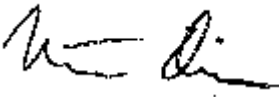


Title: Special Expenses

Approved by: \_\_\_\_\_



Nathan Davis, Executive Director

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**AUTHORITY:** Minnesota Department of Finance [SEMA4 Policy PAY0021](#),  
[Department of Employee Relations Administrative Procedure 4.4](#),  
[Applicable labor agreements and compensation plans](#).

**PURPOSE:** To comply with state policies and procedures and with applicable labor agreements and compensation plans to define and properly approve special expenses.

**APPLICABILITY:** All agency employees and all persons serving on statutory and non-statutory boards, advisory councils, task forces and commissions, committees and other persons authorized to receive expenses while providing assistance to the Perpich Center for Arts Education.

**POLICY:** All special expenses must be reviewed for compliance by the finance staff. All special expenses must be approved in advance by the Finance Director and Administrative Management Director. Copies of all special expense approvals must be submitted to financial services.

**DEFINITIONS:**

Special expenses - expenses incurred in connection with the official functions of the agency or the assigned duties of a state employee that are not reimbursable through the regular expense regulations. Special expense approval is required for all services provided by a vendor for agency-sponsored conferences, meetings and workshops, including any type of catering services for meals or refreshment, lodging, meeting room charges and other facility or equipment use. It is important to remember that special expenses may subject the agency to public, legislative or audit scrutiny and criticism if the costs appear to be excessive, there is an appearance the public interest is not being met, or that public funds are not being prudently expended.

**PROCEDURES:**

- A. Reimbursable Special Expenses: Meetings and workshops arranged by Perpich Center for Arts Education staff where costs will be paid for by the state are to be arranged at a cost not to exceed the meal rates as defined in the Commissioner's Plan for meals and other services, no matter where the meeting is held. Special expenses may include reasonable costs for the following:
1. The full cost of a meal not covered by the registration fee when it is a part of the structured agenda of a conference, workshop, seminar or meeting which the appointing authority has authorized the employee to attend. This does not include routine staff meetings.
  2. *Registration fees:* Registration fees for in-state conferences, seminars or workshops.
    - a) A copy of the conference flyer or brochure must accompany the request.
    - b) Registration fees for out-of-state conferences, seminars and workshops must be submitted on a Request for Approval of Out-of-State Trip Policy 103.12, "Employee Travel and Reimbursement of Expenses", in accordance with the agency travel policy in effect.

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3. All tuition reimbursements processed through the human resources and finance offices, in accordance with Policy, 102.11 "Tuition Reimbursement."
4. *Refreshments:*
  - a) Refreshments for agency-sponsored meetings, conferences, or workshops where the majority of participants are not state employees.
  - b) Refreshments, meals and other conference costs for agency-sponsored events where registration fees are charged and the majority of participants are not state employees.
  - c) Refreshments and/or meals for meetings that consist primarily of state employees when the refreshments and/or meals are an integral part of the event and are necessary to sustain the flow of the meeting and to retain the captive audience. The meeting must be one of those listed below. Except for structured training sessions, the meetings described will be held no more frequently than once each quarter. All meetings will be scheduled to minimize the inclusion of meals.
    - (1) A meeting with participants from many geographic locations where the majority of the participants are in travel status
    - (2) An agency-wide annual or quarterly staff meeting for all employees
    - (3) An agency senior management/cabinet planning or organizational meeting
    - (4) An agency annual/quarterly staff meeting for all managers
    - (5) An annual/quarterly staff meeting of all division employees
    - (6) A structured training session, generally available to employees and conducted by persons outside the agency, provided it has been pre-approved by the agency Human Resources office
  - d) Refreshments and/or meals during official meetings of statutory boards, councils, task forces, advisory committees and commissions and during official meetings of external, non-statutory councils, task forces, advisory committees and commissions for which expenses are authorized by statute or as a condition of a federal grant or contract. Official meetings include meetings of subcommittees provided that such meetings are authorized by the full board, council, task force, advisory committee or commission. Meetings will be scheduled to minimize the inclusion of meals.
5. *Lodging:* May be reimbursable if the employee is not in travel status
  - a) when weather conditions or other unforeseen occurrences prevent the employee from returning home; or
  - b) if the appointing authority authorizes the overnight participation in an approved event. Authorization should be based on the benefit of such participation to the state.
6. *Attendants for the disabled:* Expense reimbursement for lodging, travel and meals for one attendant for an employee with a disability who requires daily assistance in performing various personal tasks or who has special mobility needs.

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7. *Minnesota State Fair*: Expenses as follows for employees assigned to work at the Minnesota State Fair:
    - a) Fees for 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 amounts for in-state travel as specified in the collective bargaining agreement or compensation plan
    - c) Taxi fare for employees with a disability who are unable to drive or use other means of public transportation between their normal workstations and the fairgrounds or between their residences and the fairgrounds, whichever distance is less
  8. *International travel*: Expense reimbursement for international travel in any amount will require approval by the executive director, PCAE board, and the commissioner of MMB. If an approved plan or specific provisions are not approved in advance, reimbursement limits for international travel will be the same as out-of-state travel provisions as specified in the appropriate collective bargaining agreement or compensation plan.
  9. *Awards and recognition*: Expenses as follows for individual employee awards and agency recognition events:
    - a) At the discretion of the appointing authority, awards for individual or group achievements which are limited to non-cash/non-negotiable items of \$25 or less
    - b) Expenses for student, staff, service provider or community awards may be allowable as a special expense as follows:
      1. The Executive Director may present awards to individuals in recognition of significant achievement. Such awards are limited to a maximum value of \$25 and are limited to non-cash, non-negotiable items.
      2. Reasonable meal cost for the individuals being recognized, where the recognition event is sponsored by Perpich Center for Arts Education
    - b) Reasonable costs for annual official agency/facility employee recognition events, which may include up to 100 percent meal reimbursement for the recognized employees (guests, travel, or alcoholic beverages expenses will not be reimbursed)
    - c) Other employee recognition events as approved on an individual basis by MMB.
  10. Other expenses authorized by the appointing authority and approved in advance by the commissioner of MMB.
  11. Conference, meeting and catering services paid in object code 2M00 unless otherwise exempted by MMB.
- B. Non-reimbursable Special Expenses: Special expenses may not be used to pay for:
1. Private club memberships
  2. Memberships to civic or fraternal organizations
  3. Alcoholic beverages

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4. Entertainment
  5. Employee parties, including holiday parties
  6. Charges for use of recreational facilities or equipment.
  7. Expenses of child or dependent care.
  8. Individual memberships to professional organizations, except as indicated in Policy 103.27, "Membership in Professional Organizations."
  9. Refreshments or meals for meetings consisting of a majority of state employees except as provided in Procedure A.4 above. This includes ad hoc meetings and staff meetings, whether held periodically or on a call basis.
  10. Expenses for which the employee is eligible for reimbursement from another source.
- C. Special Expenses Not Requiring Approval: Special expense approval is not needed for:
1. Meals and lodging while in travel status that is not over night or part of an organized event, as defined by labor agreements, compensation plans and travel policies
- D. Requesting Approval for Special Expenses
1. The employee will complete a Request for Approval to Incur Special Expenses, providing details and justification for the special expense and attaching a copy of the conference brochure. All copies and attachments must be submitted to the supervisor for approval. Employees requesting approval for tuition reimbursement will follow Policy 102.11, "Tuition Reimbursement."
  2. The supervisor, if approves, will sign and forward all copies to finance.
  3. The agency administrative management director will review the request and, if the request is compliant with all required policies, will sign the request and forward all copies to the finance director. If the request is not in compliance, it will be returned to the supervisor for remedial action.
    - a) If higher-level approval is needed, the finance director will review and forward all copies to the executive director, who, if approves, will sign and return all copies to financial services.
  4. Routing
    - a) Finance will send a copy of the approved request to the requesting employee and file the original and remaining copies.
  5. On receiving the approved copy of the request, the requesting employee will register for and attend the event, place the order, or otherwise incur the special expense.
    - a) If the special expense is to be billed directly, the employee will make arrangements with the vendor and/or prepare a Purchase Request Form and submit the request to the buyer. On the receipt of the invoice, the employee will approve it for payment and send the invoice to financial services.

- b) If the employee paid for the special expense, the employee will complete an Employee Expense Report, will attach the original receipt and submit it to the supervisor, who will approve and forward it to finance.
- 6. On receiving the invoice or expense report, finance will compare the file copy of the request form to the invoice or expense report. If the expenditure matches the approved request and all approvals are proper, finance will input the payment to the vendor or employee and file the invoice or expense report, with a copy of the special expense request, in the appropriate paid file. If the approvals are not proper, finance will contact the employee for resolution of the discrepancy.
- E. Approval After the Fact: Requests for approval received after the fact or too late to provide a proper review must include a written explanation as to why the request was not provided in a timely manner. Copies of the approval and explanations will be submitted to the administrative management director.
- F. Incurring Obligation or Generating Payment: The approval process of special expense items does not in itself incur an obligation or generate a payment. The requesting employee must place an order with a vendor or register for a conference, and payment will be made on submission of an invoice or employee expense report.

**REVIEW:** Annually

**REFERENCES:** Policy 103.27, "Membership in Professional Organizations."  
Policy 102.11, "Tuition Reimbursement."  
Policy 103.12 "Employee Travel and Reimbursement of Expenses."

**SUPERSESION:** . None

**ATTACHMENTS:** Request for Approval to Incur Special Expenses