### I. Policy Statement
The South Carolina Legislature in the General Appropriations Act (the Act) grants state institutions of higher learning authorization to expend certain monies as retained funds subject to the guidelines established by their respective Board of Trustees. Specifically, the Act states,

> Notwithstanding other provisions of this Act, funds at State institutions of higher learning derived wholly from athletic or other student contests, from the activities of student organizations, and from operations of canteens and bookstores, and from approved private practice plans may be retained at the institution and expended by the respective institutions only in accordance with policies established by the institution's Board of Trustees. Such funds shall be audited annually by the State but the provisions of this Act concerning unclassified personnel compensation, travel, equipment purchases, and other purchasing regulations shall not apply to these funds.

### II. Scope
Medical University of South Carolina

### III. Approval Authority
Board of Trustees – Finance and Administration Committee

### IV. Purpose of This Policy
To establish guidelines for the use of retained funds at the Medical University of South Carolina.

### V. Who Should Be Knowledgeable about This Policy
Deans, chairs, and department heads
Business Managers
MUSC Finance Staff

### VI. The Policy
The Board of Trustees accepts the responsibility set forth in the Act and mandates that all such expenditures shall comply with State law and be expended for only public purposes directly benefitting the University. It is the intent that there shall be no expenditure incurred that would cast a negative reflection upon the University, its Board of Trustees or its employees. All expenditures are judged on a Prudent Person Standard.
The President, Vice-Presidents, Deans of the Colleges and others authorized by them in writing may approve expenditures of retained funds pursuant to these guidelines.

Retained funds may be expended for public purposes which further the attainment of the University’s mission. Each expenditure will be reviewed and must be documented on the requisition as reasonable, appropriate, and beneficial to the University. Any questionable item should be reviewed with the Executive Vice President for Finance and Operations.

Allowable Expenditures using funds derived from athletic or other student contests, from the activities of student organizations, and from the operations of canteens and bookstores, and from approved Private Practice plans at institutions and affiliated agencies include those allowed by State law and the following:

1. **Recruitment and Special Activities**
   Reasonable expenditures for recruitment and special activities are authorized and payments or reimbursements shall be made for the actual expenses incurred for appropriate recruitment and special activities. The maximum cost allowed per person will be $15.00 for breakfast, $25.00 for lunch and $75.00 for dinner.

2. **Special Occurrences and Events**
   Reasonable expenditures for special occurrences and events are authorized and payments or reimbursements shall be made for the actual expenses incurred for appropriate special occurrences and events. The maximum cost allowed per person will be $15.00 for breakfast, $25.00 for lunch and $75.00 for dinner.

Requests for reimbursement must be submitted on an approved requisition or reimbursement request, and must include a clear and detailed description of the purpose or justification of the expenditure. When applicable, the names of those in attendance, a description item purchased, name of recipient, and reason for purchase should appear on the voucher. Donors’ and potential donors' attendance at the event need not be disclosed pursuant to State law, but a headcount shall be provided. Any expenditure found not in compliance with this policy will not be reimbursable.

**Prohibited Uses of Retained Funds:**
1. MUSC retained funds may not be used for payments for donations to civic, charitable or similar activities. MUSC affiliated organizations may make donations to civic, charitable or similar activities with prior written approval of the President, who shall request that such expenditure be made on behalf of the Medical University of South Carolina.
2. Expenditures which are of a personal nature are expressly prohibited.
3. A comprehensive list of all possible examples of prohibited expenditures is not possible. Any questionable items should be reviewed with the Executive Vice President for Finance and Operations prior to incurring an expense.

**VII. Special situations**
This policy applies to the use of retained funds only.
VIII. Sanctions for Non-compliance
At the discretion of the President or the Executive Vice President for Finance and Operations, payment of non-compliant expenditures may be disallowed.

IX. Related Information

A. References, citations
Finance and Administration policy 6-6.02-Employee Recognition

B. Other

C. Appendices

X. Communication Plan

XI. Definitions
Prudent Person Standard – The judgement of a reasonable, independent and objective person (general public opinion) would agree that good skill and good judgement were exercised in the use of resources.

XII. Review Cycle
Every 5 years

XIII. Approval History

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<th>Approval Authority</th>
<th>Date Approved</th>
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<tr>
<td>Board of Trustees</td>
<td>October 10, 1998</td>
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<tr>
<td>Board of Trustees</td>
<td>April 13, 2018</td>
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XIV. Approval Signature

___________________________________________________   __________________
Executive Officer Date

___________________________________________________
Title