



**MINNESOTA STATE**  
Board of Trustees

**AGENDA ITEM SUMMARY**

**NAME:** Finance and Facilities Committee

**DATE:** June 18, 2024

**TITLE:** Proposed Amendment to Board Policy 5.20 Special Expenses and Chancellor/Presidential Expense Accounts (Second Reading)

Action

Review and Discussion

*This item is required by policy*

**PRESENTERS**

Bill Maki, Vice Chancellor for Finance and Facilities

Steve Ernest, System Director for Financial Planning & Analysis

**PURPOSE**

Board Policy 1A.1 Minnesota State Colleges and Universities Organization and Administration, Part 6. Board Policies and System Procedures requires board review and approval of proposed board policy changes and that each board policy is reviewed at least once every five years.

**BACKGROUND INFORMATION**

The proposed amendments consist of:

- Retitling of the policy to Special Expenses and Chancellor/Presidential Expense Accounts. The term Allowances has caused confusion because of certain allowances spelled out in system employment contracts.
- Adding a new section defining the policy was added, along with the addition of a section defining the chancellor's authority.
- Updating the expense amount limits which had not been adjusted for approximately 25 years.
- Application of new formatting and writing standards.

**RECOMMENDED ACTION (FIRST READING DRAFT)**

The Finance and Facilities Committee recommends that the Board of Trustees approve the proposed amendment to Board Policy 5.20 Special Expenses and Chancellor/Presidential Expense Accounts.

*Date Presented to the Finance and Facilities Committee:* 6/18/2024

*Date Presented to the Board of Trustees:* 6/18/2024

*Date of Implementation:* 6/18/2024

## PROPOSED CHANGES (SECOND READING DRAFT)

Single underlining represents proposed new language.

Strikeouts represent existing language proposed to be removed.

### 5.20 Special Expenses and Chancellor/Presidential Expense ~~Allowances~~Accounts

#### Part 1. ~~Objective Policy.~~

Expenses incurred in connection with official functions of Minnesota State or its colleges and universities or assigned duties of a Minnesota State employee, but not addressed in other expense regulations, must be consistent with guidance provided in system procedures adopted pursuant to this policy. System procedures must require that each expense be pre-approved or have documentation as to why pre-approval did not happen. System procedures must also require justification stating the benefit each special expense provides to the college, university, or system.

#### Part 2. ~~Chancellor and Presidential Expense Accounts.~~

In addition to other special expenses, an expense account may be established for the chancellor and each of the presidents as listed below. The amounts specified are annual expenditure limits:

Chancellor	\$10,000
<del>Colleges with two or more campuses and all Universities</del>	\$8,000
<del>Colleges with a single campus</del>	\$5,000

- Chancellor \$20,000
- Universities and multi-campus institutions \$16,000
- Colleges with a single campus \$10,000

~~{Expenses of center directors/campus administrators are to be included with the expenses of the president.}~~

**Part 2. Scope.** The expense account ~~shall~~must be used for expenses related to the performance of duties and responsibilities for which no other reimbursement is provided. System procedures on allowable expenditures from the account ~~shall~~must apply.

**Part 3. Accounting.** Each expenditure made from ~~this account~~these accounts shall be accounted for, subject to review by the system office and to periodic post-audit.

#### Part 3. Authority

The chancellor is authorized to establish system procedures to implement this policy.

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**Related Documents:**

- System Procedure 5.20.1 Special Expenses and Chancellor/Presidential Expense Allowances

**Policy History**

*Date of Adoption: 09/20/95,*

*Date of Implementation: 07/01/95,*

*Date of Last Review: 11/16/11*

*Date and Subject of ~~Revision~~Amendments:*

*Xx/xx/xx – (add summary)*

*11/16/11 - Effective 1/1/12, the Board of Trustees amends all board policies to change the term "Office of the Chancellor" to "system office," and to make necessary related grammatical changes.*

*10/5/09 - Policy reviewed, no content amendments recommended.*

*06/18/03 - deletes reference to "MnSCU" and changes "system office" to "office of the chancellor".*

*10/18/00 - Relocated from Board approved policy 4.13.*

*12/16/98- Policy 1A.8 was renumbered to 4.13 without any language changes.*