3.1 STATE FINANCIAL SUPPORT OF INSTITUTIONS

Last Revised: January 2011

Policy Statement: Piedmont Community College will receive and administer state funds appropriated by the State Board of Community Colleges in accordance with the North Carolina General Statutes.

Purpose/Definitions: This policy outlines the procedure for receiving and using state funds provided to the College.

Approval Authority/Monitoring Authority: The Piedmont Community College Board of Trustees has approval authority for this policy. This policy is monitored by the Vice President, Administrative Services.

Procedure: North Carolina General Statute § 115D-31 provides for state financial support of institutions as follows:

(a) The State Board of Community Colleges shall be responsible for providing, from sources available to the State Board, funds to meet the financial needs of institutions, as determined by policies and regulations of the State Board, for the following budget items:

1. Plant Fund: Furniture and equipment for administrative and instructional purposes, library books, and other items of capital outlay approved by the State Board. Provided, the State Board may, on an equal matching fund basis from appropriations made by the State for the purpose, grant funds to individual institutions for the purchase of land, construction and remodeling of institutional buildings determined by the State Board to be necessary for the instructional programs or administration of such institutions. For the purpose of determining amount of matching State funds, local funds shall include expenditures made prior to the enactment of this Chapter or prior to an institution becoming a community college pursuant to the provisions of this Chapter, when such expenditures were made for the purchase of land, construction, and remodeling of institutional buildings subsequently determined by the State Board to be necessary as herein specified, and provided such local expenditures have not previously been used as the basis for obtaining matching State funds under the provisions of this Chapter or any other laws of the State. Notwithstanding the provisions of this subdivision, G.S. 116-53(b), or G.S. 143C-4-5, appropriations by the State of North Carolina for capital or permanent improvements for community colleges may be matched with any prior expenditure of non State funds for capital construction or land acquisition not already used for matching purposes.

1. Current Operating Expenses:
   a. General administration: Salaries and other costs as determined by the State Board necessary to carry out the functions of general administration.
b. Instructional services: Salaries and other costs as determined by the State Board necessary to carry out the functions of instructional services.

c. Support services: Salaries and other costs as determined by the State Board necessary to carry out the functions of support services.

(b) The State Board is authorized to accept, receive, use, or reallocate to the institutions any federal funds or aids that have been or may be appropriated by the government of the United States for the encouragement and improvement of any phase of the programs of the institutions.

c) State funds appropriated to the State Board of Community Colleges for equipment and library books, except for funds appropriated to the Equipment Reserve Fund, shall revert to the General Fund 12 months after the close of the fiscal year for which they were appropriated. Encumbered balances outstanding at the end of each period shall be handled in accordance with existing State budget policies. The System Office shall identify to the Office of State Budget and Management the funds that revert at the end of the 12 months after the close of the fiscal year.

d) State funds appropriated to the State Board of Community Colleges for the Equipment Reserve Fund shall be allocated to institutions in accordance with the equipment allocation formula for the fiscal period. An institution to which these funds are allocated shall spend the funds only in accordance with an equipment acquisition plan developed by the institution and approved by the State Board. These funds shall not revert and shall remain available until expended in accordance with an approved plan.

e) If receipts for community college tuition and fees exceed the amount certified in General Fund Codes at the end of a fiscal year, the State Board of Community Colleges shall transfer the amount of receipts and fees above those budgeted to the Equipment Reserve Fund.

Legal Citation: N.C.G.S. § 115D-31

History: Effective January 1988; reviewed September 2010