GENERAL PURPOSES:

The South Carolina Legislature in the General Appropriations Act granted state institutions authorization to expend certain monies as retained funds subject to the guidelines established by their respective Board of Trustees. The pertinent portion of 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."

The Board of Trustees accepts this responsibility 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 which 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 Prudent Person test is one where the judgment of a reasonable, independent and objective person (general public opinion) would agree that good skill and good judgment were exercised in the use of resources.

The President, the 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. An annual summary on all expenditures will be presented to the Board of Trustees. Any questionable item should be reviewed with the Vice President for Finance and Administration.

ALLOWABLE EXPENDITURES:

1. Recruitment and Special Activities.
   A clear statement of justification must appear on the requisition. Any expenditure found not in compliance with this policy will not be reimbursable.

2. Special Occurrences/Events.
   Expenditures are allowed as long as the expenditure directly furthers the attainment of the University's mission.
3. Expenditures by the President

Expenditures will be reviewed and reported at least annually to the full Board of Trustees by the Vice President for Finance and Administration.

4. Travel.

Expenditures must be reported in compliance with State approved procedures. Expenditures shall be permitted for actual and reasonable documented expenses utilizing the most economic means.

5. Recruitment.

Reasonable expenditures are authorized and reimbursements shall be made for the actual expenses incurred in appropriate recruitment activities. Major expenditures shall require the prior approval of the respective department chairman or written designee.

6. Requests for Reimbursement.

All requests for reimbursement must be submitted on an approved requisition form or a Travel Requisition form and must include a clear and detailed description of the purpose of the expenditure and the names of those in attendance. Donors and potential donors’ attendance at the event need not be disclosed pursuant to State law.

7. Donations.

All donations to civic, charitable or similar activities shall have the prior written approval of the President who shall request that such expenditure be made by an MUSC affiliated organization on behalf of the Medical University of South Carolina.

8. Expenditure Guidelines

Expenditures may be made for 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. A clear statement of justification must appear on the requisition for these purposes. Expenditures which are of a personal nature are expressly prohibited. There must be a clear and predominant benefit to the University. A comprehensive list of all possible examples of prohibited expenditures is not possible. Any questionable items should be reviewed with the Vice President for Finance and Administration.

Approved by the MUSC Board of Trustees October 10, 1998

Official Board signature ________________________________