

OFFICE OF THE INSPECTOR GENERAL

APPENDICES [A-G]

Investigation of Alleged Excessive Travel & Event
Expenses by the Board of Trustees, Clemson University and
Review of Management Controls of Related Foundations

Appendix - A



South Carolina Commission on Higher Education

Mr. Tim M. Hofferth, Chair
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Dr. Jennifer B. Settlemeyer
Mr. Hood Temple
Dr. Evans Whitaker

Mr. Gary S. Glenn
Interim Executive Director

September 2, 2016

Mr. Patrick J. Maley
State Inspector General
111 Executive Center Drive, Suite 204
Synergy Business Park
Enoree Building
Columbia, SC 29210-8416

Dear Mr. Maley,

At its meeting on September 1, 2016, The Commission on Higher Education voted unanimously to request that you audit purported excessive spending by members of the Board of Trustees at the Medical University of South Carolina and that you extend the scope of the audit to include the Boards of Trustees at the University of South Carolina and Clemson University. This request is in response to allegations published in an editorial on August 30, 2016 by the Post & Courier which can be accessed

<http://www.postandcourier.com/20160830/160839985/muscs-big-spending-board->

In discussing the need for this audit, Commissioner Hood Temple stated "All universities' Boards of Trustees are poisoned by this allegation. We need to gather the facts in order to address the public's concern or to defend our schools against these report, should the allegations prove to be unfounded."

Chairman Tim Hofferth noted "In an environment of skyrocketing costs and runaway spending in higher education, the timing of this news article could not be worse." He went on to say, "CHE's responsibility is to protect the students, families, and taxpayers of South Carolina. In order to properly address this situation, the first step is to be proactive in trying to find the facts."

Given the concerns of the Commission, we respectfully request that you perform this audit and that you move as quickly as possible to determine the validity of the allegations made.

Thank you for your consideration of this request and for all you do to strengthen the trust between the citizens of South Carolina and the Executive Branch of state government.

Sincerely,

Gary S. Glenn
Interim Executive Director
SC Commission on Higher Education

Appendix - B

Is it business or pleasure?

MUSC board members rack up thousands on luxury hotels, meals

By Doug Pardue and Lauren Sausser

The Post and Courier

Aug 25, 2016

A \$160 bottle of Barolo, Italy's fabled "king of wines."

A \$6,400 farewell dinner at Peninsula Grill, described by one restaurant reviewer as "unapologetically indulgent."

A \$37,430 Christmas banquet, including \$5,600 for cocktails, at Charleston Place, one of the Holy City's top luxury hotels.

These are some of the perks that members of the Board of Trustees of the Medical University of South Carolina enjoy when they gather in Charleston for six or so meetings a year.

The trustees' spending continued even after internal auditors and the General Assembly's watchdog agency warned the board about its "inappropriate" and possibly illegal habits in the late '90s.

MUSC leaders say board members follow the rules regarding spending and reimbursement. The Board of Trustees developed those guidelines in 2015, but records show, on at least one occasion since then, a board member broke them.

Two state lawmakers recently made aware of the newspaper's investigation renewed calls to review the group's expenses.

Such high living is illegal for virtually all state employees while traveling on official business. But thanks to a special provision in state law, MUSC trustees enjoy an exemption to set their own travel expenditure rates.

Even so, university officials contend that most of the money used to reimburse the board members isn't public anyway. It comes from the private, nonprofit corporation set up by MUSC for doctors who treat patients at its hospital and teach at its medical school.

Some experts reject that argument, contending that money spent by the doctors' group is public because the physicians use MUSC facilities, equipment and other resources to make it.

State law also allows the governing boards of other state colleges and universities to use money made from student athletics, activities, canteens and bookstores without having to comply with regular spending laws. It is unclear when this provision was signed into law.

The Post and Courier compared MUSC's board expenses to those of six other public universities inside and outside the state. Together, six South Carolina schools spent more than \$2 million on their boards' expenses.

Clemson's board outspends MUSC's board

Records show the Clemson University Board of Trustees is the only governing board among the major public schools in South Carolina that outspent MUSC's board.

Clemson's board spent nearly \$750,000 on food, entertainment and hotel rooms since 2011. Among other expenses, The Post and Courier found that Clemson trustees spent:

\$2,999.11: Dinner for board members who attended the national championship football game in Arizona in 2016

\$6,153.17: Dinner for 50 people at Cypress in Charleston during a 2011 board meeting

\$7,081.57: Dinner for 45 people at McCrady's in Charleston during a 2011 board meeting

\$7,344: Bus rentals for the 2013 football season

\$3,093.46: Baseball game tickets and dinner for 28 people to see the Greenville Drive, a minor league team, in 2015

The MUSC Board of Trustees outspent their counterparts at each school except for Clemson, where the governing board racked up some \$750,000 in expenses since 2011, including more than \$100,000 to cheer on the Tigers at out-of-state football games.

The receipts and reports related to MUSC board expenses, including a liquor store bill for "board booze," reveal a pattern of extravagant spending — mainly on hotels and meals — even though all 16 members of the

board are appointed by the governor or state legislators to safeguard taxpayer money and to set the \$2 billion annual budget for the public university and hospital. Three of the trustees are related to members of the Legislature.

While some MUSC board members spent very little money in the past five years, others have essentially enjoyed expensive weekday getaways in the Holy City — often with their spouses — when attending MUSC business meetings.

The receipts show that they stay in luxury hotels, such as Charleston Place, and regularly dine at the city's finest restaurants, including Charleston Grill, FIG, Husk and the private Carolina Yacht Club. And while board members meet, their spouses enjoy catered cocktail lunches.

MUSC and its physicians group, University Medical Associates, paid for all of it, even as the board raised student tuition every year.

Among these expenses, the newspaper found:

Members of the Board of Trustees have spent nearly \$100,000 since 2011 on hotel rooms. On top of these lodging costs, they have been routinely entertained at Charleston Place banquets, including the \$37,430 Christmas event hosted in December 2014 for members of the Board of Trustees and the Board of Visitors.

When rooms at Charleston Place became too expensive, trustees started staying at Planters Inn, a luxury boutique hotel on Market Street. Planters Inn was named the “best small hotel” in the country in 2014. “Travel + Leisure” magazine called it “akin to an overnight with well-to-do friends in their old Charleston mansion.”

Board member James Lemon and his wife spent \$774 on dinner at Halls Chophouse on Aug. 12, 2015. Lemon, an oral surgeon in Columbia, asked MUSC to reimburse him only for his half of the bill — \$387, nearly triple the board's supposed limit for a single meal. The next night, he spent \$296 on dinner at Eli's Table with his wife and fellow board member Jim Battle. University Medical Associates paid the bill, then later asked Lemon to return \$45.60 because he spent too much. MUSC spokeswoman Heather Woolwine said this was the only time a trustee has been penalized for overspending since 2011.

Board members regularly add spouses, family members and guests to MUSC's tab. For example, board member Charles Schulze spent \$294 on dinner with his niece in 2012 at Peninsula Grill, a four-diamond, nationally acclaimed restaurant. Similarly, Conyers O'Bryan sent MUSC a bill in 2011 for a \$1,059.35 dinner at Fulton Five. The guest list included five board members, three spouses and two residents invited by board member Stanley Baker.

MUSC staff regularly stock up on liquor for the board's “hospitality suite.” One staff member purchased nearly \$700 worth of alcohol at Burriss Liquor Store and Pence's Liquor & Wine before a February 2015 meeting.

In August 2014, the MUSC Board hosted a farewell dinner for two trustees and one staff member. The bill at Peninsula Grill that night totaled \$6,472.81.

Members of the Board of Trustees and the Board of Visitors have spent more than \$7,500 since 2011 on flowers, invitations, gift baskets — and a harpist.

MUSC and its physicians' group typically reimburse board members without question — from a \$6.77 Chick-fil-A lunch that board member Stanley Baker bought in the hospital cafeteria to a \$45 tab that Mark Sweatman, board secretary and lobbyist, charged at a cigar bar.

Where the money went

- The MUSC Board of Trustees and the Board of Visitors have racked up about \$280,000 in lodging, meals and alcohol at Charleston Place.
- The MUSC Board of Trustees spent nearly \$55,000 at Planters Inn in 2015 and 2016.
- Peninsula Grill is one of many high-end Charleston restaurants where MUSC board members eat when they convene meetings including a \$6,400 farewell dinner.
- Three bottles of \$160 Italian Barolo were part of a \$1,482 tab several members rang up at at Fulton Five.
- A few MUSC board members spent nearly \$2,000 on hotel rooms and meals in 2015, including dinner at Indaco, for a meeting that wasn't made public.
- One staff member purchased nearly \$700 worth of alcohol at Burriss Liquor Store and Pence's Liquor & Wine before a February 2015 meeting.

No question was raised four years ago when eight board members and their spouses ordered three \$160 bottles of Italian Barolo wine during dinner at Fulton Five. The total bill — \$1,482.90 — was paid for by the doctors' group.

Alarm bells also did not sound in 2014 when five board members spent \$1,051.62 on dinner at the Carolina Yacht Club, including two \$77 bottles of California chardonnay and three \$110 bottles of an Oregon pinot noir that was named best in show this year in the prestigious Decanter World Wine Awards.

Private privilege

Board members continued to rack up bills for upscale wine, food and hotel rooms even as they voted to raise student tuition every year. Since 2007, average tuition among all colleges at MUSC has increased by two-thirds.

Meanwhile, the board hired an outside consultant to figure out how the hospital could save money. The economic situation was so dire in late 2012 that former President Ray Greenberg later noted that he lost sleep over how little cash Medical University Hospital had on hand.

College of Charleston philosophy professor Larry D. Krasnoff specializes in ethics, political philosophy and legal theory.

He said the board's spending on travel "hardly seems justified when the state has yet to commit to rebuilding its roads, funding the 'minimally adequate' education mandated in its constitution, or expanding Medicaid."

Most board members contacted by The Post and Courier refused to comment for this story. Board Chairman Donald Johnson, a Mount Pleasant surgeon who joined the board in 1994, told the newspaper to send all questions through MUSC's public relations office.

The only board member willing to answer questions was Barbara Johnson-Williams, who joined the group in 2013. She described herself as too new to the board to offer any explanation for its spending habits.

"I'm just getting there," Johnson-Williams said. "I haven't had a chance to look at what other boards are spending or how they may accommodate their board members."

Woolwine, MUSC's spokeswoman, said the board isn't mishandling public money. "The only thing that state dollars are used for are per diem and mileage."

Normally, members of state boards in South Carolina are limited to a \$35 daily allowance plus \$25 a day for meals and standard mileage. If board members require a hotel room, they are supposed to abide by rates established by the federal government. Those rates vary by month and by city, but during high season in Charleston, they currently don't exceed \$203, before taxes.

Woolwine said most of the MUSC board members' travel expenses may exceed these limits because they are covered with non-public money that comes from MUSC's doctors' group.

She said the associates' reimbursement policy allows board members to spend \$136 per person per meal, plus 20 percent tip. Policy also allows them to bring spouses or guests, as long as the guest has "a clear connection or future/potential connection to MUSC."

Columbia attorney Jay Bender, an expert on South Carolina's open records laws, said "the members of the MUSC board have equated public service to private privilege."

Bender, who also represents The Post and Courier, said the use of different accounts amounts to a financial shell game.

He said MUSC's doctors' group "is making money using public resources and in no way can that money be considered private. ... I think the physician group is a public body and its money is public money."

Bender also said that despite the provision of the law that exempts the school from travel expenditure limits, "the exemption doesn't justify extravagance."

Two prominent state lawmakers say the expenses trouble them so much that they plan to formally investigate the matter when the Legislature reconvenes in January.

Republican Sen. John Courson of Columbia, chairman of the Senate Education Committee and a member of both the Medical Affairs and Finance committees, called the expenses "excessive."

And Republican Rep. Jim Merrill of Charleston, a member of the powerful House Ways and Means Committee, said no one expects the trustees to stay in budget motels in Charleston, but "staying in the nicest hotels might be over the top. The numbers do seem exorbitant."

Ignoring critics

In the late 1990s, MUSC faced similar criticism regarding excessive expenses, such as an \$8,571 Christmas dinner for the Board of Trustees and the Board of Visitors and \$98 bottles of wine.

An internal audit conducted in 1997 found that some of the broader university's expenses and entertainment expenditures "may be inappropriate" and the Board of Trustees "may be held personally liable for misappropriations or misuse of funds."

Two years after that audit, the Legislative Audit Council, the General Assembly's watchdog agency, launched an investigation of MUSC's expenditures and its relationship to University Medical Associates to find out if the groups were complying with state law.

The audit council uncovered further evidence that the MUSC Board misused public money and “found no evidence that MUSC changed its spending practices” in response to the 1997 internal audit.

The Legislative Audit Council report also determined MUSC's “blended” relationship with its physicians' group “allows MUSC to avoid accountability for the use of public funds,” concluding that many of MUSC's expenditures “are an inappropriate use of public funds.”

In a formal response at the time, MUSC dismissed most of these concerns. And since then, the board has done little to change its behavior.

“This legislative report was advisory in scope and action,” MUSC spokeswoman Woolwine said in a recent email. The Board of Trustees “believes that it is acting, then and now, within bounds and in good faith regarding its relationship with the UMA.”

'All these perks'

Regardless of whether MUSC's trustees' expense reimbursements are legal, the board's travel costs are far higher than those of most other large South Carolina public colleges.

For example, the College of Charleston's 20 trustees have spent \$218,000 since 2011, less than half the amount of MUSC's trustees, despite having four more trustees.

Instead of booking luxury hotels, the College of Charleston's trustees usually sleep in college facilities if they have to stay overnight for meetings, a college spokesman said.

And when breakfast or lunch is served at board meetings, the school typically calls on Aramark, its in-house food services provider.

MUSC's board bypasses meals served by its on-campus food provider in favor of Hamby's, one of city's top caterers, ringing up a \$65,000 tab with the West Ashley company since 2011.

In that time frame, 22 board members at the University of South Carolina, the state's largest public university, have spent less than \$400,000, despite laying out more than \$100,000 on football game travel.

MUSC also outspent board members at similar out-of-state institutions.

For example, 10 board members at Oregon Health Sciences University, a freestanding, public teaching hospital and research university like MUSC, spent \$232,325 in five years, including almost \$104,000 on overnight board retreats.

A spokeswoman for the Oregon school said most board members simply drive into Portland for regular day-long meetings and don't stay overnight.

Jack Gould is issues chairman for Common Cause of Nebraska, a watchdog group that exposed how the University of Nebraska used donations and private money in recent years to shower top administrators and athletic staff with gifts and perks, including fancy cars and country club memberships.

“Nobody intended this money to buy expensive dinners and expensive bottles of wine,” Gould said. “If the money is being used for purposes other than providing a better education, then it is money being abused.”

Pablo Eisenberg, a senior fellow at Georgetown University's Center for Public and Nonprofit Leadership, called MUSC's spending on trustee travel, “an outrageous expenditure of money. ... It's a terrible practice.”

Mark Sweatman, secretary for the MUSC trustees and a lobbyist for the school, defended the board in an email sent through the school's media relations office.

“Collectively, this board's current members have voluntarily served MUSC for more than 180 years. They consistently demonstrate their willingness to clear their personal and business schedules for three or four days six times a year; to travel across the state for two days of meetings, and; to combine their best judgment to benefit others,” Sweatman wrote.

They also open their pocketbooks to help the university. Current and former members of the MUSC Board of Trustees have donated almost \$5 million to the school in their lifetimes and members of the MUSC Board of Visitors have donated almost \$6 million since 2011, school officials said.

Regardless of the good these people do, Gould said, “Getting elected or being selected doesn't give anyone the right to entertain themselves at the expense of the donor or taxpayer.”

Instead, he said, MUSC's trustees should donate their “wine funds” to student scholarships.

Reach Lauren Sausser at (843) 937-5598 or Doug Pardue at (843) 937-5558.

MUSC's big-spending board

Aug 29, 2016

The Post and Courier

The public should be grateful to members of the Medical University of South Carolina's Board of Trustees for their service.

But it shouldn't be paying for overly extravagant stays in Charleston.

And it shouldn't expect that the board has apparently ignored professional advice against it.

Two years after an internal audit in 1997 cautioning the board about spending, the Legislative Audit Council "found no evidence that MUSC changed its spending practices" as a result.

And an investigation by reporters Lauren Sausser and Doug Pardue revealed that board members continue to enjoy lavish stays while here for meetings. In fact, since 2011 the 16-member governing board has spent about \$560,000 for food, drink and lodging.

The Board of Visitors, whose members function as community ambassadors for MUSC, were wined and dined to the tune of \$290,000.

Of course, board members should be accommodated comfortably while they are in Charleston doing the public's work. Charleston is an expensive city to visit, and most of the board members travel here for meetings.

Allowing up to \$203 a day for a hotel room isn't excessive. Nor is the \$136 per person members are allowed for meals — at least evening meals. But spending \$160 for a bottle of wine (actually \$480 for three of them) is over the top.

And MUSC's policy is also to pay for spouses and guests, who might have value to the institution. That is too open-ended, given the size of the tabs that come with these dinners.

Unfortunately, MUSC's board has earned the public's skepticism over the years because of its secretive ways and unresponsiveness to the public. For example, only one board member contacted by our reporters responded to questions. The board also elected new members and chose the new MUSC president in private, making it impossible to hold individual members personally accountable for their votes.

And when the number of board critics attending its meetings outgrew the meeting room, the board refused to move to a larger venue.

So when the board raises tuition for students, many of whom graduate deeply in debt, and medical costs rise, a \$6,472 farewell dinner for two trustees and a staff member at the Peninsula Grill, at best, looks bad.

MUSC officials say that board members can spend as many as 24 days a year in board meetings. And, they add, trustees and members of the Board of Visitors have donated almost \$6 million since 2011.

They also contend that the money spent on the board is not public money. It comes from the private, nonprofit corporation set up by MUSC for doctors who treat patients at its hospital and teach at its medical school.

Others, including lawyer Jay Bender, who represents The Post and Courier and is regarded as an expert on the state's Freedom of Information law, note that those doctors use MUSC facilities and equipment and conclude that the fund to which they contribute is indeed public money.

It is reasonable for South Carolinians to expect MUSC to spend the public's money to educate students and provide health care.

And it would be fitting for the board to check its behavior to ensure that the public can be confident that the board is doing just that.

Appendix - C

Expenditures by board of trustees to be examined

Mike Eads, Anderson Independent Mail September 10, 2016

CLEMSON UNIVERSITY — Clemson officials said Friday that they welcome the South Carolina inspector general to look at the university's spending on its board of trustees.

The South Carolina Commission on Higher Education has asked the inspector general's office to look at trustees' spending at Clemson, the University of South Carolina and the Medical University of South Carolina. The request was in response to an investigation by the Post and Courier newspaper of Charleston that turned up \$560,000 in reimbursements to MUSC trustees for posh accommodations, expensive meals and more since 2011. Clemson trustees' spending topped \$750,000 over the same period, and USC trustees spent more than \$400,000.

Inspector General Patrick J. Maley told the Independent Mail on Friday that he has received the higher education commission's request and would look into it. He wouldn't say how long it would take or what exactly he'll look at. "We're going to do a preliminary review," Maley said, declining to comment further.

Gary Glenn, interim executive director of the Commission on Higher Education, said Clemson, USC and MUSC were targeted because they have the biggest foundations — the pools of private donations universities raise to supplement their tuition collections, taxpayer support and other revenue. That money is supposed to benefit students by making the universities more affordable and better equipped, Glenn said. His commissioners want to make sure it's not being wasted.

"This is to request information so we can see if the decisions are prudent, necessary or beneficial," Glenn said. "Clemson is an excellent institution, but there is nothing wrong with shining a light on these things." Clemson Board of Trustees chairman Smyth McKissick welcomed the outside scrutiny when he was contacted for comment Friday.

"We welcome this process and look forward to answering any questions we are asked," he said. McKissick pointed out that he and his colleagues are not paid for their board service, which requires travel, recruitment of university donors, legislative contacts, four quarterly meetings per year and frequent consultation with President Jim Clements and his administrative team.

"When I look at the costs and benefits of board service, and the value these folks bring to their service, I am certainly pleased," said McKissick, who took over as board chairman last year. "Our board has been very generous to Clemson, and they come to meetings prepared; they do their homework."

Board Secretary Angie Leidinger and Vice President of Finance Operations Brett Dalton briefed the Independent Mail on Friday about what the board has spent \$751,676 on since 2011:

- Two-thirds of the money — \$509,882 — went to costs associated with the board's 23 quarterly meetings during that time span, including printing and other preparation costs and hosting meals and other public events for different groups on and off campus;
- Another \$145,089 went to pay for events and awards around 17 graduation ceremonies;
- The remaining \$96,706 was attributed to marketing and fundraising activities hosted by trustees on football weekends, home and away;
- The Clemson officials said state appropriations were not used to support the board, and that \$300,015 of the money spent came from the Clemson University Foundation. The rest of the money came from other university revenue, such as tuition and various fees.

The Clemson University Foundation has \$623 million in the university endowment, as of June 30 according to President and CEO Hack Trammell. Some of that money is invested in various financial markets, and some of it is disbursed each year to the university to pay for endowed chairs, scholarships and other uses specified by donors. Trammell said \$19.1 million was released this year for such purposes.

Dalton and Leidinger added that the board's 13 members accounted for \$16.7 million in personal donations to the university's just completed Will to Lead campaign, which raised over \$1 billion in donations, pledges and bequests over 10 years for Clemson's academic and athletic programs.

Follow Mike Eads on Twitter @MikeEads_AIM

Appendix - D

GENERAL PROVISIONS
2015-2016 Appropriation Act

117.20. (GP: Travel - Subsistence Expenses & Mileage) Travel and subsistence expenses, whether paid from state appropriated, federal, local or other funds, shall be allowed in accordance with the following provisions:

(A) Unless otherwise provided in paragraphs B through H of this section, all employees of the State of South Carolina or any agency thereof including employees and members of the governing bodies of each technical college while traveling on the business of the State shall, upon presentation of a paid receipt, be allowed reimbursement for actual expenses incurred for lodging, not to exceed the current maximum lodging rates, excluding taxes, established by the U.S. General Services Administration. The lodging reimbursement for employees of a school district must also conform to these rates when that employees travel reimbursement is paid by state funds that are transferred to the school district. Agencies may contract with lodging facilities to pay on behalf of an employee. Failure to maintain proper control of direct payments for lodging may result in the revocation of the agency's authority by the Comptroller General or the State Auditor. The employee shall also be reimbursed for the actual expenses incurred in the obtaining of meals except that such costs shall not exceed \$25 per day within the State of South Carolina. For travel outside of South Carolina the maximum daily reimbursement for meals shall not exceed \$32. Agencies may contract with food or dining facilities to pay for meals on behalf of employees in accordance with rules and regulations established by the Office of Comptroller General. It shall be the responsibility of the agency head to monitor the charges for lodging which might be claimed by his employees in order to determine that such charges are following maximum lodging rates as established by the U.S. General Services Administration. Any exceptions must have the written approval of the agency head, taking into consideration location, purpose of travel or other extenuating circumstances. The provisions of this item shall not apply to Section 42-3-40 of the 1976 Code, and when pertaining to institutions of higher learning, for travel paid with funds other than General Funds.

(B) That employees of the State, when traveling outside the United States, Canada, and Puerto Rico upon promotional business for the State of South Carolina shall be entitled to actual expenses for both food and lodging.

(C) The Governor, Lieutenant Governor, Secretary of State, Comptroller General, Attorney General, State Treasurer, Adjutant General, Superintendent of Education and the Commissioner of Agriculture shall be reimbursed actual expenses for subsistence.

(D) Non-legislative members of committees appointed pursuant to Acts and Resolutions of the General Assembly whose membership consists solely of members of the General Assembly or members of the General Assembly and other personnel who are not employees of the State of South Carolina shall be allowed subsistence expenses of \$35 per day while traveling on official business, unless otherwise designated by law. Members of such committees may opt to receive actual expenses incurred for lodging and actual expenses incurred in the obtaining of meals in lieu of the allowable subsistence expense.

(E) Members of the state boards, commissions, or committees whose duties are not full-time and who are paid on a per diem basis, shall be allowed reimbursement for actual expenses incurred at the rates provided in paragraph A and I of this section while away from their places of residence on official business of the State. One person accompanying a handicapped member of a state board, commission, or committee on official business of the State shall be allowed the same reimbursement for actual expenses incurred at the rates provided in paragraph A through I of this section.

(F) No subsistence reimbursement shall be allowed to a Justice of the Supreme Court or Judge of the Court of Appeals while traveling in the county of his official residence. When traveling on official business of said court within fifty miles outside the county of his official residence, a Supreme Court Justice and a Judge of the Court of Appeals shall be allowed subsistence expenses in the amount of \$35 per day plus such mileage allowance for travel as is provided for other employees of the State. When traveling on official business of said court fifty or more miles outside the county of his official residence, each Justice and Judge of the Court of Appeals shall be allowed subsistence expenses in the amount as provided in this act for members of the General Assembly plus such mileage allowance for travel as is provided for other employees of the State. The Chief Justice, or such other person as the Chief Justice designates, while attending the Conference of Chief Justices and one member of the Supreme Court while attending the National Convention of Appellate Court Judges, and three Circuit Judges while attending the National Convention of State Trial Judges shall be allowed actual subsistence and travel expenses.

Upon approval of the Chief Justice, Supreme Court Justices, Judges of the Court of Appeals, Circuit Judges, and Family Court Judges shall be reimbursed for actual expenses incurred for all other official business requiring out-of-state expenses at the rate provided in paragraph A of this section.

(G) No subsistence reimbursements are allowed to a Circuit Judge, a Family Court Judge, or an Administrative Law Judge while holding court within the county in which he resides. While holding court or on other official business outside the county, within fifty miles of his residence, a Circuit Court Judge, Family Court Judge, or an Administrative Law Judge is entitled to a subsistence allowance in the amount of \$35 per day plus such mileage allowance for travel as is provided for other employees of the State. While holding court or on other official business at a location fifty miles or more from his residence, a Circuit Court, Family Court or Administrative Law Judge is entitled to a subsistence allowance in the amount as provided in this act for members of the General Assembly plus such mileage allowance for travel as is provided for other employees of the State.

(H) Any retired Justice, Circuit Court Judge or Family Court Judge or Master-in-Equity appointed by the Supreme Court to serve as a Special Circuit Judge, Family Court Judge, Appeals Court Judge, or Acting Associate Justice shall serve without pay but shall receive the same allowance for subsistence, expenses, and mileage as provided in Part I for Circuit Court Judges.

(I) No expense shall be allowed an employee either at his place of residence or at the official headquarters of the agency by which he is employed except as provided in paragraph E, of this section. When an employee is assigned to work a particular territory or district, and such territory or district and his official headquarters are in different localities or sections of the State, expenses may be allowed for the necessary travel to his official headquarters. The members of the Workers Compensation Commission may be reimbursed at the regular mileage rate of one round trip each week from their respective homes to Columbia. No subsistence reimbursement shall be allowed to a member of the Workers Compensation Commission while traveling in the county of his official residence. When traveling on official business of the commission outside the county of his official residence, a member of the Workers Compensation Commission shall be allowed subsistence expenses in the amount of \$35 per day. When traveling on official business of the commission fifty or more miles outside the county of his official residence, each member shall be allowed a subsistence allowance in the amount as provided in this act for members of the General Assembly. When out-of-state, members of the Workers Compensation Commission and the members of the Appellate Panel of the Department of Employment and Workforce may claim the established amount of per diem, as stated in the General Appropriation Act, or actual expenses as deemed reasonable by the Comptroller General. The members of the Appellate Panel of the Department of Employment and Workforce may be reimbursed at the regular mileage rate when the member is on official business fifty miles or more outside of Columbia. The members of the Appellate Panel of the Department of Employment and Workforce shall be allowed subsistence allowance in the amount as provided in this act for members of the General Assembly when the member is on official business fifty miles or more outside of Columbia.

(J) When an employee of the State shall use his or her personal automobile in traveling on necessary official business, a charge to equal the standard business mileage rate as established by the Internal Revenue Service will be allowed for the use of such automobile and the employee shall bear the expense of supplies and upkeep thereof. The standard business mileage rate used in this calculation shall be the current rate established by the Internal Revenue Service. Whenever state provided motor pool vehicles are reasonably available and their use is practical and an employee of the State shall request for his own benefit to use his or her personal vehicle in traveling on necessary official business, a charge of four cents per mile less than the standard business mileage rate as established by the Internal Revenue Service will be allocated for the use of such vehicle and the employee shall bear the expense of supplies and upkeep thereof. The standard business mileage rate used in this calculation shall be the current rate established by the Internal Revenue Service. When such travel is by a state-owned automobile, the State shall bear the expense of supplies and upkeep thereof but no mileage will be allowed. Agencies and employees are directed to use state fueling facilities to the maximum extent possible, when such use is cost beneficial to the State. When using commercial fueling facilities, operators of State-owned vehicles are directed to use self-service pumps. In traveling on the business of the State, employees are required to use the most economical mode of transportation, due consideration being given to urgency, schedules and like factors.

Mileage between an employees home and his/her place of employment is not subject to reimbursement. However, when an employee leaves on a business trip directly from his/her home, and does not go by the employees headquarters, the employee shall be eligible for reimbursement for actual mileage beginning at his/her residence.

(K) That a state agency may advance travel and subsistence expense monies to employees of that agency for the financing of ordinary and necessary travel required in the conducting of the business of the agency. The Office of Comptroller General is directed to develop and publish rules and regulations pertaining to the advancing of travel expenses and no state agency shall make such advances except under the rules and regulations as published. All advances for travel and subsistence monies shall be repaid to the agency within thirty days after the end of the trip or by July fifteenth, whichever comes first.

(L) That the state institutions of higher learning are authorized to reimburse reasonable relocation expenses for new employees when such reimbursements are considered by the agency head to be essential to successful recruitment of professionally competent staff members.

(M) The Office of Comptroller General is authorized to promulgate and publish rules and regulations governing travel and subsistence payments.

(N) No state funds may be used to purchase first class airline tickets.

Appendix - E

SC Code of Laws Section 59-101-187

Events recognizing academic and research excellence; funding sources.

Pursuant to a written policy adopted by the governing board of a public institution of higher learning, as defined in Section 59-103-5, the institution may expend funds from the sources listed in this section for events which recognize academic and research excellence and noteworthy accomplishments of members of the faculty and staff, students, and distinguished guests of the institution. Sources of the funds for these expenditures include only:

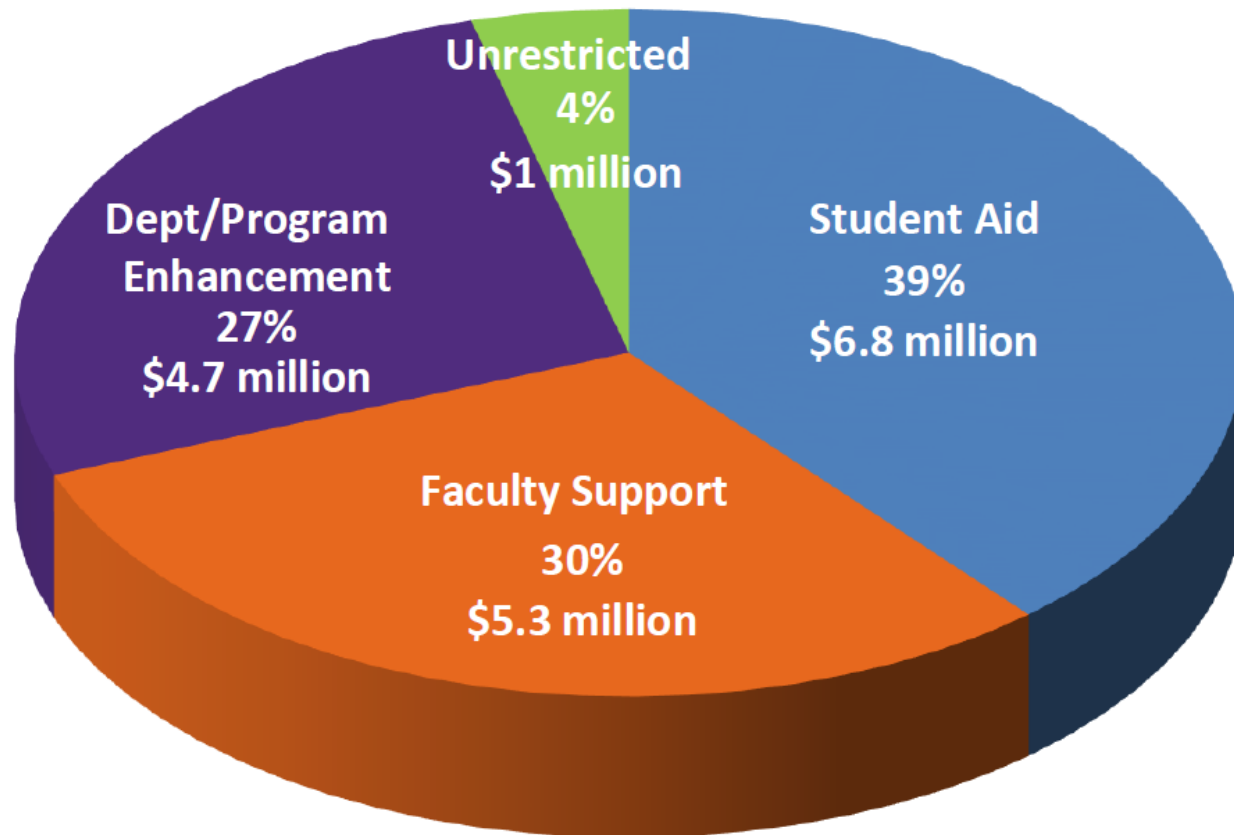
- (a) revenues derived from athletics or other student contests;
- (b) the activities of student organizations;
- (c) the operations of canteens and bookstores; and
- (d) approved private practice plans and all non-appropriated state funds.

The expenditures of funds from these sources pursuant to the written policy of the board for the purposes stated in this section are considered to meet the public purpose test for the expenditure of public funds. A copy of the written policy adopted by the board must be forwarded to the Commission on Higher Education.

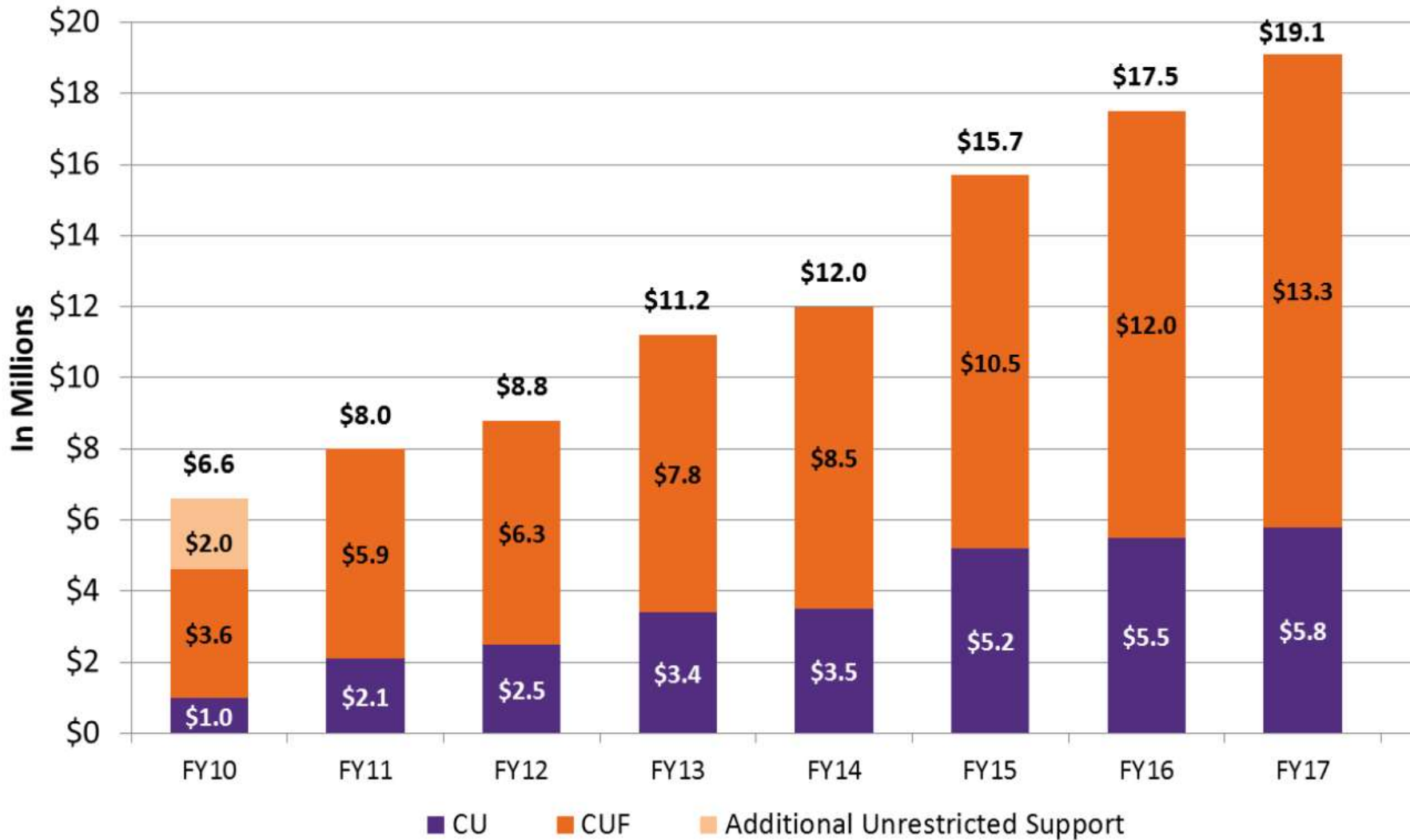
HISTORY: 1999 Act No. 70, § 1.

Appendix - F

FY16 Endowment Payout Total Endowment

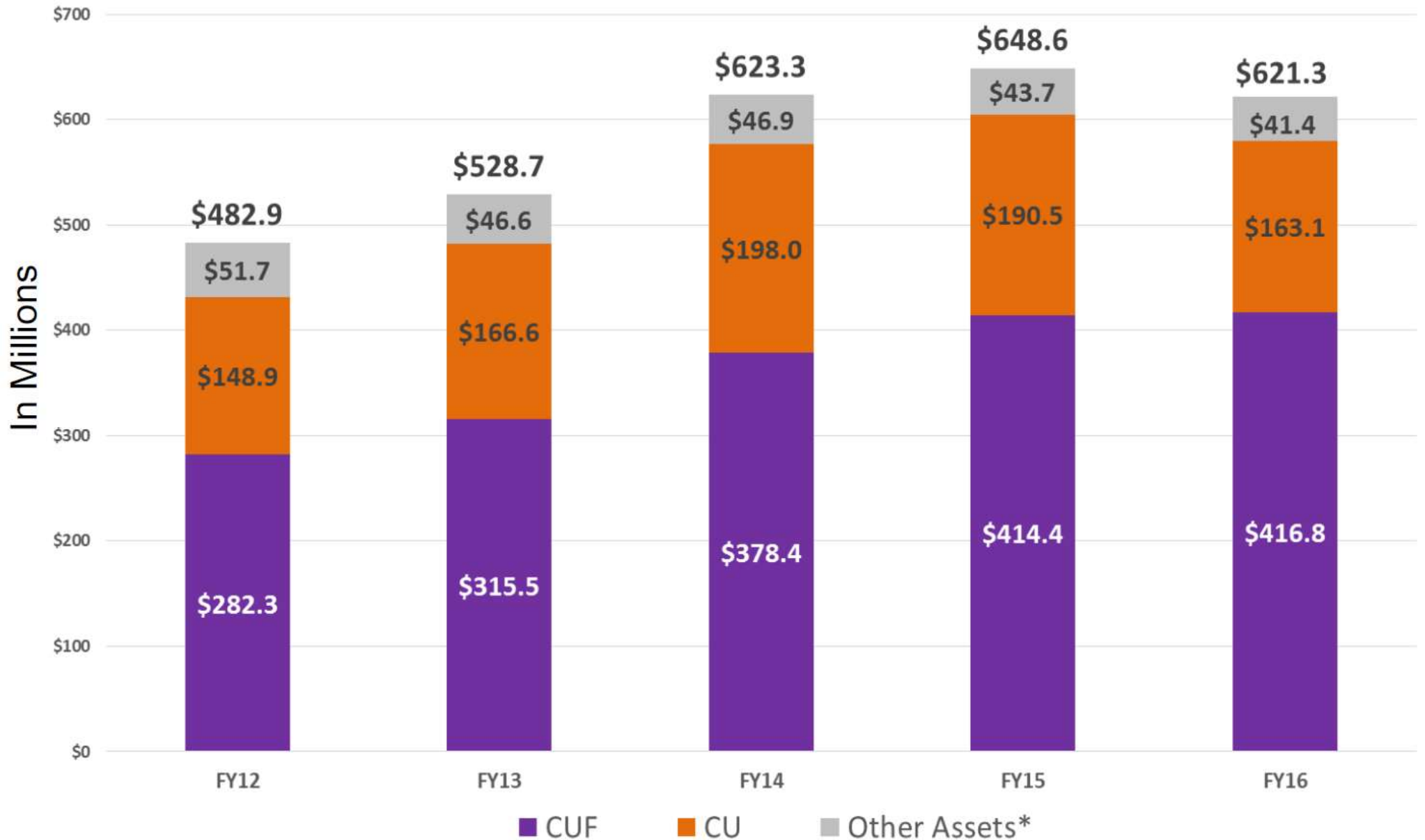


Annual Endowment Support for Clemson



Policy payout rate is 4% for all years.

CUF/CU Endowment Growth



*Represents non-cash, trusts held by others, and CUREF assets to benefit endowment

Appendix - G

ANALYSIS OF THE EXPENSES FOR THE FOUR CU-BoT MEETINGS HELD DURING FY2015-16

Expense Classifications	Summer CU-BoT Meeting	Fall CU-BoT Meeting	Winter CU-BoT Meeting	Spring CU-BoT Meeting	Total Costs
Lodging & taxes	13,306	4,101	4,095	4,751	26,253
Valet Parking @ lodging	995				995
Security for CU-BoT	1,060				1,060
Rentals (meeting rooms & vans)	1,185	5,096	3,810	4,009	14,100
Miscellaneous	622	142	537	163	1,464
Day 1 Beverages/Snacks	397	364		134	895
Dinner Function *	2,284	1,241		1,278	4,803
Day 2 Breakfast	998	437	346	374	2,155
Catered Lunch	1,800	771	1,417	1,766	5,754
Meeting Beverages/Snacks	524	828	969	1,024	3,345
Dinner Function *	5,752	3,911	1,969	2,107	13,739
Day 3 Breakfast	1,189	530	751	764	3,234
Catered Lunch	2,410	1,687		1,666	5,763
Meeting Beverages/Snacks	113	1,295	693	811	2,912
Dinner Function *	3,094				3,094
Day 4 Breakfast	1,234				1,234
Catered Lunch	1,438				1,438
Meeting Beverages/Snacks	205				205
Dinner Function *	2,850				2,850
Day 5 Breakfast	573				573
Total	\$42,029	\$20,403	\$14,587	\$18,847	\$95,866

*Dinner functions contained alcohol purchases totaling \$6,000 that was covered by the Clemson University Foundation:
 [Summer Retreat/Meeting - \$3,450], [Fall Meeting - \$1,406], [Winter Meeting - \$538], [Spring Meeting - \$605]