

SUBCHAPTER 200. STATE FUNDS

1H SBCCC 200.1 Allocation of Funds

- (a) The State Board shall allocate State funds to colleges using one or more of the following methods:
- (1) Formula allocation: Allocations calculated using a formula of objective, verifiable factors.
 - (2) Competitive allocation: Allocations determined through a competitive process through which colleges apply for funds and the colleges' requests are evaluated and ranked based on identified criteria.
 - (3) Direct allocation: Funds allocated directly to a specific college when one of the following conditions apply:
 - (A) The General Assembly directs that funds shall be allocated to a specific college;
 - (B) The terms of a grant award require that grant funds be allocated to a specific college; or
 - (C) A college has programmatic ability unique among colleges and the desire to fulfill the objectives for which the funds allocated.
- (b) Notwithstanding subsection (a) of this rule, the State Board delegates to the President of the North Carolina Community College System the authority to approve allocations made pursuant to:
- (1) 1H SBCCC 200.1(a)(2) if the total amount of funds allocated under the competitive process does not exceed \$250,000;
 - (2) 1H SBCCC 200.1(a)(3)(A) and (B); or
 - (3) 1H SBCCC 200.1(a)(3)(C) if the total amount of funds allocated to the college does not exceed \$250,000.

The System Office shall provide at least biannually a report to the State Board listing any allocations approved by the President pursuant to this delegated authority.

- (c) At the time of allocation, the System Office shall notify colleges of the allocation period, which is the time period during which the college is authorized to expend the allocation. The System Office shall extend the allocation period if additional time is

needed for the college to complete the objectives for which the funds were allocated, funds remain available, and the extension of the allocation period is in the best interest of the NC Community College System as determined by the System President.

(d) The System Office may reduce a college's allocation under the following circumstances:

- (1) At the System Office's request, a college voluntarily forgoes an amount of its approved allocation because it is not able to fully expend the funds and other colleges have a need for those funds; or
- (2) A college fails to meet pre-determined programmatic or expenditure benchmarks that were communicated to the college when the State Board initially allocated funds and other colleges have a need for those funds; or
- (3) Revenue collections are not meeting budget projections and there is a projected cash shortfall of greater magnitude than one that can be covered through projected unexpended allocations.

(e) If a college's allocation is reduced as provided in subsection (d), the System Office shall reallocate those funds to other colleges that demonstrate need and an ability to utilize the funds if there is no projected cash shortfall.

History Note: Authority G.S. 115D-5;

Eff. [November 1, 2015](#).

Amended Eff. [September 1, 2019](#).

1H SBCCC 200.2 Withholding of State Funds or Administrative Support

(a) Institutions shall be operated in compliance with G.S. 115D and all rules in this Title. In order for an institution to continue receiving State financial and administrative support, the institution shall:

- (1) Maintain accreditation with the Southern Association of Colleges and Schools Commission on Colleges and acquire and maintain accreditation or licenses for each program offered which has an individual accreditation or licensure requirement in accordance with G.S. 115D-5(a) and 1B SBCCC 400.96.

- (2) Employ faculty, assign teaching and non-teaching loads, and provide technical assistance to faculty consistent with the criteria of the Southern Association of Colleges and Schools Commission on Colleges in accordance with 1C SBCCC 300.97; 1D SBCCC 200.93; and 400.93.
 - (3) Submit required data to the System Office on each of the performance measures and publish the ratings on each measure in accordance with G.S. 115D-31.3 and 1B SBCCC 400.98.
 - (4) Complete and submit to the System Office all reports in accordance with the North Carolina Community College System Annual Reporting Plan that the System Office communicates to the colleges.
 - (5) Manage institutional operations and resources consistent with law. An institution that receives four or more written findings in its final published financial statement audit conducted under G.S. 115D-58.16 for two consecutive audit cycles shall be in violation of this Rule.
 - (6) Report the intentional damage, theft, embezzlement, or misuse of any state-owned personal or real property by institutional officials or employees to the Director of the State Bureau of Investigation in accordance with G.S. 143B-920.
 - (7) Comply with 1C SBCCC 200.94.
 - (8) Comply with any request for information, documents, or any other request of the State Board.
- (b) In addition to the provisions of G.S. 115D-6, the State Board may withhold funds for the president's salary or terminate state financial and administrative support of any institution that fails to comply with any provision of Paragraph (a) of this Rule.

History Note: Authority G.S. 114-15.1; 115D-4.1; 115D-5; 115D-6; 115D-31.3; 115D-32; Eff. [November 1, 2015](#).

1H SBCCC 200.3 Disbursement of State Funds

State funds expended by the colleges shall be disbursed through a disbursing account that the State Treasurer has established for each college. The signature of college officials that are authorized by the college president to sign vouchers issued on State

funds shall be maintained on file with the State Treasurer and the State Board. The State Treasurer will furnish signature cards for this purpose.

History Note: Authority G.S. 115D-58.3;

Eff. [November 1, 2015](#).

1H SBCCC 200.4 Expenditure of State Funds

State funds shall be expended consistent with the purposes for which the State Board allocated the funds. In the event that a college expends State funds for an unauthorized purpose, the college shall reimburse the State for the amount from non-State funds.

History Note: Authority G.S. 115D-5;

Eff. [November 1, 2015](#).

1H SBCCC 200.5 Expenditure of State Funds: Travel and Allowances

State funds shall be expended for travel consistent with travel procedures prescribed by the Office of State Budget and Management in the State of North Carolina Budget Manual or a policy adopted by the college's board of trustees that is more restrictive than the procedures prescribed in the North Carolina Budget Manual.

History Note: Authority G.S. 115D-5; 115D-54;

Eff. [November 1, 2015](#).

1H SBCCC 200.6 Expenditure of State Funds: Accreditation Expenses & Dues

(a) Accreditation expenses relative to Southern Association of Colleges and Schools Commission on Colleges may be paid from State funds within the institution's current allotment. These expenses shall be limited to payment of travel, subsistence, lodging, and honorarium incurred by members of visiting committees, other bona fide representatives, and members of the staff of accrediting organizations. This Rule permits payment of only those expenses for which an institution is customarily invoiced by an accrediting organization following a visit.

- (b) The institution may pay from State funds the required annual dues of the Southern Association of Colleges and Schools Commission on Colleges, and such institutional association membership dues as the board of trustees deems to benefit the institution. Regarding membership dues in the Southern Association, this Rule applies to annual dues of correspondents and candidates for membership, as well as accredited members.
- (c) The institution may also pay from State funds the fees for accrediting individual programs offered by the institution if the college president determines that the accreditation provides value to graduates of the program.

History Note: Authority G.S. 115D 5; 115D 55;

Eff. [November 1, 2015](#).

1H SBCCC 200.7 Expenditure of State Funds: Campus Security

Colleges may use up to a specific amount of State funds designated by the State Board for campus security. Under this authority, colleges may:

- (1) Hire security or campus police personnel;
- (2) Contract for professional security services and other security-related services; and
- (3) Purchase surveillance cameras, call boxes, alert systems, and other equipment-related expenditures, excluding vehicles.

History Note: Authority G.S. 115D-5;

Eff. [November 1, 2015](#).

1H SBCCC 200.8 Expenditure of State Funds: Employee Recognition

Colleges may use State funds for purchases related to the recognition of employees for meritorious service through programs such as the one authorized by the State for State employees. In addition, State funds may be expended, not to exceed \$50, for the purchase of a plaque or for the printing and framing of a certificate to recognize employee service or performance. The expenditure of State funds for these purposes is subject to the availability of funds within the college.

History Note: Authority G.S. 115D-5;

Eff. [November 1, 2015](#).

1H SBCCC 200.9 Expenditure of State Funds Prohibited: Athletics

Colleges shall not use State funds to create, support, maintain, or operate an intercollegiate, club, or intramural athletics program. Athletic programs may only be supported by student activity fees or other non-State funding sources that are authorized for that purpose. Intercollegiate athletics programs shall be operated consistent with 1B SBCCC 600.99.

History Note: Authority G.S. 115D-5;

Eff. [November 1, 2015](#).

1H SBCCC 200.10 Expenditure of State Funds Prohibited: Promotional Giveaway Items and Other Gifts

Colleges shall not use State funds to purchase promotional giveaway items or other gifts for any reason, including promotional giveaway items purchased for college marketing and advertising. "Promotional giveaway items" are items given to an individual or entity for less than fair market value that do not serve an instructional or institutional purpose. Items that serve "an instructional or institutional purpose" are those used for classroom instruction and daily, routine operations of the college not associated with marketing, advertising, recruiting, or fundraising. See 1E SBCCC 700.7(a), 1H SBCCC 300.3(b)(1), and 1H SBCCC 300.4 for rules related to sources of institutional funds that may be used for giveaway items.

History Note: Authority G.S. 115D-5;

Eff. [November 1, 2015](#).

1H SBCCC 200.11 Expenditure of State Funds Prohibited: Purposes

Unless otherwise authorized by law, colleges may not use State funds for the budget items listed in G.S. 115D-32, since these items are the responsibility of the tax-levying authority as defined in G.S. 115D-2.

History Note: Authority G.S. 115D-5;

Eff. [November 1, 2015](#).

1H SBCCC 200.86 Withholding of State Funds or Administrative Support

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 114-15.1; 115D-4.1; 115D-5; 115D-6; 115D-31.3; 115D-32;

Eff. December 1, 2004;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.87 Operating Budget Requests: Distribution of Funds

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 115D-3; 115D-5; 115D-54; S.L. 1995, c. 625;

Eff. February 1, 1976;

Amended Eff. September 30, 1977;

Emergency Amendment Eff. July 1, 1978 for a period of 120 days to expire on October 29, 1978;

Emergency Amendment Made Permanent Eff. July 24, 1978;

Amended Eff. June 1, 1987; July 1, 1983;

Temporary Amendment Eff. August 25, 1988 for a period of 180 days to expire on February 20, 1989;

Amended Eff. September 1, 1993; April 1, 1989;

Temporary Amendment Eff. June 1, 1997;

Amended Eff. May 1, 2009; July 1, 1998;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.88 Distribution of Federal Vocational Education Funds

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 115C-154; 115C-158; 115D-5; 115D-31; P.L. 101-392;

Eff. February 1, 1976;

Amended Eff. September 1, 1993; August 17, 1981; January 6, 1978;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.89 Equipment Budget Requests: Distribution of Funds

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Filed as an Emergency Amendment Eff. July 1, 1978 for a period of 120 days to expire on October 29, 1978;

Authority G.S. 115D-5; 115D-55;

Eff. February 1, 1976;

Emergency Amendment Made Permanent Eff. July 24, 1978;

Amended Eff. September 1, 1993; July 1, 1984; August 1, 1983; July 1, 1981;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.90 Library Book Funding System and Budgetary Application

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Filed as an Emergency Amendment Eff. July 1, 1978 for a period of 120 days to expire on October 29, 1978;

Authority G.S. 115D-5; 115D-31;

Eff. February 1, 1976;

Emergency Amendment Made Permanent Eff. July 24, 1978;

Amended Eff. September 1, 1993; August 1, 1983; July 1, 1981;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.91 Appropriation Requests and Allocation Policy

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Filed as an Emergency Amendment Eff. July 1, 1978 for a Period of 120

Days to Expire on October 29, 1978;

Statutory Authority G.S. 115D-5; 115D-54;

Eff. February 1, 1976;

Amended Eff. January 6, 1978;

Emergency Amendment Made Permanent Eff. July 24, 1978;

Amended Eff. September 1, 1993; September 1, 1985; August 17, 1981;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.92 Disbursement of State Funds

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 115D-58.3;

Eff. February 1, 1976;

Amended Eff. September 1, 1993; December 1, 1984; August 17, 1981;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.93 Expenditure of State Funds: Accreditation Expenses & Dues

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 115D-5; 115D-55;

Eff. February 1, 1976;

Amended Eff. April 1, 2009; August 1, 1983; August 17, 1981; September 30, 1977;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.94 Expenditure of State Funds: Postage Machines

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 115D-5;

Eff. February 1, 1976;

Amended Eff. September 1, 1993; August 17, 1981;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.95 Expenditure of State Funds: Certificate Costs

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 115D-5; 115D-39;

Eff. February 1, 1976;

Amended Eff. November 1, 1983; August 17, 1981;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.96 Expenditure of State Funds: Special Funds

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 115D-5; 115D-54;

Eff. February 1, 1976;

Repealed Eff. [November 1, 2015](#).

1H SBCCC 200.97 Expenditure of State Funds: Travel and Allowances

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Filed as an Emergency Amendment Eff. September 13, 1978 for a period of 90 days to expire on December 12, 1978;

Authority G.S. 115D-5; 115D-54;

Eff. February 1, 1976;

Amended Eff. September 30, 1977;

Emergency Amendment Made Permanent with Change Eff. December 8, 1978;

Amended Eff. August 17, 1981; July 1, 1980;

Repealed Eff. [November 1, 2015.](#)

1H SBCCC 200.98 Maintenance of Plant Flexibility

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: *Authority G.S. 115D-5; S.L. 2009-451, s. 8.17(b);*

Emergency Adoption Eff. September 30, 2009;

Temporary Adoption Eff. December 29, 2009;

Eff. April 1, 2010;

Repealed Eff. [November 1, 2015.](#)

1H SBCCC 200.99 Expenditure of State Funds Prohibited: Intercollegiate Athletics

REPEALED by the State Board of Community Colleges, eff. 1 November 2015.

History Note: Authority G.S. 115D-5;

Eff. August 1, 2009;

Repealed Eff. [November 1, 2015.](#)