



NORTH CAROLINA SCHOOL OF  
SCIENCE AND MATHEMATICS

Title	<b>CUSTODY AND MANAGEMENT OF INSTITUTIONAL TRUST FUNDS AND SPECIAL FUNDS</b>
Authority	<b>Chancellor</b>
History	Effective July 1, 2007
Legal Reference	<b>BOG 600.2.4</b> Custody and Management of Institutional Trust Funds and Special Funds of Individual Institutions; <b>BOG 600.2.4.1[R]</b> Regulations Relative to Trust Fund Legislation
Additional References	G.S. 116-36.1 to 116-36.2
Responsible Offices	Chancellor, Vice Chancellor for Finance and Operations
Classification	6300

1. POLICY

N.C.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. N.C.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. Legislation also included institutional student auxiliary enterprise funds; fees and payments rendered by medical, dental or other health care professionals under organized practice plans; and institutional forest and forest farmlands. This NCSSM policy implements UNC Board of Governors Policy 600.2.4, Custody and Management of Institutional Trust Funds and Special Funds of Individuals Institutions, and its accompanying regulations.

2. GENERAL REGULATIONS

- 2.1 General provisions include funds not to substitute for state appropriations, presumption that receipts belong to the General Fund unless shown otherwise, accounting system approved by State Controller, internal control procedures, preaudit of disbursements, and facsimile signature may be authorized by the Chancellor.
- 2.2 Nine specific types of institutional funds are identified, but these types of funds do not apply to NCSSM. NCSSM's federal funds follow the prescribed accounting system of the North Carolina Accounting System (NCAS) as approved by the State Controller rather than being classified as institutional trust funds.
- 2.3 Institutional trust fund authorities include: 1) gifts, devises and bequests, 2) federal contracts, grants and agreements, 3) non-federal contracts and grants, 4) student extracurricular activities, 5) institutional auxiliary enterprises and activities supporting scholarship funds and student activity programs, 6) fees for services of health care

professionals, 7) dispositions of real property, and 8) institutional forests and forest farmlands.

- 2.4 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
- 2.5 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 improvement projects.
- 2.6 Deposit to and disbursement from institutional trust fund accounts: Disbursement of such moneys shall be accomplished by warrant on the State Treasurer issued by the person designated in the Institutional Trust 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 funds.
- 2.7 Allocation of investment income is credited to an institution's Agency Fund by the State Treasurer may be used for institutional support purposes in such a manner as the President shall approve.
- 2.8 Financial reports on the Institutional Trust Funds shall be submitted by the chancellors to the State Budget Officer, the President and the local Board of Trustees of the institution. The frequency, form, and content of the reports shall be prescribed by the President, in accordance with the requirements of the Director of the Budget.
- 2.9 Fees for services of health care providers should be deposited in an official depository of the institution.
- 2.10 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.
- 2.11 Special Funds of individual institutions include: 1) moneys received from or for the operations by the institution of its program of intercollegiate athletics, and 2) moneys held by the institution as fiscal agent for individual students, faculty, staff members, and organizations.

### 3. PROCEDURES

- 3.1 NCSSM will follow the regulations of the BOG policy and UNC Chart of Accounts Memorandum No. 40 concerning Institutional Trust Funds and transactions of these funds. NCSSM will prepare the annual trust funds report for the year ended June 30, 2008 since NCSSM will join the UNC System as a constituent member on July 1, 2007.
- 3.2 NCSSM has a limited number of Trust Funds that have been approved in the past by the Office of State Budget and Management and the Office of the State Controller. NCSSM's trust funds include: Janson Royalties (RCC 6111) to receive royalty payments primarily from two mathematics textbooks, one of which is out of print; Student Deposits (RCC

6211) for refundable student damage deposits, and Alumni Reunion (RCC 6812) which as a flow through account to handle credit card payments for the alumni event normally has a zero balance, and Endowment Fund (6311) for potential gifts, devises and bequests to the Endowment Fund of the North Carolina School of Science and Mathematics.

- 3.3 All of NCSSM's federal grants are handled in the 26094 fund like the agencies of the State of North Carolina and NCSSM follows the North Carolina Accounting System (NCAS) under the control of the Office of the State Controller.
- 3.4 NCSSM has no Special Funds at this time.