Business Expense Allowance “BEA” Policy

Fiscal Year 2020, Updated 8-26-2019

Scope
This policy applies exclusively to University of Minnesota (“UMN”) common paymaster faculty and M Physicians staff physicians and clinical Phd’s.

The Business Expense Allowance (“BEA”) supports continuing professional development and maintenance of professional activity for clinical care providers and their purchases of clinically-relevant equipment or services not provided by the Clinical Service Unit (“CSU”). The following policy outlines eligibility, appropriate use and the amount of funding provided for these activities.

Eligibility and Calculation of Allowance Amount

Providers who meet eligibility requirements below will receive the following annual BEA amounts:

<table>
<thead>
<tr>
<th>Paid FTE (University + M Physicians compensated work effort*)</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>66% - 100% Total FTE AND are at least a .2 clinical FTE **</td>
<td>$5,000</td>
</tr>
<tr>
<td>20% - 65% Total FTE AND are at least a .2 clinical FTE**</td>
<td>$2,500</td>
</tr>
<tr>
<td>0% - 19% Total FTE</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

*note this may differ from appointments recorded in human resources systems
** Clinical activities include patient-facing time, clinical administrative time and compensated clinical leadership.

BEA funds are allocated on July 1 of each year into individually-managed BEA accounts.

Eligible providers starting employment during the fiscal year will receive a prorated BEA allocation based on their date of hire. For example, a 1.0 FTE provider starting on any date in November will receive 8/12 ($3,333) upon first day of employment. These employees will be eligible for a full allocation on July 1 of the following year.

On a case by case basis, a Department Chair may provide an additional BEA allocation to an individual faculty member from UMN Medical School academic funds (e.g. University of Minnesota Foundation funds). An example is to provide funds for a faculty member to travel to a conference to present a paper. This provision is not intended to be an authorization for an across the board increase in BEA funds for all faculty in the department

All BEA funding is subject to continued compliance with the following requirements:
- Compliance with all practice standards of M Physicians and the University of Minnesota.
- Compliance with M Physicians Bylaws and University of Minnesota Regents Rules for Private Practice
Allowable Expenses

Allowable BEA expenses include, but are not limited to:

- Travel expenses and conference fees for professional development
- Books, journals, and subscriptions
- Professional memberships
- Continuing Medical Education courses
- Abstract and manuscript fees
- Publication fees and page charges
- Medical supplies (e.g. stethoscope)
- Software (the Office of General Counsel must review software terms and agreements prior to purchase);
- Any second computer – including Desktops, Tablets and or Laptops - subject to the following:
  - Must be used primarily to the benefit of the M Physicians or University of Minnesota.
  - Must be purchased from University of Minnesota HST (Health Sciences Technology)-IS or M Physicians IT (for M Physicians staff physicians and clinical PhDs) and will remain the property of these organizations
  - One device purchased per year.
- Other expenses that qualify as business related expenses as promulgated by state and federal laws and codified by UMN policy.

Allowable expenses must comply with UMN and M Physicians reimbursement expense policies.

All expenses must be submitted within 60 days of when expenses are paid or incurred. If submitted after this date, the CSU may elect to not reimburse the expense or may elect to tax the reimbursement (per IRS, UMN and M Physicians guidelines).

Unallowable Expenses

Unallowable expenses include, but are not limited to:

- Cell phone or PDA purchases (including accessories) or monthly access or usage charges
- Clothing
- Funds cannot be used to support any other person. Funds are non-transferrable and can only be used on expenses related to the faculty member receiving the funds.
- University of Minnesota Campus Club dues
- Employee-to-employee business meals
- Alumni memberships
- Charitable or voluntary philanthropic donations
- Tablets/laptops not purchased from University of Minnesota HST-IS or M Physicians IT
- Lab supplies or repair maintenance
**Unused Funds**

Common paymaster faculty are allowed to carryforward up to one year of BEA allocation from M Physicians. Therefore, the maximum allowable unused account balance at any time is equal to two times the annual allocation. For example, a 0.75 eligible FTE is limited to a $10,000 balance ($5,000 for the current year, + $5,000 carryforward). This excludes any additional amounts provided by department from academic funds.

Any unused funds in excess of two times the annual allocation are forfeited on June 30 of each fiscal year.

Common paymaster faculty who wish to use BEA funds after announcing their resignation must obtain pre-approval from the department head or their delegate.

**Other Required Clinical Practice Expenses**

Certain expenses required for clinical practice are separately reimbursed or directly paid by M Physicians. See “Clinical Practice Expense Policy for Physicians” for further information.

**Related Policies**

- University of Minnesota Business Expense Policy
- Traveling on University of Minnesota Business Policy
- Continuing Education Allowance for Advanced Practice Providers Policy

The policy is subject to change at any time based on University of Minnesota or M Physicians institution-wide business expense allowance policies.