Institutional Vending Facilities

1. Vending Facilities Definition. The term "vending facilities" includes both the following: (1) any mechanical or electronic device dispensing items or something of value or entertainment or services for a fee, regardless of the method of activation, and regardless of the means of payment, whether by coin, currency, tokens, or other means; and (2) a snack bar, cafeteria, restaurant, cafe, concession stand, vending stand, cart services, or other facilities at which food, drinks, novelties, newspapers, periodicals, confections, souvenirs, tobacco products or related items are regularly sold. [N.C.G.S. § 143-12.1(g), N.C.G.S. § 111-42(d)]

2. State Funds. The receipts from vending facilities operated by a constituent institution of the University of North Carolina are State funds. The payments received by a constituent institution of the University of North Carolina under which another party operates vending facilities and pays a sum to the State, whether computed as a percentage of gross or net receipts or gross or net profits, or as a fixed or variable fee, are State funds. [N.C.G.S. § 143-12.1(a)]

3. Deposits. Those receipts or payments deemed State funds pursuant to paragraph 2., above, shall be deposited as provided by law in the appropriate fund to be determined by the Office of State Budget and Management. [N.C.G.S. § 143-12.1(b)]

4. Authorized Uses. The following uses of net proceeds from the operations of vending facilities are authorized:
   a. Scholarships and other direct student financial aid programs;
   b. Debt service on self-liquidating facilities;
   c. Any of the following student activities if specifically authorized by the chancellor:
      i. Social and recreational activities for students residing in self-supporting University housing. However, expenditures for these purposes shall not exceed the amount of total net proceeds derived from vending facilities located in such housing facilities.
      ii. Special orientation programs for targeted groups of students (e.g., peer mentor programs).
      iii. Operating expenses of scholarships and other student awards and honors programs.
      iv. Supplementary student center operating support. However, expenditures for this purpose shall not exceed the total net proceeds derived from vending facilities located in such student center facilities.
   d. Specified use of net proceeds as a condition of certain gifts, grants, or bequests. (For example, Carolina Inn proceeds, as specified in the gift of the Inn to the University of North Carolina at Chapel Hill, are used, in part, to support the University libraries,
especially the North Carolina Collection.)

e. Retention to provide for working capital, replacement of facilities and equipment, and other purposes to support the continuing, orderly operation of the particular self-supporting service operation.

f. Transfers to other self-supporting student service operations and authorized capital improvements projects, upon the written recommendation of the chancellor and subject to the written, advance approval of the President. [N.C.G.S. § 116-36.4]

5. Account Applicability. Only those accounts defined, budgeted, and expended pursuant to N.C.G.S. § 116-36.1 (Institutional Trust Funds) are subject to the reporting requirements for vending facilities under N.C.G.S. § 116-36.4.

6. Definition of Net Proceeds. The term "net proceeds" for a covered vending facility means: total revenues less all appropriate expenditures for the operation and maintenance of the identified operation.

7. Reports. The President is authorized and directed to make such reports with respect to vending facilities as may be required under N.C.G.S. § 116-36.4.

8. Effective Date. These regulations shall be effective for the 1990-91 fiscal year and thereafter.