

ADMINISTRATIVE MEMORANDUM

SUBJECT Resolution of the Board of Governors
and Administrative Procedures Relative
to Trust Fund Legislation

NUMBER 113

DATE January 25, 1979

In its 1977 Session, the General Assembly passed legislation which required that all federal funds received by State agencies and institutions be deposited with the State Treasurer and expended and reported in accordance with the provisions of the Executive Budget Act. Recognizing that federal grants to institutions of higher education for research and training are subject to special requirements, the constituent institutions of The University were excluded from these provisions for the 1977-78 fiscal year.

In the Second Session of the 1977 General Assembly, specific legislation was passed which addressed the custody and management of federal and other non-appropriated funds held by The University. The legislation, which identifies three specific categories of funds, directed the Board of Governors to adopt uniform policies and procedures for the administration of these funds. The three groups of funds addressed in the legislation and in the Board's resolution required to implement the legislation are identified as follows:

1. Institutional Trust Funds. The Board of Governors is charged with the custody and management of these funds. The following general categories of receipts are included in this group: gifts, devises and bequests; federal contracts, grants and agreements; non-federal contracts and grants; student extracurricular activities; institutional auxiliary enterprises and activities supporting scholarship funds and student activity programs; and fees for services of health care professionals. With the exception of fees for services of

health care professionals, these funds are to be deposited with the State Treasurer.

2. Special Funds of Individual Institutions. The Chancellor of each institution is responsible for the custody and management of the special funds of that institution. The following general categories of receipts are included in this group: intercollegiate athletic program receipts; and funds held by the institution as fiscal agent for individual students, faculty, staff members, and organizations. These funds are to be deposited in an official depository of the institution.
3. Institutional Student Auxiliary Enterprise Funds. The Chancellor of each institution is responsible for the custody and management of the institutional student auxiliary enterprise funds of that institution. The receipts for the following self-supporting student auxiliary services are included: housing, food; health and laundry. These funds, which are to be deposited with the State Treasurer, are subject to the provisions of the Executive Budget Act.

On January 12, 1979, the Board of Governors adopted the attached resolution which established regulations in accordance with the requirements of the legislation. This Administrative Memorandum furnishes you a copy of the resolution and outlines the administrative procedures required to implement the Board of Governors' regulations.

The following schedule for implementation has been established:

1. On or before February 1, 1979, the Chancellor of each institution shall forward a request for approval of an agency fund authority (as identified in Section II.C. of the resolution) and such institutional trust fund authorities as may be required by the institution (as identified in Section II.D. of the resolution). (The

formats for these authorities are provided as an attachment to this Administrative Memorandum.) The request shall be accompanied by a complete list of all accounts in his possession or under his direct control as of January 1, 1979, containing any institutional trust funds. This inventory shall be organized in the categories (as described in Section II.D. of the resolution) and for each separate account shall show the following information:

- (1) The name of the account and its accounting designation.
- (2) The amount of cash balance and investments of the account as of the date of the inventory.

2. After the Agency Fund Authority and the Institutional Trust Fund Authorities are approved by the President's Office, the institution and the State Treasurer's Office will be notified. Upon receipt of this approval, the procedures outlined by the State Treasurer for the transfer of funds should be followed. (See the attached letters of Mr. Harlan Boyles to L. Felix Joyner, dated 1/10/79 and 1/15/79.)


It is noted that in some cases transfers of funds presently included in established budget codes may be required. In such cases, these proposed funds transfers should be discussed with the Budget Division before such funds are transferred.

3. The transfers of all cash balances should be completed no later than March 1, 1979 as provided by the Board of Governors' resolution.
4. The institution will proceed simultaneously to establish the subsidiary account authorities (as identified in Section II.E. of the resolution) which must be approved by the Chancellor and to modify further the internal accounting systems and procedures of the institution to the end that all requirements of the regulations will be met no later than July 1, 1979.

A uniform format for a quarterly report on Institutional Trust Funds financial activity has been developed in consultation with the State Budget Office. This reporting format is attached. Definitions of Institutional Trust Fund Receipts categories and Institutional Student Auxiliary Enterprise Fund receipts have also been developed in order to achieve a uniform classification of receipts. These definitions are also attached.

Institutional Student Auxiliary Enterprise Funds

The Board's Resolution provides in Section IV.B. that investment income credited to an institution's student auxiliary enterprise funds account by the State Treasurer shall be allocated among the various subsidiary accounts in such manner and by such formula as the President shall approve. Please submit your proposal for the use of these investment earnings to this office.



William Friday

Attachments:

- Applicable legislation passed by 1977 General Assembly (2nd Session, 1978); (SB 920, Sec. 30-33) (1)
- Resolution of the Board of Governors adopted 1/12/79 (2)
- Letters of Mr. Boyles, State Treasurer, to Mr. Joyner, dated 1/10/79 and 1/15/79 (3) & (4)
- Format for Agency Fund Authority (5)
- Format for Institutional Trust Fund Authorities (6)
- Reporting Format for Institutional Trust Funds (7)
- Definitions of Institutional Trust Funds and Institutional Student Auxiliary Funds (8)
- Resolution of 3/14/69 regarding Investments (9)

within the State, as defined in G.S. 116-22, the sum of four hundred dollars (\$400.00) per academic year in 1978-79. These funds shall be distributed in accordance with Section 38.1 of Chapter 802 of the 1977 Session Laws.

In the event it is determined that there are not sufficient funds to provide each eligible student with a full grant, each eligible student shall receive a reduced but equal share of funds then available for the remainder of the academic year within the fiscal period covered by the current appropriation. Any remaining funds shall revert to the General Fund.

-----INSTITUTIONAL TRUST FUNDS/UNIVERSITY OF NORTH CAROLINA

Sec. 30. Chapter 116 of the General Statutes is amended by inserting a new section as follows:

"§ 116-36.1. Regulation of institutional trust funds.--(a) The board is responsible for the custody and management of the trust funds of The University of North Carolina and of each institution. The board shall adopt uniform policies and procedures applicable to the administration of these funds which shall assure that the receipt and expenditure of such funds is properly authorized and that the funds are appropriately accounted for. The board may delegate authority, through the president, to the respective chancellors of the institutions when such delegation is necessary or prudent to enable the institution to function in a proper and expeditious manner.

(b) Trust funds shall be deposited with the State Treasurer who shall hold them in trust in separate accounts in the name of

The University of North Carolina and of each institution. The cash balances of these accounts may be pooled for investment purposes, but investment earnings shall be credited pro rata to each participating account. For purposes of distribution of investment earnings, all trust funds of an institution shall be deemed a single account.

(c) Moneys deposited with the State Treasurer in trust fund accounts pursuant to this section, and investment earnings thereon, are available for expenditure by each institution without further authorization from the General Assembly.

(d) Trust funds are subject to the oversight of the State Auditor pursuant to G.S. 147-58 but are not subject to the provisions of the Executive Budget Act except for capital improvements projects which shall be authorized and executed in accordance with G.S. 143-18.1.

(e) Each institution shall submit such reports or other information concerning its trust fund accounts as may be required by the Director of the Budget.

(f) Trust funds or the investment income therefrom shall not take the place of State appropriations or any part thereof, but any portion of these funds available for general institutional purposes shall be used to supplement State appropriations to the end that the institution may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

(g) As used in this section, 'trust funds' means:

(1) moneys, or the proceeds of other forms of property,

received by an institution as gifts, devises, or bequests that are neither presumed nor designated to be gifts, devises, or bequests to the endowment fund of the institution;

- (2) moneys received by an institution pursuant to grants from, or contracts with, the United States Government or any agency or instrumentality thereof;
- (3) moneys received by an institution pursuant to grants from, or contracts with, any State agencies, any political subdivisions of the State, any other states or nations or political subdivisions thereof, or any private entities whereby the institution undertakes, subject to terms and conditions specified by the entity providing the moneys, to conduct research, training or public service programs, or to provide financial aid to students;
- (4) moneys collected by an institution to support extracurricular activities of students of the institution;
- (5) moneys received from or for the operation by an institution of activities established for the benefit of scholarship funds or student activity programs;
- (6) moneys received from or for the operation by an institution of any of its self-supporting auxiliary

enterprises except student auxiliary services identified in Section 116-36.3;

- (7) moneys received by an institution in respect to fees and other payments for services rendered by medical, dental or other health care professionals under an organized practice plan approved by the institution or under a contractual agreement between the institution and a hospital or other health care provider.

(h) Notwithstanding the provisions of subsection (b) of this section, the board may designate as the official depository of the funds identified in subsection (g) (7) of this section one or more banks or trust companies in this State. The amount of funds on deposit in an official depository shall be fully secured by deposit insurance, surety bonds, or investment securities of such nature, in such amounts, and in such manner as is prescribed by the State Treasurer for the security of public deposits generally. The available cash balance of funds deposited pursuant to this subsection shall be invested in interest-bearing deposits and investments so that the rate of return equals that realized from the investment of State funds generally.

(i) The cash balances on hand as of June 30, 1978, and all future receipts accruing thereafter, of funds identified in this section are hereby appropriated to the use of The University of North Carolina and its constituent institutions."

-----SPECIAL FUNDS/UNIVERSITY OF NORTH CAROLINA

Sec. 3|. Chapter 116 of the General Statutes is amended

by inserting a new section as follows:

"§ 116-36.2. Regulation of special funds of individual institutions.--(a) Notwithstanding any provisions of law other than G.S. 147-58, the chancellor of each institution is responsible for the custody and management of the special funds of that institution. The board shall adopt uniform policies and procedures applicable to the administration of these funds which shall assure that the receipt and expenditure of such funds is properly authorized and that the funds are appropriately accounted for.

(b) As used in this section, 'special funds of individual institutions' means:

- (1) moneys received from or for the operation by an institution of its program of intercollegiate athletics;
- (2) moneys held by an institution as fiscal agent for individual students, faculty, staff members, and organizations."

-----STUDENT AUXILIARY ENTERPRISE FUNDS/UNIV. OF NORTH CAROLINA

Sec. 32. Chapter 116 of the General Statutes is amended by inserting a new section as follows:

"§ 116-36.3. Regulation of institutional student auxiliary enterprise funds.--(a) The chancellor of each institution, subject to uniform policies and procedures adopted by the Board of Governors, is responsible for the custody and management of the institutional student auxiliary enterprise funds of that institution. The custody and management of such funds is subject

to the provisions of the Executive Budget Act and to the oversight of the State Auditor pursuant to G.S. 147-58.

(b) Institutional student auxiliary enterprise funds shall be deposited with the State Treasurer who shall hold them in trust in separate accounts in the name of The University of North Carolina and of each institution. The cash balances of these accounts may be pooled for investment purposes, but investment earnings shall be credited pro rata to each participating account. For the purpose of distribution of investment earnings, all student auxiliary enterprise funds of an institution shall be deemed a single account.

(c) As used in this section, "institutional student auxiliary enterprise funds" means moneys received from or for the operation by an institution of the following self-supporting student auxiliary services: housing; food; health and laundry."

-----DEPOSIT OF FEDERAL FUNDS/UNIVERSITY OF NORTH CAROLINA

Sec. 33. Section 15.26 of 1977 Session Laws Chapter 802 is amended by placing a comma at the end of the next to last sentence and adding the phrase, "except as otherwise provided by G.S. 116-36.1".

Sec. 33.1. The last sentence of Section 15.26 of 1977 Session Laws Chapter 802 is repealed.

-----ABC APPROPRIATIONS MODIFICATIONS/N. C. MEMORIAL HOSPITAL

Sec. 34. Section 9 of 1977 Session Laws Chapter 681 is rewritten to read as follows:

"The Advisory Budget Commission may, when in its opinion it is in the best interest of the State to do so, and upon the request

A RESOLUTION CONCERNING THE CUSTODY AND MANAGEMENT OF
INSTITUTIONAL TRUST FUNDS, SPECIAL FUNDS OF INDIVIDUAL INSTITUTIONS,
AND INSTITUTIONAL STUDENT AUXILIARY ENTERPRISE FUNDS.

WHEREAS the 1977 General Assembly (2nd Session, 1978) by enactment of G.S. 116-36.1 charged the Board of Governors of The University of North Carolina with the custody and management of the institutional trust funds of The University of North Carolina and of each constituent institution, and instructed the Board to adopt uniform policies and procedures applicable to the administration of these funds; and

WHEREAS the 1977 General Assembly (2nd Session, 1978) by enactment of G.S. 116-36.2 charged the chancellor of each constituent institution of The University of North Carolina with the custody and management of special funds of that institution and instructed the Board of Governors to adopt uniform policies and procedures for the administration of these funds; and

WHEREAS the 1977 General Assembly (2nd Session, 1978) by enactment of G.S. 116-36.3 charged the chancellor of each constituent institution of The University of North Carolina with the custody and management of institutional student auxiliary enterprise funds of that institution, subject to uniform policies and procedures adopted by the Board of Governors; and

WHEREAS, after due consideration, the Board has concluded that moneys received by an institution in respect to fees and other payments rendered by medical, dental or other health care professionals under organized practice plans or under contractual agreements between the institution and a hospital or other health care provider should be deposited in the institution's official depository rather than with the State Treasurer;

NOW, THEREFORE, BE IT RESOLVED: That the following policies and procedures are hereby established for the administration of: institutional trust funds, as defined in G.S. 116-36.1; special funds of individual institutions, as defined in G.S. 116-36.2; and institutional student auxiliary enterprise funds, as defined in G.S. 116-36.3.

I. GENERAL PROVISIONS

A. Funds not to substitute for State appropriations. Neither the funds covered by these policies and procedures nor the investment income therefrom shall take the place of State appropriations or any part thereof, but any portion of these funds available for general institutional purposes shall be used to supplement State appropriations to the end that the institution may improve and increase its functions, may enlarge its areas of service, and may become more useful to a greater number of people.

B. Presumption that receipts belong to the General Fund unless shown otherwise. Except as otherwise provided by or pursuant to law, all moneys received by or accruing to an institution shall be deemed institutional receipts within the meaning of the Executive Budget Act and shall be deposited with the State Treasurer to the credit of the General Fund unless the chancellor can show that the moneys fall within one or more of the following general categories:

- (1) institutional trust funds, as defined in G.S. 116-36.1.
- (2) special funds of the institution, as defined in G.S. 116-36.2.
- (3) endowment funds, as defined in G.S. 116-36.
- (4) funds subject to debt instruments containing special provisions with respect to the deposit of receipts pledged to secure such debt.

C. Accounting. The chancellor of each institution, with the approval of the State Auditor, shall establish and maintain an accounting system for the funds covered by these policies and procedures in conformity with generally accepted principles of institutional accounting and in accordance with these policies and procedures.

D. Internal control. The chancellor of each institution shall institute internal control procedures with respect to the handling of funds covered by these policies and procedures that are necessary or desirable to prevent misappropriation or mishandling of the funds.

E. Preaudit of disbursements. No bill or claim against an institution to be charged to an account established hereunder may be paid unless it has been approved by the officer or employee authorized to initiate disbursements from that account. No bill or claim may be paid in any form other than a check or draft on an official depository of the institution or a warrant on the State Treasurer.

F. Facsimile signatures. The chancellor may authorize the use of facsimile signature machines or signature stamps in signing checks, drafts, and warrants.

II. INSTITUTIONAL TRUST FUNDS

A. Applicability. This Section II applies to moneys within the following categories:

- (1) moneys, or the proceeds of other forms of property, received by the institution as gifts, devises, or bequests that are neither presumed nor designated to be gifts, devises, or bequests to the endowment funds of the institution.
- (2) moneys received by the institution pursuant to grants from, or contracts with, the United States Government or any agency or instrumentality thereof.
- (3) moneys received by the institution pursuant to grants from, or contracts with, any State agencies, any political subdivisions of the State, any other states or nations or political subdivisions thereof, or any private entities whereby the institution undertakes, subject to terms and conditions specified by the entity providing the moneys, to conduct research, training or public service programs.
- (4) moneys collected by the institution to support extracurricular activities of students of the institution.
- (5) moneys received from or for the operation by the institution of activities established for the benefit of scholarship funds or student activity programs.

- (6) moneys received from or for the operation by the institution of any of its self-supporting auxiliary enterprises, except institutional student auxiliary enterprise funds identified in Section IV.
- (7) moneys received by an institution in respect to fees and other payments for services rendered by medical, dental or other health care professionals under an organized practice plan approved by the institution or under a contractual agreement between the institution and a hospital or other health care provider.

B. Delegation of authority. The chancellor of each institution, under the supervision of the President, is charged with the custody and management of all moneys within the categories described in Section II.A. now held by or hereafter accruing to that institution in accordance with applicable laws of the State of North Carolina and these policies and procedures.

C. Agency Fund Authorities. The President is authorized to approve and transmit to the State Treasurer an agency fund authority for each institution receiving any of the moneys identified in Section II.A. This document shall contain the following information:

- (1) The name of the institution.
- (2) The categories of moneys as described in Section II.D.
to be deposited in the fund.
- (3) The position or individual authorized to approve disbursements
from the fund.

The fund authority shall constitute authorization for the State Treasurer to establish and administer such a fund in the name of the institution.

D. Institutional trust fund authorities. The President is authorized to approve for each institution for which an Agency Fund is established pursuant to Section II.C. one or more Institutional Trust Fund Authorities for such of the

following categories as may be appropriate to that institution's operations:

- (1) Gifts, devises and bequests. This category comprises all receipts described in Section II.A.(1), including income derived from the investment of institutional trust fund balances and gifts and grants for student loans (including federal and State contributions).
- (2) Federal contracts, grants and agreements. This category comprises receipts described in Section II.A.(2), including receipts derived from the sale of surplus federal property originally purchased through a federal institutional trust fund.
- (3) Non-federal contracts and grants. This category comprises receipts described in Section II.A.(3) not properly includable in another category.
- (4) Student extracurricular activities. This category comprises receipts described in Section II.A.(4), including receipts from student activities fees established by the Board of Governors for the support of student organizations, student athletic and recreational activities (other than intercollegiate athletics), student entertainment, student publications and similar activities.
- (5) Institutional auxiliary enterprises and activities supporting scholarship funds and student activity programs. This category comprises receipts described in Section II.A.(5) and Section II.A.(6) from the operation of self-supporting service enterprises which exist primarily to furnish goods or services to students, faculty, or staffs and institutional programs and for which charges or fees are related to the cost of the goods or services. By way of illustration but not limitation, these enterprises include central stores, printing and duplicating services, student stores, student centers, athletic facilities, rental property, utilities systems, and similar operations, specifically including all operations whose profits are dedicated to

scholarship support or specific student activity programs, but specifically excluding student auxiliary services as defined in Section IV.C.

- (6) Fees for services of health care professionals. This category comprises receipts described in Section II.A.(7).

Each Institutional Trust Fund Authority shall contain the following information:

- (1) The name of the institution.
- (2) The source(s) of the moneys to be credited thereunto.
- (3) The purpose(s) for which the moneys credited thereunto may be used.
- (4) The position or individual authorized to receive moneys to be credited thereto and to disburse them.

Upon the approval of the President, the Institutional Trust Fund Authority shall be transmitted to the chancellor of the institution and a copy shall be filed among the permanent records of the President's Office. When established as provided therein, the Institutional Trust Fund Authority shall constitute authorization for the institution to receive and disburse the moneys described therein in accordance with the purposes stated, subject to the provisions of G.S. 143-18.1 with respect to capital improvements projects.

E. Subsidiary Account Authorities. For each subsidiary account within one of the categories described in Section II.D., the chancellor is authorized to approve an account authority containing the following information:

- (1) The Institutional Trust Fund Authority within which the account is established.
- (2) The name of the account and its accounting designation.
- (3) The source of the moneys to be credited thereto.
- (4) The purpose of the account, including any specific restrictions, terms or conditions on the use of the moneys credited thereto.
- (5) The position or individual authorized to accept receipts and initiate disbursements from the account.

Each account authority for institutional trust funds authorized by the chancellor shall be filed among the permanent records of his office and it shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein.

F. Deposit to and disbursement from institutional trust fund accounts.

Except as provided in Section II.I., all moneys within the categories described in Section II.A. that are received by an institution shall be deposited with the State Treasurer in that institution's Agency Fund and credited to the appropriate Institutional Trust Fund and subsidiary account on the institution's books. Disbursement of such moneys shall be accomplished by warrant on the State Treasurer issued by the person designated in the Agency Fund Authority upon voucher or requisition of the person designated in the Institutional Trust Fund Authority or the subsidiary account authority as appropriate. No disbursement shall be made for a purpose not specified in the appropriate fund or account authority or contrary to any specific restrictions, terms or conditions on the use of the funds.

G. Allocation of investment income. Subject to any restrictions thereon, investment income credited to an institution's Agency Fund by the State Treasurer as provided in Section II.D. may be used for institutional support purposes in such manner as the President shall approve.

H. Financial reports. Financial reports on the Institutional Trust Funds as identified in this Section II shall be submitted by the chancellors to the State Budget Officer, the President and the local Board of Trustees of the institution on a quarterly basis. The form and content of the quarterly reports shall be prescribed by the President, in accordance with the requirements of the Director of the Budget.

I. Fees for services of health care professionals. Any of the foregoing provisions of this Section to the contrary notwithstanding, funds identified in Section II.A.(7) shall be deposited in an official depository of the institution.

Available cash balances shall be invested in interest bearing deposits and investments so that the rate of return equals that realized from the investment of State funds generally and shall otherwise be managed in the manner provided for in Section III.D, E, F, G and H. Income earned on investment of funds shall be used, subject to any restrictions thereon, in such manner as may be prescribed further in the Institutional Trust Fund Authority.

III. SPECIAL FUNDS OF INDIVIDUAL INSTITUTIONS

A. Applicability. This Section III applies to moneys within the following categories:

- (1) moneys received from or for the operation by the institution of its program of intercollegiate athletics.
- (2) moneys held by the institution as fiscal agent for individual students, faculty, staff members, and organizations.

B. Account Authority. Effective January 15, 1979, a chancellor shall not authorize the creation or continuation of an account for special funds falling within any of the categories described in Section III.A. until he has established an account authority for that account. Upon approving an account authority for special funds, the chancellor shall file it among the permanent records of his office and it shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein.

C. Allocation of investment income. Income earned on investment of funds covered by this Section III shall be used, subject to any restrictions thereon, in such manner as may be prescribed in the account authority.

D. Fidelity bonding. Each officer, employee, or agent of an institution who handles or has in his custody any of the funds described in Section III.A., or who has access to physical inventories constituting assets of accounts established under this Section III, shall be covered by an individual or blanket fidelity bond with sufficient sureties payable to the institution.

E. Investment of idle funds. (1) An institution may deposit at interest or invest all or part of the cash balance of any account established under this Section III.

(2) Moneys may be deposited at interest in any bank or trust company in this State in the form of certificates of deposit, savings accounts, or similar interest-bearing time deposits. Such deposits shall be secured as provided in Section III.G.

(3) Moneys may be invested in any form of investment allowed by law to the State Treasurer or any of the securities authorized by A RESOLUTION CONCERNING THE INVESTMENT OF UNIVERSITY FUNDS NOT REQUIRED FOR CURRENT USE adopted by the Executive Committee of the Board of Trustees of The University of North Carolina on March 14, 1969.

(4) The institution may employ one or more fiscal agents for the purposes of this section.

F. Selection of depositories. The chancellor of each institution shall designate as the official depository of the institution one or more banks or trust companies in this State. No funds subject to this Section III shall be deposited in any place, bank or trust company other than an official depository, except as otherwise required by the terms of any debt instrument containing special provisions with respect to deposits.

G. Deposits to be secured. The amount of money on deposit in an official depository or deposited at interest pursuant to Section III.E. shall be fully secured by deposit insurance, surety bonds, or investment securities of such nature, in such amounts, and in such manner as is prescribed by the State Treasurer for the security of State funds generally.

H. Daily deposits. All receipts subject to this Section III shall be deposited daily. If the chancellor gives his approval, deposits shall be required only when the moneys on hand amount to as much as two hundred and fifty dollars (\$250.00), but in any event a deposit shall be made on the last business day of the week.

I. Reports on the status of deposits and investments. The chancellor shall report annually to the President as of June 30 of each year of the amounts of funds on deposit in official depositories of the institution, a list of all investment securities held on behalf of these accounts, and a description of the surety bonds or investment securities securing these deposits and investments.

IV. INSTITUTIONAL STUDENT AUXILIARY ENTERPRISE FUNDS

A. Delegation of authority. The chancellor of each constituent institution is charged with the custody and management of the institutional student auxiliary enterprise funds of that institution. These funds are subject to the provisions of the Executive Budget Act and, except as provided in this Section IV, shall be managed in the manner provided by law for the management of State funds generally that are received and disbursed by the institution.

B. Allocation of investment income. Investment income credited to an institution's student auxiliary enterprise funds account by the State Treasurer shall be allocated among the various subsidiary accounts in such manner and by such formula as the President shall approve.

C. Definition. As used in this section, "institutional student auxiliary enterprise funds" means moneys received from or for the operation by an institution of the following self-supporting student auxiliary services: housing; food; health and laundry. Housing includes all campus student dormitories, apartments, or other student living quarters owned and operated by the institution. Food includes institutional operations where the primary activity is cafeteria service for students but excludes snack bars, vending machines, and athletic concessions. Health includes dispensaries or infirmaries where the primary purpose is the providing of medical attention to students. Laundry includes those activities where personal services are involved primarily for washing, cleaning, dry cleaning, and ironing services for students.

V. IMPLEMENTATION

A. Requests for Authorizations. On or before February 1, 1979 the chancellor of each institution shall forward a request for approval of an agency fund authority as identified in Section II.C. and such institutional trust fund authorities as may be required by the institution, as identified in Section II.D. The request shall be accompanied by a complete list of all accounts in his possession or under his direct control as of January 1, 1979, containing any institutional trust funds as defined in G.S. 116-36.1. This inventory shall be organized in the categories described in Section II.D. and for each separate account shall show the following information:

- (1) The name of the account and its accounting designation.
- (2) The amount of cash balance and investments of the account as of the date of the inventory.

B. Deposit of funds with the State Treasurer. Upon the receipt of approved fund authorities, but no later than March 1, 1979 the chancellor shall transfer the cash balance and investments of accounts so identified (other than organized practice plan receipts as defined in G.S. 116-36.1(g)(7)) to the State Treasurer for deposit in the State Treasurer's Agency Fund for that institution and shall proceed to disburse moneys in accordance with the provisions of Section II.F. These transfers shall be made in accordance with the following schedule:

- (1) The current cash balance of each account shall be transferred no later than March 1, 1979.
- (2) Cash-equivalent investments shall be converted into cash and transferred upon maturity.
- (3) Investment securities shall be converted into cash and transferred at such time as may be mutually agreeable to the State Treasurer and the institution.

These initial transfers of cash balances and investments shall be without prejudice to adjustments later found to be appropriate.

C. Accounting and reporting. The chancellor of each institution will proceed to establish the subsidiary account authorities as identified in Section II.E. and to modify further the internal accounting systems and procedures of the institution as may be necessary to the end that all requirements of this resolution will have been met no later than July 1, 1979.



State of North Carolina
Department of the Treasurer

HARLAN E. BOYLES
STATE TREASURER

January 10, 1979

325 N. SALISBURY STREET
RALEIGH, NORTH CAROLINA 27611

Mr. L. Felix Joyner
Vice President, Finance
General Administration
The University of North Carolina
P. O. Box 2688
Chapel Hill, North Carolina 27514

RE: Procedures for Implementing
G.S. 116-36.1
(Institutional Trust Funds)

Dear Mr. Joyner:

In an effort to implement G.S. 116-36.1, I am setting out the following uniform procedures which should be followed by constituent institutions of the University of North Carolina System. These procedures have the approval of the State Auditor.

Receipts

As soon as the amount of institutional trust monies which at the present time are comingled with non-State monies can be determined, such funds should be deposited into a depository bank designated by the State Treasurer under G.S. 147-69. To certify that institutional trust fund monies have been deposited to the credit of the State Treasurer, a "Deposit to Institutional Trust Fund Account" form, which is in the process of being designed, should be completed and forwarded to the Treasurer for the attention of the Accounting Section, Division of Investment and Banking. Upon receipt of the form, the appropriate institutional trust fund account will be credited and thus begin earning interest. Interest earnings will be calculated by applying the time-weighted Certificate of Deposit rate for the month, as set by the Council of State for deposits made with North Carolina banks and savings and loan associations, to the average daily balance in each institutional trust fund account. Interest earnings will be credited at the end of each month and each institution will be notified by way of a copy of the "Deposit to Institutional Trust Fund Account" form prepared at the Department of State Treasurer.

Disbursements

The disbursement of institutional trust fund monies can be handled one of two ways, depending on each institution's current accounting practices:

Mr. L. Felix Joyner
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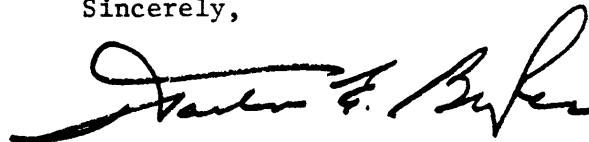
RE: Procedures for Implementing G.S. 116-36.1 (Institutional Trust Funds)

1. Each institution shall be authorized to make said disbursements by a draft on a commercial bank selected by the Institution; and to the extent that such disbursements represent monies on deposit with the State Treasurer, the Institution shall be further authorized, immediately upon determination by an approved accounting procedure, to draw warrants against the State Treasurer in an amount sufficient to cover the bank drafts so drawn.
2. Each institutional trust fund disbursement may be made by a warrant drawn against the State Treasurer.

To implement the disbursement of institutional trust fund monies, each Institution will be assigned a trust fund account number to be printed on its warrants. The Institution should follow the prescribed procedure for having State warrants printed, and the approval of the State Treasurer of a proof copy of the warrant before printing will be required.

The State Treasurer will provide each institution with a trust fund account statement at the end of each month, together with the cleared warrants for reconciliation purposes.

Sincerely,



Harlan E. Boyles
State Treasurer

HEB:ml

cc. Honorable Henry L. Bridges, State Auditor
George S. Lambert, State Disbursing Officer
W. Bruce Harrington, Budget Administrator
Christopher S. Moore, Deputy Treasurer



State of North Carolina
Department of State Treasurer
Investment and Banking Division

HARLAN E. BOYLES
TREASURER

January 15, 1979

CHRISTOPHER S. MOORE
DEPUTY TREASURER

Mr. L. Felix Joyner
Vice President, Finance
General Administration
The University of North Carolina
P. O. Box 2688
Chapel Hill, North Carolina 27514

RE: Procedures for Implementing
G.S. 116-36.1
(Institutional Trust Funds)

Dear Mr. Joyner:

In accordance with our letter of January 10, 1979, the following is a list of account numbers assigned to the institutional trust fund accounts:

<u>Institution Name</u>	<u>Account Name</u>	<u>Account Number</u>
Appalachian State University	TRUST FUND-APPALACHIAN ST	5-000-700
Agricultural & Technical St. Univ.	TRUST FUND-A&T STATE UNIV	1-000-702
East Carolina University	TRUST FUND-EAST CAROLINA	7-000-704
Elizabeth City State University	TRUST FUND-ELIZ. CITY ST.	2-000-706
Fayetteville State University	TRUST FUND-FAYETTEVILLE S	8-000-708
North Carolina Central University	TRUST FUND-NC CENTRAL UN	3-000-710
North Carolina School of the Arts	TRUST FUND-NC SCHOOL-ARTS	9-000-712
North Carolina State University	TRUST FUND-NC STATE UNIV	5-000-714
Pembroke State University	TRUST FUND-PEMBROKE STATE	0-000-716
UNC at Asheville	TRUST FUND-UNC-ASHEVILLE	6-000-718
UNC at Chapel Hill	TRUST FUND-UNC-CHAPEL HIL	1-000-720
UNC at Charlotte	TRUST FUND-UNC-CHARLOTTE	7-000-722
UNC at Greensboro	TRUST FUND-UNC-GREENSBORO	3-000-724
UNC at Wilmington	TRUST FUND-UNC-WILMINGTON	8-000-726
Western Carolina University	TRUST FUND-WEST CAROLINA	4-000-728
Winston-Salem State University	TRUST FUND-WINSTON-SALEM	9-000-730

The account names are abbreviated for data processing purposes. We suggest that you use the same format on your warrants, but without abbreviations.

Sincerely,

Harlan E. Boyles
State Treasurer

HEB:ce

THE UNIVERSITY OF NORTH CAROLINA

AGENCY FUND AUTHORITY

Institutional Trust Funds

Name of Institution:

Disbursed on Authority of: The Chancellor

This authority may be delegated, in turn, to the Chief Finance Officer.

In accordance with the provisions of G.S. 116-36.1 and the Resolution of the Board of Governors adopted January 12, 1979, a fund authority is hereby established to provide for the deposit and expenditure of the following moneys in the custody of the State Treasurer for the account of _____ (institution) _____:

1. Gift, devises and bequests described in G.S. 116-36.1(g)(1) and the Board's resolution as follows:

"moneys, or the proceeds of other forms of property, received by an institution as gifts, devises, or bequests that are neither presumed nor designated to be gifts, devises, or bequests to the endowment fund of the institution;"

2. Federal contracts and grants described in G.S. 116-36.1(g)(2) and the Board's resolution as follows:

"moneys received by an institution pursuant to grants from, or contracts with, the United States Government or any agency or instrumentality thereof;"

3. Non-federal contracts and grants described in G.S. 116-36.1(g)(3) and the Board's resolution as follows:

"moneys received by an institution pursuant to grants from, or contracts with, any State agencies, any political subdivisions of the State, any other states or nations or political subdivisions thereof, or any private entities whereby the institution undertakes, subject to terms and conditions specified by the entity providing the moneys, to conduct research, training or public service programs, or to provide financial aid to students;"

4. Student extracurricular activities described in G.S. 116-36.1(g)(4) and the Board's resolution as follows:

"moneys collected by an institution to support extracurricular activities of students of the institution;"

5. Institutional Auxiliary Enterprises and activities supporting scholarship funds or student activity programs described in G.S. 116-36.1(g)(4) and (5) as follows:

"moneys received from or for the operation by an institution of activities established for the benefit of scholarship funds or student activity programs;" and

THE UNIVERSITY OF NORTH CAROLINA

AGENCY FUND AUTHORITY (Continued)

Institutional Trust Fund

Name of Institution:

Disbursed on Authority of:

"moneys received from or for the operation by an institution of any of its self-supporting auxiliary enterprises except student auxiliary services identified in Section 116-36.3;"

- *6. Fees for services of health care professionals described in G.S. 116-36.1(g)(7) as follows:

"moneys received by an institution in respect of fees and other payments for services rendered by medical, dental or other health care professionals under an organized practice plan approved by the institution or under a contractual agreement between the institution and a hospital or other health care provider."

In accordance with the provisions of G.S. 116-36.1(h), and the Board's resolution, fees for services of health care professionals, as described above, shall be deposited in (bank) and shall be secured in such manner as is prescribed by the State Treasurer for the security of public funds generally.

*Applicable only to East Carolina University and
The University of North Carolina at Chapel Hill

Date:

Approved: _____
President

THE UNIVERSITY OF NORTH CAROLINA

INSTITUTIONAL TRUST FUND AUTHORITY

ifts, Devises and Bequests

G.S. 116-36.1(g)(1) and the Board's Resolution of 1/12/79, Section II.D.(1)

Name of Institution:

Funds Received and Disbursed on Authority of: The Chancellor
This authority may be delegated, in turn,
to the Chief Finance Officer.

SOURCE: Unrestricted and restricted gifts, devises, and bequests received from individuals and from non-governmental organizations which are neither presumed nor designated to be gifts, devises, or bequests to the endowment fund of the institution. Also included are gifts and grants (including federal and state contributions) for student loans, and investment income derived from the investment of institutional trust fund balances.

PURPOSE: Subject to the restrictions, if any, of the gift, devise or bequest; these funds are available for all institutional purposes, including student aid and student loans. Subject to any restrictions thereon, investment income credited to an institution's Agency Fund by the State Treasurer shall be used for institutional support purposes. The Chancellor or his designated representative shall ascertain that all disbursements of this investment income are made for institutional support purposes.

SUBSIDIARY

AUTHORITIES: For each subsidiary account within this fund category, the Chancellor shall approve an account authority containing the following information:

- (1) The Institutional Trust Fund Authority within which the account is established.
- (2) The name of the account and its accounting designation.
- (3) The source of the moneys to be credited thereto.
- (4) The purpose of the account, including any specific restrictions, terms or conditions on the use of the moneys credited thereto.
- (5) The position or individual authorized to accept receipts and initiate disbursements from the account.

Each account authority approved by the Chancellor shall be filed among the permanent records of his office and shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein.

Date:

Approved: _____
President

THE UNIVERSITY OF NORTH CAROLINA

INSTITUTIONAL TRUST FUND AUTHORITY

Federal Contracts, Grants and Agreements

G.S. 116-36.1(g)(2) and the Board's Resolution of 1/12/79, Section II.D.(2)

Name of Institution:

Funds Received and Disbursed on Authority of: The Chancellor
This authority may be delegated, in turn,
to the Chief Finance Officer.

SOURCE: Federal Contracts, Grants and Agreements - Direct restricted and unrestricted receipts from federal government contracts, grants, and cooperative agreements. Also included are receipts derived from the sale of surplus federal property originally purchased through a federal institutional trust fund.

PURPOSE: Consistent with the terms of awards and federal agency guidelines, these moneys can be used for personal services, materials, equipment, other services, and for the reimbursement of authorized administrative costs associated with federal student aid programs.

SUBSIDIARY

AUTHORITIES: For each subsidiary account within this fund category, the Chancellor shall approve an account authority containing the following information:

- (1) The Institutional Trust Fund Authority within which the account is established.
- (2) The name of the account and its accounting designation.
- (3) The source of the moneys to be credited thereto.
- (4) The purpose of the account, including any specific restrictions, terms or conditions on the use of the moneys credited thereto.
- (5) The position or individual authorized to accept receipts and initiate disbursements from the account.

Each account authority approved by the Chancellor shall be filed among the permanent records of his office and shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein.

Date:

Approved: _____
President

THE UNIVERSITY OF NORTH CAROLINA

INSTITUTIONAL TRUST FUND AUTHORITY

Non-federal Contracts and Grants

G.S. 116-36.1(g)(3) and the Board's Resolution of 1/12/79, Section II.D.(3)

Name of Institution:

Funds Received and Disbursed on Authority of: The Chancellor
This authority may be delegated, in turn,
to the Chief Finance Officer.

SOURCE: Non-Federal Contracts and Grants - Receipts received by an institution pursuant to grants from or contracts with any state agencies, any political subdivisions of the state, any other states or nations or political subdivisions thereof, or any private entities which the institution undertakes, subject to terms and conditions specified by the entity providing the moneys, to conduct instruction, research, training, or public service programs.

PURPOSE: These receipts are to be utilized to conduct instruction, research, training, or public service programs, subject to terms and conditions of the contracts or grants.

SUBSIDIARY

THORITIES: For each subsidiary account within this fund category, the Chancellor shall approve an account authority containing the following information:

- (1) The Institutional Trust Fund Authority within which the account is established.
- (2) The name of the account and its accounting designation.
- (3) The source of the moneys to be credited thereto.
- (4) The purpose of the account, including any specific restrictions, terms or conditions on the use of the moneys credited thereto.
- (5) The position or individual authorized to accept receipts and initiate disbursements from the account.

Each account authority approved by the Chancellor shall be filed among the permanent records of his office and shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein.

Date:

Approved: _____
President

THE UNIVERSITY OF NORTH CAROLINA

INSTITUTIONAL TRUST FUND AUTHORITY

Student Extracurricular Activities

G.S. 116-36.1(g)(4) and the Board's Resolution of 1/12/79, Section II.D.(4)

Name of Institution:

Funds Received and Disbursed on Authority of: The Chancellor
This authority may be delegated, in turn,
to the Chief Finance Officer.

SOURCE: Student Extracurricular Activities - Receipts derived from student activities fees charged to students. These fees are established by the Board of Governors.

PURPOSE: These receipts are to be utilized to support student extracurricular activities, i.e. student organizations, athletic and recreational activities other than intercollegiate athletics, student entertainment, student publications, and similar activities.

SUBSIDIARY

AUTHORITIES: For each subsidiary account within this fund category, the Chancellor shall approve an account authority containing the following information:

- (1) The Institutional Trust Fund Authority within which the account is established.
- (2) The name of the account and its accounting designation.
- (3) The source of the moneys to be credited thereto.
- (4) The purpose of the account, including any specific restrictions, terms or conditions on the use of the moneys credited thereto.
- (5) The position or individual authorized to accept receipts and initiate disbursements from the account.

Each account authority approved by the Chancellor shall be filed among the permanent records of his office and shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein.

Date:

Approved: _____
President

THE UNIVERSITY OF NORTH CAROLINA

INSTITUTIONAL TRUST FUND AUTHORITY

Institutional Auxiliary Enterprises and Activities Supporting Scholarship Funds
and Student Activity Programs

G.S. 116-36.1(g)(5) and (6) and the Board's Resolution of 1/12/79, Section II.D.(5)

Name of Institution:

Funds Received and Disbursed on Authority of: The Chancellor

This authority may be delegated, in turn,
to the Chief Finance Officer.

SOURCE: Institutional Auxiliary Enterprises and Activities Supporting Scholarship Funds and Student Activities Programs (Auxiliary Enterprises) - Receipts from the operation of self-supporting service enterprises which exist primarily to furnish goods and services to students (regular and special), faculty and staff, and institutional programs and for which charges or fees are related to the cost of the goods or services. Also included are operations where the profit distributions are restricted to scholarship support or specific student activity programs.

PURPOSE: The receipts are to be utilized to support the operation of auxiliary enterprises as described below:

- (1) Student Auxiliaries - This group includes service operations primarily intended to furnish services to students. It excludes those student auxiliary services identified in G.S. 116-36.3 which are student housing, food, health, and laundry activities. Intercollegiate athletics is also excluded from this group.
- (2) Institutional Auxiliaries - This group includes service operations designed to serve primarily the institution, its faculty, and its staff.
- (3) Independent Operations - This group includes organizational entities owned or managed by the institution but independent of the primary mission of the institution, although they contribute to the enhancement of its programs. It excludes operations managed as investments of an endowment fund.

SUBSIDIARY

AUTHORITIES: For each subsidiary account within this fund category, the Chancellor shall approve an account authority containing the following information:

- (1) The Institutional Trust Fund Authority within which the account is established.
- (2) The name of the account and its accounting designation.
- (3) The source of the moneys to be credited thereto.

(CONTINUED)

THE UNIVERSITY OF NORTH CAROLINA

INSTITUTIONAL TRUST FUND AUTHORITY (Continued)

Institutional Auxiliary Enterprises and Activities Supporting Scholarship Funds
- ' Student Activity Programs

-
-
- (4) The purpose of the account, including any specific restrictions, terms or conditions on the use of the moneys credited thereto.
 - (5) The position or individual authorized to accept receipts and initiate disbursements from the account.

Each account authority approved by the Chancellor shall be filed among the permanent records of his office and shall constitute authorization for establishment and operation of the account in accordance with the purposes stated therein.

Date:

Approved: _____

President

THE UNIVERSITY OF NORTH CAROLINA

INSTITUTIONAL TRUST FUND AUTHORITY

Fees for Services of Health Care Professionals

G.S. 116-36.1(g)(7) and the Board's Resolution of 1/12/79, Section II.D.(6)

Name of Institution:

Funds Received and Disbursed on Authority of: The Chancellor
This authority may be delegated, in turn,
to the Chief Finance Officer.

SOURCE: Fees and other payments for services rendered by medical, dental or other health care professionals under an organized practice plan approved by the institution or under a contractual agreement between the institution and a hospital or other health care provider.

PURPOSE: These receipts are to be utilized to maintain and/or improve the areas of teaching, research, patient care, and public service and support the administration of the organized practice plans. Subject to any restrictions thereon or any designation of earnings, income earned on investment of available balances shall be used for institutional support purposes. The Chancellor or his designated representative shall ascertain that all disbursements of this investment income are made for institutional support purposes.

SUBSIDIARY

AUTHORITIES: For each subsidiary account within this fund category, the Chancellor shall approve an account authority containing the following information:

- (1) The Institutional Trust Fund Authority within which the account is established.
- (2) The name of the account and its accounting designation.
- (3) The source of the moneys to be credited thereto.
- (4) The purpose of the account, including any specific restrictions, terms or conditions on the use of the moneys credited thereto.
- (5) The position or individual authorized to accept receipts and initiate disbursements from the account.

Each account authority approved by the Chancellor shall be filed among the permanent records of his office and shall constitute authorization for establishment and operation of the account in accordance with the purpose stated therein.

PRACTICE

PLANS: No changes shall be made in the organized practice plans without the written approval of the Chancellor.

Date:

Approved: _____
President

REPORTING FORMAT

(Institution Name)

QUARTERLY REPORT ON INSTITUTIONAL TRUST FUNDS
for the Quarter Ended _____
SUMMARY

<u>This</u> <u>Quarter</u>	<u>Fiscal Year-</u> <u>to-Date</u>	<u>Last Fiscal</u> <u>Year-to-Date*</u>
-------------------------------	---------------------------------------	--

Change in Fund Balance:

Receipts
Disbursements
Transfers in (out)
Change in Fund Balance
Beginning Fund Balance
Ending Fund Balance

Disbursement Summary:

Instruction
Organized Research
Community Services
Academic Support
Student Services
Institutional Support
Physical Plant
Institutional Auxiliaries
Student Financial Aid
Capital Improvements
Service Agreements
Multi-Activity
Student Loan Disbursements (Net)

Total

Receipts Summary:

Gifts, Devises, and Bequests
Federal Contracts and Grants
Non-federal Contracts and Grants
Student Extracurricular Activities Support
Institutional Auxiliary Enterprises and
Activities Supporting Scholarship Funds
and Student Activities Programs

Total

*For use in subsequent years

SPECIAL NOTE:

Accounting purpose and receipts designations are used for illustrative purposes only.
The appropriate accounting designations applicable to your institution's activities
should be used.

INSTITUTIONAL TRUST FUNDS
GIFTS, DEVISES, BEQUESTS & OTHER RECEIPTS
FISCAL YEAR TO DATE _____

	<u>This Quarter</u>	<u>Fiscal Year- to-Date</u>	<u>Last Fiscal Year-to-Date</u> *
<u>RECEIPTS:</u>			
Gifts, Devises and Bequests	_____	_____	_____
Gifts and Grants - Student Loan	_____	_____	_____
Interest Income	_____	_____	_____
Other	_____	_____	_____
Total Receipts	_____	_____	_____
<u>DISBURSEMENTS:</u>			
Regular Term Instruction	_____	_____	_____
Summer Term Instruction	_____	_____	_____
Extension Instruction	_____	_____	_____
Community Services	_____	_____	_____
Libraries	_____	_____	_____
General Academic Support	_____	_____	_____
Student Services	_____	_____	_____
Institutional Support	_____	_____	_____
Student Financial Aid	_____	_____	_____
Student Loan Disbursement (Net)	_____	_____	_____
Total Disbursements	_____	_____	_____
Transfers In (Out)	_____	_____	_____
Change in Fund Balance	_____	_____	_____
Beginning Fund Balance	_____	_____	_____
Ending Fund Balance	=====	=====	=====

*For use in subsequent years.

INSTITUTIONAL TRUST FUNDS
STUDENT EXTRACURRICULAR ACTIVITY FUNDS
FISCAL YEAR TO DATE _____

	<u>This Quarter</u>	<u>Fiscal Year- to-Date</u>	<u>Last Fiscal Year-to-Date *</u>
<u>RECEIPTS:</u>			
Student Activity Fees	_____	_____	_____
Other	_____	_____	_____
Total Receipts	_____	_____	_____
<u>DISBURSEMENTS:</u>			
Recreational Services	_____	_____	_____
Total Disbursements	_____	_____	_____
Transfers In (Out)	_____	_____	_____
Change in Fund Balance	_____	_____	_____
Beginning Fund Balance	_____	_____	_____
Ending Fund Balance	=====	=====	=====

For use in subsequent years.

INSTITUTIONAL TRUST FUNDS
FEDERAL CONTRACTS AND GRANTS
FISCAL YEAR TO DATE _____

	<u>This Quarter</u>	<u>Fiscal Year- to-Date</u>	<u>Last Fiscal Year-to-Date</u> *
<u>RECEIPTS:</u>			
Federal Contracts/Grants	_____	_____	_____
Total Receipts	_____	_____	_____
<u>DISBURSEMENTS:</u>			
Organized Research	_____	_____	_____
General Academic Support	_____	_____	_____
Health Sciences Support	_____	_____	_____
Student Financial Aid	_____	_____	_____
Educational Agreements	_____	_____	_____
Total Disbursements	_____	_____	_____
Transfers In (Out)	_____	_____	_____
Change in Fund Balance	_____	_____	_____
Beginning Fund Balance	_____	_____	_____
Ending Fund Balance	=====	=====	=====

*For use in subsequent years.

INSTITUTIONAL TRUST FUNDS
NON-FEDERAL CONTRACTS AND GRANTS
FISCAL YEAR TO DATE _____

	<u>This Quarter</u>	<u>Fiscal Year- to-Date</u>	<u>Last Fiscal Year-to-Date</u> *
<u>RECEIPTS:</u>			
State Contracts/Grants	_____	_____	_____
Other Contracts/Grants	_____	_____	_____
Total Receipts	_____	_____	_____
<u>DISBURSEMENTS:</u>			
Organized Research	_____	_____	_____
General Academic Support	_____	_____	_____
Health Sciences Support	_____	_____	_____
Educational Agreements	_____	_____	_____
Total Disbursements	_____	_____	_____
Transfers In (Out)	_____	_____	_____
Change in Fund Balance	_____	_____	_____
Beginning Fund Balance	_____	_____	_____
Ending Fund Balance	=====	=====	=====

* For use in subsequent years.

INSTITUTIONAL TRUST FUNDS
AUXILIARY ENTERPRISES
FISCAL YEAR TO DATE _____

	<u>This Quarter</u>	<u>Fiscal Year- to-Date</u>	<u>Last Fiscal Year-to-Date</u> *
<u>RECEIPTS:</u>			
Sales and Services			
Other			
Total Receipts			
<u>DISBURSEMENTS:</u>			
Auxiliary Administration			
Campus Center			
Recreational Services			
Student Stores			
Central Motor Pool			
Central Stores			
Creamery			
Printing and Duplicating			
Rental Property			
Vehicle Registration			
Reynolds Coliseum			
Carolina Inn			
Electrical System			
Telephone System			
Water System			
Utility Storeroom			
Steam System			
Other Auxiliary Operations			
Total Disbursements			
Transfers In (Out)			
Change in Fund Balance			
Beginning Fund Balance			
Ending Fund Balance			

*For use in subsequent years.

INSTITUTIONAL TRUST FUNDS
MEDICAL AND DENTAL FACULTY PRACTICE PLAN
FISCAL YEAR TO DATE _____

	<u>This Quarter</u>	<u>Fiscal Year- to-Date</u>	<u>Last Fiscal Year-to-Date</u> *
<u>RECEIPTS:</u>			
Professional Fees & Contractual Income	_____	_____	_____
Investment Income	_____	_____	_____
Total Receipts	_____	_____	_____
<u>DISBURSEMENTS:</u>			
Personnel Compensation	_____	_____	_____
Supplies & Materials	_____	_____	_____
Current Services	_____	_____	_____
Fixed Charges	_____	_____	_____
Capital Outlay	_____	_____	_____
Total Disbursements	_____	_____	_____
Transfers In (Out)	_____	_____	_____
Change in Fund Balance	_____	_____	_____
Beginning Fund Balance	_____	_____	_____
Ending Fund Balance	=====	=====	=====

*For use in subsequent years.

SPECIAL NOTE:

This separate reporting format is to be used by ECU and UNC-CH. This financial data should not be included in the regular Institutional Trust Fund report.

Definitions of Institutional Trust Funds and Institutional Student Auxiliary Funds

The purpose of these definitions is to provide for uniformity and consistency in the classification of receipts and disbursements among the specific fund groups addressed in the Board's resolution. The applicable parts of the Uniform Chart of Accounts provide the bases for all classifications. The emphasis in these definitions is placed on the classification of receipts and disbursements of the funds that are now on deposit with the State Treasurer for the first time.

A. Institutional Trust Funds

1. Gifts, Devises, and Bequests - This category includes all unrestricted and restricted gifts, devises, and bequests received from individuals and from non-governmental organizations and which are neither presumed nor designated to be gifts, devises, or bequests to the endowment fund of the institution. Also included are gifts and grants (including federal and state contributions) for student loans, and investment income derived from the investment of institutional trust fund balances.

The following receipt codes will be used to identify receipts to this fund group: Minor revenue codes Restricted Private Gifts (9110), Unrestricted Private Gifts (9120), Investment Income (9720), and Other Inter-Transfers (9890). Also, whatever is applicable under major revenue code Other Revenues (9700) will be utilized.

Generally, all disbursements will be identified by major purposes as defined in the Uniform Chart of Accounts. However, this particular fund group will have a purpose not now identified by the Chart of Accounts called Student Loan Disbursements (Net), i.e., the net amount of student loan principal disbursements and principal repayments.

2. Federal Contracts, Grants and Agreements - This category includes direct restricted and unrestricted receipts from federal government contracts, grants, and agreements. These moneys can be used for personal services, materials, other services, and for the reimbursement of authorized administrative costs associated with federal student aid programs. Also included are receipts derived from the sale of surplus federal property originally purchased through a federal institutional trust fund.

The following receipt codes will be used to identify receipts to this fund group: Minor revenue codes Restricted Federal Grants (0710), Unrestricted Federal Grants (0720), Repay Administrative Cost (0740), and Other Inter-Transfers (9890). Also, whatever is applicable under major revenue code Other Revenues (9700), except Investment Income (9720) is excluded.

Generally, all disbursements will be identified by major purposes as defined in the Uniform Chart of Accounts.

3. Non-federal Contracts and Grants - This category includes moneys received by an institution pursuant to grants from or contracts with any state agencies, any political subdivisions of the state, any other states or nations or political subdivisions thereof, or any private entities whereby the institution undertakes, subject to terms and conditions specified by the entity providing the moneys, to conduct instruction, research, training, or public service programs.

The following receipt codes will be used to identify receipts to this fund group: Minor revenue codes Restricted North Carolina Grants (0810), Unrestricted North Carolina Grants (0820), Restricted Local Grants (0910), Unrestricted Local Grants (0920), Restricted Private Gifts (9110), Unrestricted Private Gift (9120), and Other Inter-Transfers (9890). Also, whatever is applicable under major revenue code Other Revenues (9700), except Investment Income (9720) is excluded.

Generally, all disbursements will be identified by major purposes as defined in the Uniform Chart of Accounts.

4. Student Extracurricular Activities - This category includes receipts derived from student activities fees charged to students. These fees are established by the Board of Governors and relate, ordinarily, to student organizations, athletic and recreational activities other than intercollegiate athletics, student entertainment, and student publications.

The following receipt codes will be used to identify receipts to this fund category: Minor object codes Athletic Fee (0330), Student Activity Fee (0350), Indebtedness Fee (0360), Special Service Fees (0370), and Other Inter-Transfers (9890). Also, whatever is applicable under major revenue code Other Revenues (9700), except Investment Income (9720) is excluded.

Generally, all disbursements will be identified by major purposes as defined in the Uniform Chart of Accounts.

5. Institutional Auxiliary Enterprises and Activities Supporting Scholarship Funds and Student Activities Programs (Auxiliary

Enterprises) - This category includes receipts from the operation of self-supporting service enterprises which exist primarily to furnish goods and services to students (regular and special), faculty and staff, and institutional programs and for which charges or fees are related to the cost of the goods or services. Also included are operations where the profit distributions are restricted to scholarship support or specific student activity programs.

Auxiliary Enterprises are classified into three major groups, as follows:

- a) Student Auxiliaries - This group includes service operations primarily intended to furnish services to students. It excludes those student auxiliary services identified in GS 116-36.3 which are student housing, food, health, and laundry activities. Intercollegiate athletics is also excluded from this group.
- b) Institutional Auxiliaries - This group includes service operations designed to serve primarily the institution, its faculty, and its staff.
- c) Independent Operations - This group includes organizational entities owned or managed by the institution but independent of the primary mission of the institution, although they contribute to the enhancement of its programs. It excludes operations managed as investments of an endowment fund.

The following receipt codes will be used to identify receipts to this fund group: Minor revenue codes, Administrative Revenues (9210), Campus Center Revenues (9220), Food Service Revenues (9230), Recreational Revenues (9270), Student Stores Revenues (9280), Other

General Revenues (9590), and Other Inter-Transfers (9890), and all of major revenue codes Institutional Auxiliary Revenues (9300) and Independent Operation Revenues (9400). Also, whatever is applicable under major revenue code Other Revenues (9700), except Investment Income (9720) is excluded.

All disbursements will be identified by major purposes as defined in the Uniform Chart of Accounts. Generally, these disbursements will be identified by the detail purposes listed under the activities Student Auxiliaries (Health Services and Housing Services are excluded), Institutional Auxiliaries, and Independent Operations.

B. Institutional Student Auxiliary Enterprise Funds

"Institutional student auxiliary enterprise funds" means moneys received from or for the operation by an institution of the following self-supporting student auxiliary services: housing, food, health, and laundry. Housing includes all campus student dormitories, apartments, or other student living quarters owned and operated by the institution. Food includes institutional operations where the primary activity is cafeteria service for students but excludes snack bars, vending machines, and athletic concessions. Health includes dispensaries or infirmaries where the primary purpose is the providing of medical attention to students. Laundry includes those activities where personal services are involved primarily for washing, cleaning, dry cleaning, and ironing services for students.