



**Minnesota State Colleges and Universities**  
**System Procedures**  
**Chapter 5 – Administration**  
**Procedures associated with Board Policy 5.20**

### **5.20.1 Special Expenses and Chancellor/Presidential Expense Allowances**

**Part 1. Authority.** *Board Policy 7.1, Authority*, delegates to the chancellor authority to develop procedures and guidelines to implement this policy.

#### **Part 2. Special Expenses.**

**Subpart A. Definitions.** Special expenses are extraordinary expenses incurred in connection with work-related responsibilities or official functions not generally supported with public funds of the Minnesota State Colleges and Universities or assigned duties of system employees, which are not reimbursable through the regular expense regulations. Provisions for special expenses are also found in applicable collective bargaining agreements or compensation plans.

In addition to special expenses, the chancellor and the presidents may establish an expense account as provided for in Board Policy 5.20.

**Subpart B. Authorization/Approval of Special Expenses.** The chancellor delegates the authority to approve/disapprove special expense requests for the system office's employees to the associate vice chancellors or above through the delegation of authority process.

The chancellor delegates the authority to approve/disapprove special expense requests for employees of the state colleges and universities to the presidents. A president may delegate his/her authority to approve/disapprove special expense requests to a college/university employee(s) through the delegation of authority process.

Except in emergency situations, approval is required before any special expense is incurred and before commitments involving special expenses are made.

Employees must obtain approval of special expenses before incurring such expenses or the payment may be denied. Requests received after the event or too late to provide a proper review must include an explanation of why the request was not provided in a timely manner. Payments to reimburse or advance special expenses may be made only if the approved request to incur special expenses is attached to the Employee Expense Report.

**Subpart C. Expenses Covered.** The following expenses are covered where the benefits of the employee's attendance or participation are for the primary benefit of the system, college or university:

1. Full cost of a meal when it is part of the structured agenda of a conference, workshop, seminar, or meeting which the chancellor or president has authorized the employee to attend, whether or not the employee is in travel status.

2. Meals and related expenses, or non-alcoholic refreshments and food served when conducting business with citizens; members of boards, commissions, task forces, or workgroups; foreign, federal, state, or local governmental officials and/or employees. Effort should be made to schedule events to minimize the cost of meals and related expenses.
3. All registration and tuition fees for conferences, seminars, workshops, or education courses. Education courses provided through a tuition waiver are not special expenses. Prior approval is required only if the cost exceeds \$1,000 per participant.
4. Non-alcoholic refreshments and food for system, board, college or university sponsored meetings, receptions for speakers, performers, and commencements; conferences; workshops; and other similar system, board, college or university sponsored meetings or activities that have predominantly non-employees.
5. Non-alcoholic refreshments, food and other conference costs for system, board, college or university sponsored events where registration fees are charged and the majority of the participants are non-employees.
6. Non-alcoholic refreshments and food for meetings that consist primarily of state employees when the non-alcoholic refreshments and food are an integral part of the event and are necessary to sustain the flow of the meeting and to retain a captive audience and meet one of the following criteria:
  - a.) meetings with participants from many geographic locations where the majority of the participants are in travel status
  - b.) department-wide or division-wide annual/quarter/semester staff meetings for all employees
  - c.) department or division senior management planning or organizational meetings
  - d.) department, division, college, university, system or system office wide meetings regarding a topic(s) with department, division, college, university, system or system office wide impact
  - e.) structured training sessions, available to employees generally and conducted by persons outside the Minnesota State College and University system, provided it has been approved by the college, university or system office.  
With the exception of Board of Trustees meetings, campus visits, and other official functions, including but not limited to Board committee meetings, the above meetings shall be scheduled to minimize the inclusion of meals.
7. Non-alcoholic refreshments and food may be provided during official meetings or other functions of the Board of Trustees.
8. Contract with a speaker, facilitator or performer that is part of an officially sanctioned conference, workshop, development session, commencement, or other event sponsored by a college, university, system office, or Board of Trustees.
9. Lodging if an employee is not in travel status:
  - a.) when weather conditions or other unforeseen occurrences warrant lodging;
  - b.) when college, university or system office business prevent the employee from returning home; or

- c.) when the chancellor or president authorized overnight participation in an approved event. Authorization should be based on the benefit of such participation to the Minnesota State Colleges and Universities.
10. Expense reimbursement for lodging, travel, and meals for one attendant for an employee with a disability that requires daily assistance in performing various personal tasks or who has special mobility needs.
  11. Expenses as follows for employees assigned to work at the State Fair:
    - a.) Fees and admission to the fairgrounds;
    - b.) One meal during each shift of fewer than ten hours or two meals during each shift of ten hours or more, subject to the meal allowances for in-state travel collective bargaining agreements or compensation plans;
    - c.) Taxi fare for employees with a disability who are unable to drive or use other means of public transportation between their normal work station and the fairgrounds.
  12. Expenses as follows for individual employee and board member awards and system, board, college, and university recognition events:
    - a.) Awards for individual or group achievements, which are limited to non-cash/non-negotiable items of nominal value as, provided for under IRS guidelines. Items of nominal value are those that have no market or retail value such as promotional or advertising items. Length of service awards are not subject to this limitation but shall be consistent with awards authorized by the Minnesota Department of Administration.
    - b.) Up to 100% food and non-alcoholic refreshment reimbursement for employees being recognized at annual employee recognition events. Reimbursement for travel in accordance with System Procedure 5.19.3. Reimbursement for alcoholic beverages is prohibited.

**Subpart D. Expenses Not Covered.** Except as otherwise provided in this procedure or other Board policies or system procedures, the following expenses are not allowable:

1. Refreshments or meals for routine staff meetings.
2. Private club memberships.
3. Alcoholic beverages.
4. Entertainment.
5. Employee parties (including holiday parties).

**Subpart E. Process.**

1. Determine whether or not an expense is appropriate to pay as a special expense.
2. Prepare requisition form and special expense approval form.
3. Authorized employee must sign invoice and submit it to the Business Office for payment.

**Part 3. Chancellor/Presidential Expense Allowances.**

**Subpart A. Definition.** Chancellor/presidential expense allowances (previously called department head expenses) are expense accounts which permit the payment of expenses related to the duties and responsibilities of the chancellor and the presidents for which no other reimbursement is provided. All expenditures must have a public purpose and must provide

benefit to the Minnesota State Colleges and Universities. Chancellor/presidential expense allowances account expenditures are subject to both pre-audit and post-audit review.

**Subpart B. Authorization/Approval of Chancellor/Presidential Expense Allowances.**

Expenditures from the expense allowances account must be approved by the chancellor for the system office and by the presidents for colleges/universities. The annual expenditure limits are specified in Board Policy 5.20.

**Subpart C. Expenses Covered.** The chancellor/presidential expense allowances expense account may be used to pay for items including, but not limited to:

- Meals and related expenses, or non-alcoholic refreshments and food served when conducting business with citizens; members of boards, commissions, task forces, or workgroups; foreign, federal, state, or local governmental officials and/or employees.
- Meals and related expenses, or non-alcoholic refreshments and food served at receptions where service awards are presented or retiring employees are honored or similar events that affect employee morale. In those instances where the individuals being recognized are accompanied by their spouses or partner, the cost of the event for the spouse or partner may also be covered.
- College, university or system office membership in a private club/organization/professional association when it will be used exclusively for a public purpose on behalf of the college, university, or system office.
- Individual membership in a private club/organization/professional association when it will be used only for a public purpose and it is in support of an individual's position within the system office, college, or university.

**Subpart D. Expenses Not Covered.** The chancellor/presidential expense allowances expense account may not be used to pay for the following:

- Furniture or office supplies.
- Transportation expenses.
- Alcoholic beverages.

**Subpart E. Process.**

1. Determine whether or not an expense is appropriate to pay from the chancellor/presidential expense allowances expense account.
2. Prepare a requisition form and a chancellor/presidential expense allowances expense expenditure information form. Attach any documentation that supports the requisition.
3. Authorized employee must sign invoice and submit it to the Business Office for payment.

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*Date of Implementation:* 07/01/98,

*Date of Adoption:* 07/01/98,

*Date and Subject of Revision:*

1/25/12 - The Chancellor amends all current system procedures effective February 15, 2012, to change the term "Office of the Chancellor" to "system office" or similar term reflecting the grammatical context of the sentence.

*11/12/10 - Language added for clarification and to promote effort to schedule events to minimize the cost of meals and related expenses. Technical changes including capitalization and elimination of acronyms.*

*04/05/10 - January 18, 2002 – Amendments throughout the procedures. Added Part 1, Authority. Added Part 2, Subpart C, #2 regarding meals and related expenses. Deleted Part 2, Subpart C, #6, d. and e. regarding annual/quarter/semester staff meetings. Added Part 2, Subpart E. Process. Added Part 3. Chancellor/Presidential Expense Allowances.*