Special Expenses

(Procedure 5.20.1 Special Expenses and Presidential Expense Allowance)

Part 1: Definitions

Subpart A: Special Expenses. Special expenses are extraordinary expenses incurred in connection with work-related responsibilities, official college functions, or assigned duties of Minnesota North College employees and are not generally supported with public funds nor are they reimbursable through regular expense regulations.

Subpart B: Presidential Expense Allowance. Expenses related to the duties and responsibilities of the president for which no other reimbursement is provided. All expenditures must have a public purpose and provide benefit to the College.

Part 2: Special Expenses

Special expenses should be reasonable and serve a public purpose. The use of public money for such purposes should be defendable to anyone who may question such expenses. All expenditures of the College are scrutinized by the public as these are expenditures of tax-payer dollars. The College is in a public environment and must use prudent judgment in using public money in paying for expenditures. Provisions for special expenses are also found in applicable collective bargaining agreements or compensation plans. Special expenses must be included in the budget of the requesting department. All expenditures are also subject to review by internal and external auditors.

Subpart A: Process

1. Determine that the expenditure is a special expense.
    a. Special expense forms are required for all methods of purchase including purchase orders, Minnesota North p-card, MNC Bookstore and food service charges, and employee expense reimbursements.
2. Prepare the Special Expense Form in advance.
3. Authorized administrators, according to delegation of authority, must sign their approval of the special expense in advance.
4. Submit form to Purchasing
    a. A requisition cannot be processed to a Purchase Order without the approved special expense form
    b. A pCard transaction will require the completed and signed Special Expense form with the paid invoice/receipt.
    c. An Employee Business Expense will require the completed and signed Special Expense form in order to be reimbursed for special expenses paid out of pocket (note: MNC encourages employees to use the established methods of payment for expenditures)
    d. Where required, an agenda and list of attendees/participants must be submitted

Subpart B: Authorization/Approval of Special Expenses

The president delegates authority to approve/deny special expense requests in the delegation of authority documentation.

Approval is required before a 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.

Subpart C: Expenses Not Covered

Except as otherwise provided in this procedure or other Board policies or System procedures, the following exceptions 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 D: Exceptions.
Approval is required before a special expense is incurred and before commitments involving special expenses are made. The President maintains authority to approve special expenses for emergency or exceptional situations.

Part 3: Presidential Expense Allowance
The presidential expense allowance permits payment of expenses related to the duties and responsibilities of the president for which no other reimbursement is provided. All expenditures must have a public purpose and provide benefit to the College or Minnesota State. Requests should only be made directly to the office of the president.

Subpart A: Authorization/Approval of Presidential Expense Allowances
Only the president's office can initiate a presidential expense allowance form. Expenditures from the Presidential Expense Allowances account must be approved by the president. The annual expenditure limits are specified in Minnesota State Board Policy 5.20.

Part 4: Expenses Covered
The following chart provides a guide to special expense eligibility defined in Board Policy 5.20 and System Procedure 5.20.1. Special expense requests must be approved by someone with approval rights according to the delegation of authority. Approval is required before the expense is incurred and before commitments involving special expenses are made.

FOOD, BEVERAGES & RELATED ITEMS	
Description	**Special Expense Eligibility** Special Expense Form Required
Alcoholic beverages	Not allowed
Candy, snacks, and related products	Yes
Coffee/tea and related serving supplies, including paper products.	Yes, if used for guests to the College. Not allowed for employees only.
Employees meeting with each other at any time	No
Entertainment	Not generally allowed; yes if for an educational experience
Event (annual) honoring retirees and other years of service awards (all employees invited)	Yes
Food/beverages/meals for employees working during lunch period or before/after normal work hours.	No
Food/refreshments for college sponsored meetings, receptions for speakers, performers and commencements; conferences; workshops; and other similar college-sponsored meetings or activities that have predominantly non-employees. Registration fees may or may not be charged.	Yes

Meals for spouse/significant other at events (e.g., Chamber Annual Dinner/Meeting)	No
Meal(s) when part of the structured agenda of a conference, workshop, seminar or meeting, which the employee is authorized to attend, whether or not in travel status.	Yes, if part of the structured agenda. Special expense form not required when employee is in travel status.
Meals (individuals) with the president and the public	No
Meetings (routine) for staff of divisions, offices or units	No
Meetings for all employees, all faculty, or all staff, e.g., Duty Days, Development Days, on topics of college wide impact, etc.	Yes, if part of the structured agenda AND necessary to sustain the flow of the meeting or retain audience
Meetings/meals when conducting business with citizens; members of boards, commissions, task forces, or workgroups; foreign, federal, state or local government officials and/or employees	Yes. Effort should be made to schedule events to minimize the cost of meals and related expenses.
Meetings with participants from many geographic locations where the majority are in travel status	Yes, if part of the structured agenda AND necessary to sustain the flow of the meeting or retain audience
Meetings with staff and/or students from other MnSCU colleges and/or System Office	Yes, if part of the structured agenda AND necessary to sustain the flow of the meeting or retain audience
Meetings with work groups, task forces, committees, seminars or meetings which include non-MNC participants	Yes, if part of the structured agenda
Parties for employees – holiday party, summer picnic/event, etc.	No
Executive Team planning or organizational meetings	Yes, if part of the structured agenda AND necessary to sustain the flow of the meeting or retain audience
Training/staff development, generally conducted by non-MnSCU persons	Yes, if part of the structured agenda AND necessary to sustain the flow of the meeting or retain audience

APPAREL, GIFTS/AWARDS & OTHER	
Description	**Special Expense Eligibility** Special Expense Form Required
Promotional/marketing items (e.g., pens, t-shirts, etc.) used by departments such as admissions and marketing.	Special expense form not required.
Cards (e.g., thank you cards, greeting cards for various occasions, etc.)	Special expense form not required. Cards should be for a college purpose only (e.g., thanking a guest speaker).
Chamber of Commerce annual meeting and/or table (not spouses).	Yes. Need list of attendees with special expense form.
Flowers for community members (not employee)	No

Flowers for employees and family members (per College Guideline)	No
Gifts and giveaways (e.g., mugs, etc.) for employees, including from MNC Bookstores	Yes, if nominal value and non-cash/non-negotiable
Gifts/Awards – Years of service or retirees	Yes, if nominal value and non-cash/non-negotiable
Gift certificates to guest speakers	No, gifts with cash value not allowed
Gifts to guest speakers (including items from MNC Bookstores)	Yes, if non-cash/non-negotiable item of nominal value
Gifts/promotional items for visitors/friends of the College/dignitaries, including from MNC Bookstores (t-shirts, sweatshirts, mugs, etc.)	No
Golf tournaments (individual participants)	No
Private club memberships – individual, when in support of an individual's position at the College	No
Private club memberships – college when it will be used for a public purpose	No
Sponsorship with benefits/gifts/tickets included	Marketing expense – no special expense form required. Gifts/benefits/tickets go to Student Life for distribution to students
Travel: in-state or local	Special expense form not required
Travel: out-of-state or international	Out-of-State Travel form required (special expense form not required)