STRS Ohio
Travel and Expense
POLICY

Effective DATE

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TRAVEL AND EXPENSE POLICY

PURPOSE AND SCOPE

This document provides policy and guidelines for associates and Board members incurring business travel and expenses on STRS Ohio's behalf.

Objectives:
- Ensure all associates have a clear and consistent understanding of STRS Ohio's policy for business travel and expenses.
- Maximize STRS Ohio's ability to ensure accurate, timely and cost-effective handling of travel and business-related expenses.

This policy covers both associates and Board members. All references to associate in the policy include Board members unless specifically excluded. Board members may be subject to additional limitations as set out in Board Policies.

. "In-state travel" refers to travel within Ohio for associates who work at the Columbus headquarters and to travel within an associate's state for associates who work in other states.

In addition, candidates for STRS Ohio positions must comply with the expenditure limits contained within this document (whether recruited by STRS Ohio or an outside entity), as well as outside consultants and vendors whose contract provides for travel reimbursement from STRS Ohio.

STRS Ohio is committed to providing its associates with the opportunity to be reimbursed for travel related to the performance of their duties to the retirement system's members.

Since it is impossible for any policy to address every possible scenario, associates are reminded that all expenditures of STRS Ohio funds should be made prudently and in the best interest of our members. Spend Authorization requests or request for reimbursement may be denied if it is determined to be imprudent by the administrative manager approving travel, Senior Staff member in the associate's department, STRS Ohio's travel coordinator, the Accounts Payable Department or the Executive Director.

RESPONSIBILITY AND ACCOUNTABILITY

The associate is responsible for complying with this policy. **Any exceptions must be requested in writing with appropriate documentation and approved by the senior staff member in the associate's department and executive director.**

STRS Ohio will reimburse associates for reasonable and customary expenses incurred while traveling on authorized company business, as explained in this document. STRS Ohio assumes no obligation to reimburse associates for expenses not in compliance with the STRS Ohio Travel and Expense Policy.

Associates who do not comply may be subject to:
- **Delay in reimbursement or non-reimbursement**
- **Disciplinary action up to and including termination**

The executive director shall distribute this policy to the Retirement Board no less than annually.

Who to Call With Travel and Expense Questions

Any questions, concerns or suggestions regarding this policy may be directed to the STRS Ohio travel coordinator or your department travel arranger.

Adherence to Ohio Ethics Laws

Ohio ethics laws prohibit any associate from soliciting or accepting any items of value from anyone who is conducting business with STRS Ohio, who is seeking to do business with STRS Ohio, or is a company in which STRS Ohio may invest. This includes meals, entertainment or travel. Additionally, pursuant to Revised Code section 102.03(H) no member of the STRS Ohio Board, state retirement system investment officer, or associate whose position involves substantial and material exercise of discretion in the investment of STRS Ohio funds may solicit or accept payment of travel expenses, including lodging, meals, food or beverages, from any source other than STRS Ohio.

STRS Ohio's complete ethics policy is contained in the *Associate Guidelines* posted on webSTRS. Any questions should be directed to STRS Ohio's Legal Department.

OBTAINING TRAVEL AUTHORIZATION

Associates must submit a Spend Authorization for approval by their administrative manager and senior staff member in the associate's department *before* travel arrangements are made for them by their department's designated travel arranger. The request should explain the traveler's purpose and that the potential benefits of the trip justify the expense. The form should also include the traveler's mode of travel and the approximate total cost of the trip.

The levels of authority required for approving travel-related expenses are the administrative manager and senior staff member in the associate's department. If the traveler is an administrative manager or a senior staff member, approval by one level above is required. The executive director also must approve the request if the total cost of the trip is estimated to exceed $5,000.

All associates must obtain authorization for STRS Ohio-related travel except for the executive director, whose travel is acknowledged by the Retirement Board chair. After applicable approval is received, travel arrangements can be made using the STRS Ohio travel agency.

Authorization Requirements for In-City and In-State Travel

Preauthorization is required for in-city and in-state travel if STRS Ohio expenses will be incurred, unless the associate is representing STRS Ohio at a meeting.

Authorization Requirements for Out-of-State and International Travel

Out-of-state travel requires completion of a Spend Authorization. Out-of-state travel expenses are limited to those incurred during the event, and not more than one day before or one day after, unless approved by the senior staff member in the associate's department and executive director.

Companion Travel

STRS Ohio will not reimburse **any** expenses incurred by an individual(s) accompanying an associate on business.

Use of Teleconferencing

Before making travel arrangements, associates should first consider if a conference call or video conference could satisfy the objectives of an off-site meeting.

Gift Cards

STRS Ohio will not reimburse any amount paid with a gift card.

DOMESTIC AIR TRAVEL

Air Travel Reservations

Air travel reservation requests must be included as part of the Spend Authorization request and made through the designated STRS Ohio travel agent.

Airline Class of Service

All domestic air travel must be reserved in the lowest price coach class seating available.

Upgrades for Domestic Air Travel

Upgrades at the expense of STRS Ohio are **not** permitted.

Upgrades may not be charged on the central airline billing account.

Lowest Airfare Definition

Travel arrangers are expected to book the lowest logical airfare as determined by the STRS Ohio travel agent based on the following parameters:

- Routing does **not** increase the one-way total elapsed trip time (origin to destination) by more than two hours; and
- Departure/arrival is no more than two hours before or after the requested time; and
- Routing results in savings to STRS Ohio of at least $100 each way or $200 per trip to offset schedule inconvenience.

Lost or Excess Baggage

The ultimate responsibility for retrieving or compensating travelers for lost baggage lies with the airlines. STRS Ohio will not reimburse travelers for personal items lost while traveling on business. STRS Ohio will not reimburse travelers for charges for more than two bags, unless preapproved by the senior staff member in the associate's department or the executive director.

Overnight Delays

Should an airline delay necessitate an unscheduled overnight stay, the traveler should first attempt to secure complimentary lodging from the airline.

Cancellations/Unused Airline Tickets

Any change in travel plans or any cancellation must be approved by the senior staff member in the associate's department or executive director. When a trip is canceled after the ticket has been issued, the traveler should inquire about using the same ticket for future travel with the STRS Ohio travel agent within 12 months. STRS Ohio will not pay any additional fees charged by airline companies when ticket reservations are changed by an associate due to personal reasons unless approved by the senior staff member in the associate's department and executive director.

Air Travel Payment Procedures

Air travel costs will be paid using the central airline billing account.

Airport Parking

Reimbursement will be the lesser of $20 per day or actual cost of airport parking.

INTERNATIONAL AIR TRAVEL

Airline Class of Service

Business class air travel may be used for international travel (except to Canada and Mexico). First class air travel is not a permitted expense. International travelers should work with their travel arranger to explore options such as "preferred seating" that may be less costly than business class.

Upgrades for International Air Travel

Upgrades at the expense of STRS Ohio are **not** permitted.

Upgrades may not be charged on the central airline billing account.

All other domestic air travel guidelines from the STRS Ohio Travel and Expense Policy shall apply.

RAIL TRAVEL

Rail Travel Guidelines

Travelers may use rail travel when it is less expensive or more practical than air travel.

Class of Service

Intercity or interstate rail travel will be in coach class.

LODGING

Hotel Reservations

Hotel reservation requests must be included as part of the Spend Authorization. Hotel reservations may be made by the traveler, the department's travel arranger or through the STRS Ohio travel agent. The travel agent must have a personal credit card number issued to the traveler to guarantee hotel reservations. Hotel reservations may not be guaranteed to the central airline billing account number or purchasing cards.

Long-Term Hotel Stays

Travelers staying a week or longer should request weekly/long-term discounts.

Hotel Spending Reimbursements

Domestic Travel

Travelers shall attempt to secure the government, negotiated and preferred rates. The STRS Ohio travel agent has specific negotiated rates that may be less than the hotel's government rate. Travelers should take their STRS Ohio identification to verify government status if offered a government rate by the hotel.

In State Travel (Ohio) Travelers will be reimbursed for actual hotel room costs up to $180 plus applicable taxes per night unless preapproved by the senior staff member in the associate's department or the executive director. Lodging at a conference site or lodging at a hotel identified in the conference registration materials as one of the conference hotels will be reimbursed at actual costs, with prior approval.

Out of State Travel Travelers will be reimbursed for actual hotel room costs up to $300, plus applicable taxes per night unless preapproved by the senior staff member in the associate's department or the executive director.

Lodging at a conference site or lodging at a hotel identified in the conference registration materials as one of the conference hotels will be reimbursed at actual costs, with prior approval.

International Travel

The nature of international travel makes it impossible to establish a guideline for hotel rates in any individual city. Safety and ordinary conveniences can be serious issues in some of the countries to which STRS Ohio associates travel. International travelers should make every effort to ensure that they are considerate of the cost of lodging, given the above constraints. Every effort must be made to book rooms at competitively priced lodging. If attending a conference or traveling with a group, the associate may stay at the hotel where the conference is being held or the rest of the group is staying.

Gratuities

Reasonable tips for hotel staff are reimbursable. For example, $3 per night maximum for cleaning staff, up to a maximum of $15 per week.

Hotel Payment

Hotel costs should be paid using the traveler's personal credit card.

RENTAL CAR

Rental Car Guidelines

Travelers may rent a car at their destination when it is less expensive or more practical than other ground transportation, such as taxis, airport limousines and airport shuttles. Parking costs should be considered when determining whether to rent a car or use ground transportation.

Rental Car Reservations

Rental car requests must be included as part of the Spend Authorization.

For out-of-state travel, rental car reservations should be made through the STRS Ohio travel agent. STRS Ohio and the STRS Ohio travel agent have negotiated rates with preferred car rental companies.

For in-state travel originating in Columbus, rental car reservations may be made by the department's travel arranger.

Rental Car Categories

Travelers should book the following rental car categories based on the number of STRS Ohio travelers:

- Mid-size/Intermediate — one STRS Ohio traveler
- Full-size/Standard — two - four STRS Ohio travelers
- SUV/Minivan – five or more STRS Ohio travelers

Rental Car Returns

Reasonable effort must be made to return the rental vehicle to the return destination car center with a full tank of gas. STRS Ohio travelers should not normally pre-purchase a tank of gas or return a car with less than a full tank of gas unless absolutely necessary due to traveler safety concerns or time constraints to meet the airline departure time.

Rental Car Insurance — Domestic

STRS Ohio has made provisions for insuring rental cars against damage. Travelers should decline all coverage.

Drivers under age 25 should verify before the trip that they will be able to rent a vehicle at their ultimate destination.

Rental Car Cancellation Procedures

Travelers are responsible for canceling unneeded rental cars and should contact the STRS Ohio travel agent to cancel the reservation if the reservation was made through the travel agent. For reservations made in Columbus, cancellations can be handled by the department's travel arranger.

Rental Car Payment Procedures

Rental cars must be paid using the traveler's personal credit card.

Rental Car Accidents

Should a rental car accident occur, travelers should immediately contact:

- The car rental company;
- Local authorities, as required, and
- The STRS Ohio travel coordinator or department travel arranger.

OTHER TRANSPORTATION

Personal Car Usage Guidelines

Frequent use of personal vehicles for business is not encouraged. It is the personal responsibility of the owner of a vehicle being used for business to carry adequate insurance coverage for his/her protection and for the protection of any passengers.

Reimbursement for Personal Car Usage

Travelers will be reimbursed for business usage of personal cars based on the IRS reimbursement rate in effect at the time of travel

Associates will not be reimbursed for the cost of any repairs to their personal car even if these costs result from damage during business use. To be reimbursed for use of their personal car for business, travelers must provide on their expense report:

- Purpose of the trip
- Date and location
- Mileage traveled

Expenses in connection with the use of a personal automobile in lieu of air transportation will be reimbursed at not more than the cost of the lowest cost coach class airfare based on price at the time the travel is approved, plus all reasonable ground transportation expenses saved by use of a personal automobile will be reimbursed. Any expenses incurred beyond mileage must be explained on the Expense Report.

In all states, mileage to the airport will be reimbursed only in excess of the associate's normal daily commute.

Ground Transportation to and From Terminals

Associates traveling together are encouraged to share ground transportation to and from the airport

Taxis, Rideshares

Reimbursement for tips shall not exceed 20% of the fare.

PERSONAL/VACATION TRAVEL

Combining Personal With Business Travel

Personal/vacation travel may be combined with business travel, provided there is no additional cost to STRS Ohio. Any and all personal travel combined with business travel will be the sole cost and responsibility of the associate.

Personal/Vacation Travel Billing Procedures

Personal/vacation travel billing should be separated from business travel expenses. Request two separate bills from your hotel, one for your business lodging and another for your personal lodging. When separation is not possible, business expenses and personal expenses should be clearly delineated.

TRAVEL INSURANCE

Business Travel Accident Insurance While Traveling on STRS Ohio Business

STRS Ohio provides Business Travel Accident insurance for active, full-time associates or board members traveling on STRS Ohio business. This policy provides an additional life insurance benefit of ten times the associate's annual salary, with a minimum benefit of$500,000 and a maximum of $2 million per person, per accident. There is an aggregate limit of insurance of $15 million if more than one person suffers a loss in the same accident. Life insurance benefits are reduced for associates and board members over the age of 70. Additional benefits are available for Accidental Dismemberment and Paralysis as defined in the insurance policy. For questions, contact your travel arranger or the travel coordinator.

Additional Travel Insurance Purchased by Travelers

Expenses for additional travel insurance coverage will **not** be reimbursed by STRS Ohio.

MEALS

Personal and Business Meal Expenses

Personal meals are defined as meal expenses incurred by the traveler when dining on an out-of-town business trip or during in-town training.

Business meals are meals taken with business clients during which a specific business discussion takes place. Associates will be reimbursed for business meals (not associated with an approved business trip) taken with other STRS Ohio associates only when a business client is present.

Spending Guidelines

Associates will be reimbursed for actual and reasonable personal or business meal expenses that are accompanied by itemized receipts up to a maximum rate of $60 exclusive of tax and tips per day, per person. The amount may be allocated among breakfast, lunch, dinner and snacks. Itemized receipts are required for all meals/snacks.

The per diem maximum can be exceeded for international travel or for business meals that expand the workday.

Reimbursement for alcoholic beverages is strictly prohibited. Meal receipts that include alcoholic beverages should be adjusted to deduct the cost of the beverage, along with related tax and tip.

Gratuities

Reimbursement of tips for meals is authorized for the amount paid, not to exceed 20% of the bill.

Conferences and STRS Ohio Board Meetings or Sponsored Events Meals

If meals are provided by the conference as part of the registration fee, the traveler will not be reimbursed for those same meals if purchased elsewhere, unless it is a business meal.

If meals are provided by STRS Ohio as part of a board meeting or STRS Ohio sponsored event, the traveler will not be reimbursed for those same meals if purchased elsewhere. Documentation and IRS Requirements

An itemized receipt must be submitted with the expense report for any personal meal expense.

In addition, for business meal expenses, the following documentation is required by the IRS and must be recorded on the expense report:

- Names of individuals or firm name;
- Name and location of where the meal or event took place (typically part of receipt); and
- Date and exact amount of the expense.

Taxation of Meal Reimbursements

According to IRS requirements, cash reimbursements for personal meal expenses must be included in taxable income unless the STRS Ohio associate is traveling away from home overnight. The amount of reimbursement will be included on the associate's W-2 for federal and state income taxes.

Reimbursement for business meals taken with business clients during which a specific business discussion takes place will not be included in taxable income, whether or not in conjunction with an overnight stay.

The STRS Ohio Finance Department will monitor travel expense reports for meal reimbursements that must be included in taxable income. If there are no reimbursable hotel expenses while traveling overnight for business, the associate should attach a statement to the expense report.

PHONE AND INTERNET USAGE

Business Phone Calls

Travelers may sign out a cell phone from the Information Technology Services (ITS) Service Desk to use when traveling.

Associates who have been approved for cell phone reimbursement for business use should refer to the Mobile Phone Policy for reimbursement information.

Business Phone Calls — International

International travelers should plan ahead for cost-effective arrangements for phone calls back to the states. These may vary from country to country and could include: signing out a cell phone from ITS, prepaying for international minutes, or purchasing a phone or minutes in the host country. Associates should contact the ITS Service Desk for assistance prior to travel for options and to secure international rates for a loaner phone.

Hotel Phone Usage

Travelers should avoid making direct dial and long-distance phone calls and should use their own cell phone. Travelers may sign out a phone from the ITS Service Desk, if your current plan is not sufficient.

Voice Mail/Phone Access to STRS Ohio Associates

Travelers are encouraged to use the Microsoft Teams mobile app on a personal mobile device to access voice mail and make calls.

Internet Usage

Associates are encouraged to check out a portable broadband device from the ITS service desk before travel to use for Internet access, rather than incurring charges for the hotel's broadband service.

OTHER REIMBURSABLE BUSINESS EXPENSES

Associates will be reimbursed for the following miscellaneous expenses:

- Air freight for business purposes
- Business office expenses (Internet usage, fax, copy services, etc.)
- Gasoline purchased for rental or fleet vehicles while traveling on STRS Ohio business
- Business overnight delivery/postage
- Parking
- Room service charges as part of the meal service that do not exceed per diem limits
- Preapproved seminar fees
- Modest tips as generally outlined elsewhere in this document
- Tolls

EXPENSE REPORTING

Timing for Expense Report Completion and Submission

Travelers must file expense reports within 45 days of the conclusion of the trip. Generally, if the expense was incurred during business travel, an approved Spend Authorization should be on file.

Authorization Process

The levels of authority required for approving travel-related expenses are the administrative manager and department's senior staff member or direct report to the executive director. If the traveler is a deputy or reports directly to the executive director, approval by the executive director is required.

Documentation Requirements

Travelers must submit the following documentation with their expense report:

- Hotel folio with $0 balance.
- Rental car receipt with $0 balance.
- Itemized receipts for all meals.
- Itemized receipts for all non-meal expenditures exceeding $15.
- Travel itinerary issued by the authorized travel company.

When a receipt is unavailable, not itemized or lost, an explanation of the expense and the traveler's signature is required, along with the approval of the senior staff member in the associate's department and/or executive director.

The applicable foreign exchange (currency) documentation to translate international expenditures into U.S. dollars are as follows: (a) credit card statements where applicable; (b) receipts for foreign exchange transactions for cash for other expenditures; or (c) in the absence of these, a printout from a reputable source showing the appropriate exchange rate for that day.

Reimbursement of Expenses

Reimbursement for approved expenses will be sent directly to the associate.

Travel Report

Travelers must complete the section titled “Justification” of the Spend Authorization to document the purpose/benefit of attendance and how attendance will help accomplish the STRS Ohio Mission.

Incorrect or Incomplete Expense Reports

Expense reports that are incorrect or incomplete:

- Will be returned to the traveler for corrective action, and
- May result in delay or non-reimbursement of specific items.

THIRD PARTIES AND OUTSIDE CONTRACTORS

STRS Ohio may authorize reimbursement of travel, lodging and meal expenses incurred by third parties, such as contractors and candidates for STRS Ohio positions.

Reimbursement shall be made at rates that do not exceed those specified in this policy and in accordance with all provisions of the policy that are applicable to STRS Ohio associates and Board members.

The third party will provide STRS Ohio with an itemized travel statement and all receipts required by the policy.

Those requesting reimbursement must comply with the expenditure limits contained within this document.

Alternatively, STRS Ohio may ask outside contractors to include travel costs as part of a bid in response to a Request for Proposal.

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