

Additional Remunerations for Contractual Employees

The [Personnel Plan for MnSCU Administrators](#) authorizes the system to pay contractual employees additional compensation up to 30% above their base salary levels. It is designated for transportation and communication, and professional and community membership allowances and considered for tax purposes to be taxable compensation rather than reimbursement for actual expenses. Therefore, it does not require an accounting of how the allowance is spent.

The allowances recognize that contractual employees, by virtue of their positions, have a unique role they are expected to play in a community. Contractual employees have additional travel, membership dues, and communication expenses that are created by those demands and may incur expenses that are not reimbursable by the state. However, for income tax purposes, a president may have to provide documentation to support any deductions for business expenses. You should consult a tax expert if you have questions about this.

Frequently Asked Questions

1. If I receive the transportation and communication allowance, may I still claim expense reimbursement for allowable travel?

Yes. You are still eligible for appropriate reimbursement for expenses for work-related activities. The transportation and communication allowance was added to the contractual compensation package because presidents frequently are engaged in activities that may benefit the college/university but are not clearly eligible for expense reimbursement. For example, certain social or civic activities may produce indirect benefits for the college/university, but as personal activities are not appropriate for reimbursement.

2. May I receive reimbursement for travel between my home and the college/university when using my own vehicle?

No. Although certain state employees are eligible for such reimbursement, it is limited to plans approved by the commissioner of employee relations or provisions of a collective bargaining agreement. [Minnesota Statutes, Section 16B.55](#), subd. 4 (2000). Neither of those exceptions applies to the Personnel Plan for MnSCU Administrators.

3. May a contractual employee use a state vehicle to travel between home and the college/university?

State law provides that a "state vehicle may be used by a state employee to travel to or from the employees residence: (1) on a day on which it may be necessary for the employee to respond to a work-related emergency during hours when the employee is not normally working." [Minnesota Statutes, Section 16B.55](#), subd. 3 (2000). Since contractual employees are essentially on call at all times, and could at any time need to return to the campus for a work-related emergency, it is our conclusion that a contractual employee may use a college or university vehicle to travel to and from home (unless the contractual employee receives a transportation and communication allowance, as discussed below). If a contractual employee intends to use this arrangement, it is subject to approval by the Chancellor or Board. Id. This is not to be construed as a broad exception to allow other college or university staff to use a state vehicle for travel between home and work.

4. Will a contractual employee receiving a transportation and communication allowance be able to continue to drive a state owned or state leased vehicle for business travel?

Yes. However, the Chancellor or Board will not approve use of a state vehicle for commuting by contractual employees who receive the transportation and communication allowance.

5. Must cars owned or leased by the state be marked as such?

Yes. Under [Minnesota Statutes, Section 16B.581](#), "Vehicles owned or leased by the state of Minnesota must display distinctive tax-exempt license plates unless otherwise exempted under section 168.012." In addition, [section 168.012](#) provides that, with specified exemptions not applicable:

"All other motor vehicles must be registered and display tax-exempt number plates, furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax-exempt number plates must have the name of the state department or political subdivision, nonpublic high school operating a driver education program, licensed commercial driving school, or other qualifying organization or entity, plainly displayed on both sides of the vehicle. This identification must be in a color giving contrast with that of the part of the vehicle on which it is placed and must endure throughout the term of the registration. The identification must not be on a removable plate or placard and must be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision or to a nonpublic high school driver education program."

6. Can a state vehicle be used by a contractual employee to conduct personal business when traveling between home and the college/university?

The state vehicle must not be used when conducting personal business, or any other business not in the interest of the state.

7. May a contractual employee use a vehicle donated by the college/university foundation to the college/university for the contractual employee's use?

Yes, for official business. Use of donated or loaned vehicles is subject to the limitations outlined in this discussion for other state vehicles, including appropriate marking as a state car, and limitations on personal use. See [Minnesota Statutes, Section 16B.55](#), subd. 1 ("state vehicle" includes a vehicle loaned to the state).

8. May a contractual employee accept use of a vehicle provided directly to the contractual employee by the college/university foundation?

No. This would be considered compensation, and [Minnesota Statutes, Section 43A.38](#), subd. 2 prohibits the acceptance of compensation from sources other than the state:

Employees in the executive branch in the course of or in relation to their official duties shall not directly or indirectly receive or agree to receive any payment of expense, compensation, gift, reward, gratuity, favor, service or promise of future employment or other future benefit from any source, except the state for any activity related to the duties of the employee unless otherwise provided by law. However, the acceptance of any of the following shall not be a violation of this subdivision:

1. Gifts of nominal value or gifts or textbooks which may be accepted pursuant to [section 15.43](#).
2. Plaques or similar mementos recognizing individual services in a field of specialty or to a charitable cause.
3. Payment of reimbursement expenses for travel or meals, not to exceed actual expenses incurred, which are not reimbursed by the state and which have been approved in advance by the appointing authority as part of the work assignment.
4. Honoraria or expenses paid for papers, talks, demonstrations, or appearances made by employees on their own time for which they are not compensated by the state.
5. Tips received by employees engaged in food service and room cleaning at restaurant and lodging facilities in Itasca State Park.