Minnesota Department of Corrections

Policy:	**104.460**	**Title: Special Expenses**
Issue Date:	**5/17/16**	
Effective Date:	**6/7/16**	

AUTHORITY: Minnesota Management & Budget SEMA4 Policy PAY0021.
Minnesota Management & Budget 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: Minnesota Department of Corrections (DOC); All department employees and all persons serving on statutory and non-statutory boards, advisory councils, task forces and commissions.

POLICY: All special expenses must be reviewed for compliance by the finance staff at the facility or central office. All special expenses up to and including $500 must be approved in advance by the facility warden or designee or the central office budget activity manager. Special expenses greater than $500 must be approved in advance by the appropriate assistant/deputy commissioner. Special expenses for a department-wide event must be pre-approved by the deputy commissioner/commissioner.

DEFINITIONS:
Refreshments – relatively inexpensive items such as beverages, cookies and rolls (not the equivalent of a meal).

Special expenses – expenses incurred in connection with the official functions of the department or the assigned duties of a state employee that are not reimbursable through the regular expense regulations.

PROCEDURES:

A. Reimbursable Special Expenses

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, training or workshops where the cost equals or exceeds $500 per participant.
   a) A copy of the conference flyer or brochure must accompany the request.

   b) Registration fees for out-of-state conferences, seminars and workshops in any dollar amount must be submitted on a Request for Approval of Out-of-State Trip (refer to Policy 104.461, "Employee Travel and Reimbursement of Expenses,") in accordance with the department travel policy in effect. (A Request for Approval to Incur Special Expenses form (attached) is not required if a Request for Approval of Out-of-State Trip has been completed and approved.)

3. *Refreshments:*

a) Refreshments for department-sponsored meetings, conferences, or workshops where the majority of participants are not state employees.

b) Refreshments, meals and other conference costs for department-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 may be held no more frequently than once each quarter. All meetings must 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) A department-wide annual or quarterly staff meeting for all employees;
   (3) A department senior management/cabinet planning or organizational meeting;
   (4) A department annual/quarterly staff meeting for all managers;
   (5) An annual/quarterly staff meeting of all division/district/regional employees; and
   (6) A structured training session, generally available to employees and conducted by persons outside the agency, provided it has been pre-approved by the department's employee development 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 must be scheduled to minimize the inclusion of meals.

e) At a facility, refreshments as approved above must be obtained from the facility kitchen whenever possible. A Refreshment Request for Special Events form must be completed to order approved refreshments from food services in accordance with Policy 302.030 “Food Service.”

4. *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.

5. *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.

6. *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; and
   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.

7. *International travel*: expense reimbursement for international travel in any amount requires approval by the assistant commissioner, deputy commissioner and the commissioner of Minnesota Management & Budget (MMB). If an approved plan or specific provisions are not approved in advance, reimbursement limits for international travel are the same as out-of-state travel provisions as specified in the appropriate collective bargaining agreement or compensation plan.

8. *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) 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 are not reimbursed).

   c) Reasonable costs for staff recognition/appreciation events, including employee retirement events, where refreshments are provided. Refreshments approved for this category may be purchased from outside sources.

   d) Other employee recognition events as approved on an individual basis by MMB.

9. Other expenses not identified in this policy, but authorized by the appointing authority and approved in advance by the commissioner of MMB.

10. Conference, meeting, and catering services paid in account code 430001 unless otherwise exempted by MMB.

B. <u>Non-Reimbursable Special Expenses</u>

Special expenses may not be used to pay for:

1. Private club memberships;
2. Memberships to civic or fraternal organizations;
3. Alcoholic beverages;
4. Entertainment;
5. Employee parties, including holiday parties;
6. Individual memberships to professional organizations, except as indicated in Policy 104.310, "Membership in Professional Organizations;" and

7. 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.

C. Special Expenses Not Requiring Approval

Special expense approval is not needed for:

1. Meals and lodging while in travel status, as defined by labor agreements, compensation plans and travel policies;
2. Registration and conference fees for in-state conferences, seminars, training and workshops costing less than $500 per participant; and
3. Subscriptions to publications and magazines for employee use.

D. Requesting Approval for Special Expenses

1. The employee must 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, if applicable. All copies and attachments must be submitted to the supervisor for approval.

2. The supervisor, if approving, signs and forwards copies to financial services.

3. The agency chief financial officer or designee reviews the request and, if the request is compliant with all required policies, signs the request and forwards all copies to the warden or the central office budget activity manager. If the request is not in compliance, it must be returned to the supervisor for remedial action.
   a) If higher-level approval is not needed, the warden/budget activity manager, if approving, signs and returns all copies to financial services.

   b) If higher-level approval is needed, the warden/budget activity manager, if approving, signs and forwards all copies to the central office financial services. Central office financial services staff review and forward all copies to the assistant/deputy commissioner, who, if approving, signs and returns all copies to financial services. If the approval of the deputy commissioner/commissioner is needed, all copies must be forwarded to him/her. The deputy commissioner/commissioner, if approving, signs and returns all copies to financial services.

4. Routing
   a) If the request originates at a facility and does not require the approval of the assistant/deputy commissioner, the facility financial services office sends one copy to the requestor, and files the original.

   b) If the request originates at a facility but requires the approval of the assistant/deputy commissioner, central office financial services retains and files one copy and returns the original to the finance office at the originating facility and must send a copy to the originator by e-mail.

   c) If the request originates at central office, financial services sends a copy of the approved request to the requesting employee and files the original.

5. On receiving the approved copy of the request, the requesting employee registers for and attends the event if paying directly, or creates an electronic inter-office requisition (EIOR), or otherwise incurs the special expense.
   a) If the special expense is to be billed directly, the employee must prepare an EIOR with the Request for Approval of Special Expenses form attached to the EIOR, and submit the request to the buyer. On the receipt of the invoice, the employee approves it for payment and sends the invoice to financial services.

   b) If the employee paid for the special expense, the employee must complete an Employee Expense Report (refer to Policy 104.461, "Employee Travel and Reimbursement of Expenses,") attaches the original receipt and a copy of the Request for Approval of Special Expenses form, and submits it to the supervisor, who approves and forwards it to financial services.

6. On receiving the invoice or expense report, financial services compares 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, financial services inputs the payment to the vendor or employee and files the invoice or expense report, with a copy of the special expense request, in the appropriate paid file. If the approvals are not proper, financial services contacts 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 Purchasing Violation form with a written explanation as to why the request was not provided in a timely manner. Copies of the Purchasing Violation form must be routed per Policy 104.305, "Purchasing Violations."

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 must be made on submission of an invoice or Employee Expense Report.

INTERNAL CONTROLS:

A. Original special expense forms are retained in financial services at the requesting site.

B. Copies of approved special expense forms are retained with the paid vendor invoice or employee expense form.

REVIEW: Annually

REFERENCES: ACA Standards 4-4066, 3-JTS-1C-20, 3-3065.
Policy 104.310, "Membership in Professional Organizations"
Policy 104.461, "Employee Travel and Reimbursement of Expenses"
Division Directive 302.030, "Food Service"
Policy 104.305, "Purchasing Violations"

SUPERSESSION: Policy 104.460, "Special Expenses," 3/31/15.
All facility policies, memos, or other communications whether verbal, written, or transmitted by electronic means regarding this topic.

ATTACHMENTS: Request for Approval to Incur Special Expenses (104.460A)

/s/
Deputy Commissioner, Facility Services

Deputy Commissioner, Community Services