorizing the reimbursement of travel-related expenses is responsible for assuring, or designating a responsible party for assuring, that the costs have been evaluated and

- The travel has been completed;
- The completed travel has been properly documented in accordance with procedures established by this policy;
- The expenses have been incurred.

Reimbursement

The Accounting and Finance Department shall reimburse properly incurred and approved travel expenses, ensuring that the Travel Authorization and Travel Expense Report are consistent.

Board of Trustees

The System shall provide the Audit Committee of the Board with an annual budget that includes a specific category for travel and related expenses. The System shall also provide the Audit Committee of the Board with a semi-annual and annual report listing the actual travel and costs that have been incurred within that budget. The Audit Committee of the Board shall provide the Board of Trustees with the budget including travel and related expenses and the two travel reports.

Attachment 1 - Meals and Incidental Expenses (M&IE) Breakdown

www.gsa.gov/mie

The following table is provided for employees who need to deduct provided meals from their daily meals and incidental expense (M&IE) allowance. The table lists the six M&IE tiers in the lower 48 continental United States (currently ranging from \$46 to \$71). Find the amount corresponding to the allowable M&IE rate on the first line of the table (M&IE Total) and then look below for each specific meal deduction amount.

The table also lists the portion of the M&IE rate that is provided for incidental expenses (currently \$5 for all tiers), as well as the amount employees receive for the first and last calendar day or travel. The first and last calendar day of travel is calculated at 75 percent unless the travel day ends after 9 pm for which a full day per diem will be reimbursed.

M&IE Total	\$46	\$51	\$56	\$61	\$66	\$71
Continental Breakfast / Breakfast	\$7	\$8	\$9	\$10	\$11	\$12
Lunch	\$11	\$12	\$13	\$15	\$16	\$18
Dinner	\$23	\$26	\$29	\$31	\$34	\$36
Incidental Expenses	\$5	\$5	\$5	\$5	\$5	\$5
First & Last Day of Travel	\$34.5	\$38.25	\$42	\$45.75	\$49.5	\$53.25