

## Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements

Charge	Authority / Use of Funds	Required Review / Approval of Rates	Required Reporting of Revenues or Rates	Types of Funds
Application Fees	N.C.G.S. 116-143 <sup>(1)</sup> UNC Policy 1000.1.1 <sup>(6)</sup>	Tuition & Fee Committee, Chancellor, ASU BOT, UNC BOG	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Institutional Trust Funds
General Fees – Athletics	N.C.G.S. 116-143 UNC Policy 1000.1.1	Tuition & Fee Committee, Chancellor, ASU BOT, UNC BOG	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Special Funds
General Fees – Educational and Technology	N.C.G.S. 116-143 UNC Policy 1000.1.1	Tuition & Fee Committee, Chancellor, ASU BOT, UNC BOG	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Institutional Trust Funds
General Fees – Health Services	N.C.G.S. 116-143 UNC Policy 1000.1.1	Tuition & Fee Committee, Chancellor, ASU BOT, UNC BOG	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Institutional Trust Funds
General Fees – Student Activities * Student Services/Recreation/Union, REI * Arts Engagement * Marching Band	N.C.G.S. 116-143 N.C.G.S. 116-193 <sup>(2)</sup> UNC Policy 1000.1.1	Tuition & Fee Committee, Chancellor, ASU BOT, UNC BOG	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Institutional Trust Funds
Debt Service Fees	N.C.G.S. 116-143 N.C.G.S. 116-193 UNC Policy 1000.1.1	Tuition & Fee Committee, Chancellor, ASU BOT, UNC BOG	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Institutional Trust Funds
Special Fees * Vet Tech Program Fee	N.C.G.S. 116-143 UNC Policy 1000.1.1	Tuition & Fee Committee, Chancellor, ASU BOT, UNC BOG	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Institutional Trust Funds

## Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements

Housing and Dining Rates (operations and debt)	N.C.G.S. 116-177 <sup>(3)</sup> N.C.G.S. 116-193 UNC Policy 1000.1.2 <sup>(7)</sup> Bond Covenant(s)	Chancellor; reported to ASU BOT as an informational item.	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Institutional Trust Funds
Miscellaneous Service Charges * Textbook Rental Fee * Transportation Fee	N.C.G.S. 116-143 UNC Policy 1000.1.2	Chancellor; reported to ASU BOT as an informational item.	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	General Fund; Institutional Trust Funds
Miscellaneous Service Charges * Student Account Charges * Miscellaneous Academic Charges * Student IDs	N.C.G.S. 116-143 UNC Policy 1000.1.2	Chancellor	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	General Fund; Institutional Trust Funds
Parking (operations and debt)	N.C.G.S. 116-44.4 <sup>(4)</sup>	Chancellor; reported to ASU BOT as an informational item.	Rates reported via NC Higher Education Database (NCHED); Revenues reported via UNC Finance Data Mart and internal reports	Institutional Trust Funds
Vending Facilities (operations and debt)	N.C.G.S. 116-36.4 <sup>(5)</sup> N.C.G.S. 116-193 UNC Policy 600.5.1 <sup>(8)</sup> and 600.5.1.1 <sup>(9)</sup>	(see above re: Dining Rates)	Annual vending report	Institutional Trust Funds

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

**(1) § 116-143. State-supported institutions of higher education required to charge tuition and fees.**

(a) The Board of Governors of The University of North Carolina shall fix the tuition and fees, not inconsistent with actions of the General Assembly, at the institutions of higher education enumerated in G.S. 116-4 in such amount or amounts as it may deem best, taking into consideration the nature of each institution and program of study and the cost of equipment and maintenance; and each institution shall charge and collect from each student, at the beginning of each semester or quarter, tuition, fees, and an amount sufficient to pay other expenses for the term.

(b) In the event that said students are unable to pay the cost of tuition and required academic fees as the same may become due, in cash, the said several boards of trustees are hereby authorized and empowered, in their discretion, to accept the obligation of the student or students together with such collateral or security as they may deem necessary and proper, it being the purpose of this Article that all students in State institutions of higher learning shall be required to pay tuition, and that free tuition is hereby abolished. Notwithstanding this section, neither the Board of Governors of The University of North Carolina nor its Board of Trustees shall impose any tuition or mandatory fee at the North Carolina School of Science and Mathematics without the approval of the General Assembly, except as provided in subsection (e) of this section.

(c) Inasmuch as the giving of tuition and fee waivers, or especially reduced rates, represent in effect a variety of scholarship awards, the said practice is hereby prohibited except when expressly authorized by statute.

(d) Notwithstanding the above provision relating to the abolition of free tuition, the Board of Governors of The University of North Carolina may, in its discretion, provide regulations under which personnel may during the period of normal employment enroll in The University of North Carolina free of charge for tuition and fees, provided such enrollment does not interfere with normal employment obligations and further provided that such enrollments are not counted for the purpose of receiving General Fund appropriations as follows:

- (1) Except as provided in subdivision (2) of this subsection, a full-time faculty member of the rank of full-time instructor or above and any full-time staff member of The University of North Carolina may enroll in not more than three courses per year.
- (2) A full-time or part-time campus law enforcement officer may enroll in the number of courses per year determined by regulation.

(e) The Board of Governors of The University of North Carolina may approve, upon the recommendation of the Board of Trustees of the North Carolina School of Science and Mathematics, the imposition of fees not inconsistent with actions of the General Assembly for distance education services provided by the North Carolina School of Science and Mathematics to nonresidents and for students participating in extracurricular enrichment programs sponsored by the School. (1933, c. 320, s. 1; 1939, cc. 178, 253; 1949, c. 586; 1961, c. 833, s. 16.1; 1963, c. 448, s. 27.1; 1965, c. 903; 1971, c. 845, ss. 6, 10; c. 1086, s. 2; c. 1244, s. 12; 1973, c. 116, s. 1; 1977, c. 605; 1981, c. 859, s. 41.4; 2006-66, ss. 9.11(i), 9.12; 2009-451, ss. 9.21, 9.22(a); 2011-145, s. 9.13(a); 2013-360, s. 11.7(b); 2014-100, s. 11.9(a); 2021-20, s. 1.)

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

**(2) § 116-193. Fixing fees, rents and charges; sinking fund.**

For the purpose of aiding in the acquisition, construction or provision of any project and the maintenance, repair and operation of any project or any existing facilities, the Board is authorized to fix, revise from time to time, charge and collect from students enrolled at the institution under its jurisdiction such student fee or fees for such privileges and services and in such amount or amounts as the Board shall determine, and to fix, revise from time to time, charge and collect other fees, rents and charges for the use of and for the services furnished or to be furnished by any project or projects and any existing facilities, or any portion thereof, and admission fees for athletic games and other public events, and to contract with any person, partnership, association or corporation for the lease, use, occupancy or operation of, or for concessions in, any project or projects and any existing facilities, or any part thereof, and to fix the terms, conditions, fees, rents and charges for any such lease, use, occupancy, operation or concession. So long as bonds issued hereunder and payable therefrom are outstanding, such fees, rents and charges shall be so fixed and adjusted, with relation to other revenues available therefor, as to provide funds pursuant to the requirements of the resolution or trust agreement authorizing or securing such bonds at least sufficient with such other revenues, if any, (i) to pay the cost of maintaining, repairing and operating any project or projects and any existing facilities any part of the revenues of which are pledged to the payment of the bonds issued for such project or projects, (ii) to pay the principal of and the interest on such bonds as the same shall become due and payable, and (iii) to create and maintain reserves for such purposes. Such fees, rents and charges shall not be subject to supervision or regulation by any other commission, board, bureau or agency of the State. A sufficient amount of the revenues, except such part thereof as may be necessary to pay such cost of maintenance, repair and operation and to provide such reserves therefor and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of such bonds or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or such trust agreement in a sinking fund which is hereby pledged to, and charged with, the payment of the principal of and the interest on such bonds as the same shall become due and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made, the fees, rents and charges and other revenues or other moneys so pledged and thereafter received by the Board shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the Board. The use and disposition of moneys to the credit of such sinking fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of the trust agreement securing the same. (1963, c. 847, s. 7.)

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

**(3) § 116-177. Revenues for payment of bonds; rules for use of facilities.**

So long as any bonds issued under this Article shall be outstanding the Board shall fix, and may revise from time to time, rentals for the facilities to be furnished by any project financed under this Article or for the right to use any such facilities or to receive any such services. Such rentals shall be fixed and revised so that the revenues received by the Board from any project or projects, together with any other available funds, will be sufficient at all times

- (1) To pay the cost of maintaining, repairing and operating such project or projects, including reserves for such purposes, and
- (2) To pay when added to increased rentals from existing facilities the principal of and the interest on the bonds for the payment of which such revenues are pledged and to provide reserves therefor.

The Board shall increase the rentals for the facilities furnished by any existing dormitories at any institution to provide, to the extent necessary, additional funds to liquidate in full any revenue bonds issued under this Article.

The Board is further authorized to make and enforce and to contract to make and enforce parietal rules that shall insure the maximum use of any project or existing facilities. (1957, c. 1131, s. 3.)

**(4) § 116-44.4. Regulation of traffic and parking and registration of motor vehicles.**

(a) Except as otherwise provided in this Part, all of the provisions of Chapter 20 of the General Statutes relating to the use of highways of the State and the operation of motor vehicles thereon are applicable to all streets, alleys, driveways, parking lots, and parking structures on University property. Nothing in this section modifies any rights of ownership or control of University property, now or hereafter vested in the Board of Governors of the University of North Carolina or the State of North Carolina.

(b) Each board of trustees may by ordinance prohibit, regulate, divert, control, and limit pedestrian or vehicular traffic and the parking of motor vehicles and other modes of conveyance on the campus. In fixing speed limits, the board of trustees is not subject to G.S. 20-141(f1) or (g2), but may fix any speed limit reasonable and safe under the circumstances as conclusively determined by the board of trustees. The board of trustees may not regulate traffic on streets open to the public as of right, except as specifically provided in this Part.

(c) Each board of trustees may by ordinance provide for the registration of motor vehicles maintained or operated on the campus by any student, faculty member, or employee of the University, and may fix fees for such registration. The ordinance may make it unlawful for any person to operate an unregistered motor vehicle on the campus when the vehicle is required by the ordinance to be registered.

(d) Each board of trustees may by ordinance set aside parking lots and other parking facilities on the campus for use by students, faculty, and employees of the University and members of the general public attending schools, conferences, or meetings at the University, visiting or making use of any University facilities, or attending to official business with the University. The board of trustees may issue permits to park in these lots and garages and may charge a fee therefor. The board of trustees may also by ordinance make it unlawful for any person to park a motor vehicle in any lot or other parking facility without procuring the requisite permit and displaying it on the vehicle. No permit to park shall be issued until the student requesting the permit provides the name of the insurer, the policy number under which the student has financial responsibility, and the student certifies that the motor vehicle is insured at the levels set in G.S. 20-279.1(11) or higher. This subsection applies to

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

motor vehicles that are registered in other states as well as motor vehicles that are registered in this State pursuant to Chapter 20 of the General Statutes.

(e) Each board of trustees may by ordinance set aside spaces in designated parking areas or facilities in which motor vehicles may be parked for specified periods of time. To regulate parking in such spaces, the board of trustees may install a system of parking meters and make it unlawful for any person to park a motor vehicle in a metered space without activating the meter for the entire time that the vehicle is parked, up to the maximum length of time allowed for that space. The meters may be activated by coins of the United States. The board of trustees may also install automatic gates, employ attendants, and use any other device or procedure to control access to and collect the fees for using its parking areas and facilities.

(f) The board of trustees may by ordinance provide for the issuance of stickers, decals, permits, or other indicia representing the registration status of vehicles or the eligibility of vehicles to park on the campus and may by ordinance prohibit the forgery, counterfeiting, unauthorized transfer, or unauthorized use of them.

(g) Violation of an ordinance adopted under any portion of this Part is an infraction as defined in G.S. 14-3.1 and is punishable by a penalty of not more than fifty dollars (\$50.00). An ordinance may provide that certain prohibited acts shall not be infractions and in such cases the provisions of subsection (h) may be used to enforce the ordinance.

(h) An ordinance adopted under any portion of this Part may provide that violation subjects the offender to a civil penalty. Penalties may be graduated according to the seriousness of the offense or the number of prior offenses by the person charged. Each board of trustees may establish procedures for the collection of these penalties and they may be enforced by civil action in the nature of debt. The board of trustees may also provide for appropriate administrative sanctions if an offender does not pay a validly due penalty or upon repeated offenses. Appropriate administrative sanctions include, but are not limited to, revocation of parking permits, termination of vehicle registration, and termination or suspension of enrollment in or employment by the University.

(i) An ordinance adopted under any portion of this Part may provide that any vehicle illegally parked may be removed to a storage area. Regardless of whether a constituent institution does its own removal and disposal of motor vehicles or contracts with another person to do so, the institution shall provide a hearing procedure for the owner. For purposes of this subsection, the definitions in G.S. 20-219.9 apply.

- (1) If the institution operates in such a way that the person who tows the vehicle is responsible for collecting towing fees, all provisions of Article 7A, Chapter 20, apply.
- (2) If the institution operates in such a way that it is responsible for collecting towing fees, it shall:
  - a. Provide by contract or ordinance for a schedule of reasonable towing fees,
  - b. Provide a procedure for a prompt fair hearing to contest the towing,
  - c. Provide for an appeal to district court from that hearing,
  - d. Authorize release of the vehicle at any time after towing by the posting of a bond or paying of the fees due, and
  - e. If the institution chooses to enforce its authority by sale of the vehicle, provide a sale procedure similar to that provided in G.S. 44A-4, 44A-5, and 44A-6, except that no hearing in addition to the probable cause hearing is required. If no one

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

purchases the vehicle at the sale and if the value of the vehicle is less than the amount of the lien, the institution may destroy it.

(j) Evidence that a motor vehicle was found parked or unattended in violation of an ordinance of the board of trustees is prima facie evidence that the vehicle was parked by:

- (1) The person holding a University parking permit for the vehicle, or
- (2) If no University parking permit has been issued for the vehicle, the person in whose name the vehicle is registered with the University pursuant to subsection (c), or
- (3) If no University parking permit has been issued for the vehicle and the vehicle is not registered with the University, the person in whose name it is registered with the North Carolina Division of Motor Vehicles or the corresponding agency of another state or nation.

The rule of evidence established by this subsection applies only in civil, criminal, or administrative actions or proceedings concerning violations of ordinances of the board of trustees. G.S. 20-162.1 does not apply to such actions or proceedings.

(k) Each board of trustees shall cause to be posted appropriate notice to the public of applicable traffic and parking restrictions.

(l) All ordinances adopted under this Part shall be recorded in the minutes of the board of trustees and copies thereof shall be filed in the offices of the President of the University of North Carolina and the Secretary of State. Each board of trustees shall provide for printing and distributing copies of its traffic and parking ordinances.

(m) All moneys received pursuant to this Part, except for the clear proceeds of all civil penalties collected pursuant to subsection (h) of this section, shall be placed in a trust account in each constituent institution, are appropriated, and may be used for any of the following purposes:

- (1) To defray the cost of administering and enforcing ordinances adopted under this Part;
- (2) To develop, maintain, and supervise parking areas and facilities;
- (3) To provide bus service or other transportation systems and facilities, including payments to any public or private transportation system serving University students, faculty, or employees;
- (4) As a pledge to secure revenue bonds for parking facilities issued under Article 21 of this Chapter;
- (5) Other purposes related to parking, traffic, and transportation on the campus.

The clear proceeds of all civil penalties collected pursuant to subsection (h) of this section shall be remitted to the Civil Penalty and Forfeiture Fund in accordance with G.S. 115C-457.2. (1973, c. 495, s. 1; 1975, c. 716, s. 5; 1981 (Reg. Sess., 1982), c. 1239, s. 3; 1983, c. 420, s. 5; 1985, c. 764, s. 36; 2001-336, s. 1; 2005-276, s. 6.37(r); 2006-203, s. 51.)

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

(5) [§ 116-36.4. Vending facilities.](#)

Each institution shall provide to the director of the Budget and the State Auditor such information as they may from time to time require concerning the use of net proceeds from operations of vending facilities for the previous fiscal year under G.S. 116-36.1. Net proceeds are appropriated and may be used only as authorized by the Board of Governors, but this section does not authorize expenditures for purposes not otherwise authorized by law. (1983 (Reg. Sess., 1984), c. 1034, s. 172; 1987, c. 738, s. 233(b); 1993, c. 406, s. 1; 1995, c. 507, s. 15.7; 2006-203, s. 46.1.)

(6) [UNC Policy 1000.1.1](#)

*The General Assembly shall provide that the benefits of The University of North Carolina and other public institutions of higher education, as far as practicable, be extended to the people of the State free of expense. –North Carolina Constitution, Article IX, Section 9*

I. Purpose. The North Carolina Constitution sets the parameters for establishing resident tuition rates at the constituent institutions of the University of North Carolina (UNC). The constitutional provisions for setting tuition are codified in North Carolina General Statutes (hereinafter G.S.) 116-11(7), which states, in part, "The Board [of Governors] shall set tuition and required fees at the institutions, not inconsistent with actions of the General Assembly." This statute governed the setting of tuition rates for both resident and nonresident students from 1971 through 1999, during which time the Board of Governors recommended no tuition increases except as required by session law. In November 1998, the Board adopted a tuition policy, as directed by the General Assembly, which allowed for the consideration of tuition increases as requested by the constituent institutions. These funds are subsequently appropriated by the General Assembly for use by the institution. This policy outlines the framework to be followed by the Board in establishing tuition levels for constituent institutions.<sup>[2]</sup> Tuition is charged to students enrolled in academic programs during regular terms, summer sessions, or through off-campus instruction, and is used to partially defray the costs of general academic and administrative operations of campuses, including academic programs and faculty and administrative salaries and benefits.

II. General Policy

A. Undergraduate Tuition. The appropriate tuition policy at the undergraduate level encourages students to pursue academic and intellectual interests without regard to program costs. Accordingly, no difference in tuition between undergraduate programs will occur within an institution, and there will be only minimal differences in undergraduate tuition among campuses in similar institutional categories as defined by the Board to reflect both varying missions and contrasting costs of education, or at the direction of the General Assembly, such as the NC Promise program. Deviation in undergraduate tuition among campuses in different institutional categories will be based upon institutional offerings and will be reasonable. Combined tuition and fee rates for undergraduate residents shall be in the bottom quartile of each respective institution's Board-approved public peers.



## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

B. Graduate and Professional Tuition. The Board will apply Article IX, Section 9 of the North Carolina Constitution to graduate- and professional-level students but with the realization that the costs, sources of funds, and purposes of graduate and professional education are materially different from undergraduate education. The application of what is “practicable” varies by level of instruction for a number of reasons, and those differences will be reflected in the tuition policies associated with each level. Tuition for graduate and professional students will be set with an understanding that tuition revenues may be needed to maintain and increase the excellence of the University’s graduate and professional programs. In setting tuition rates, the Board will consider the need to provide access to these programs for students irrespective of their financial capacity as well as the desire to attract and retain the best students to serve North Carolina’s needs in each field.

C. Nonresident Tuition

1. Under G.S. 116-144, the Board of Governors is required to set tuition rates for nonresident students at levels “. . . higher than the rates charged residents of North Carolina and comparable to the rates charged nonresident students by comparable public institutions nationwide. . . .” In complying with the statute, the Board will set tuition for nonresident students after considering the results of a review of rates set by comparable public institutions nationwide. Each constituent institution should set a goal to keep its combined undergraduate nonresident tuition and fee rates at or above the third quartile of its respective Board-approved public peers. Nonresident tuition rates should be market driven and cover the full cost of providing a quality education. The Board will further consider the need for tuition remissions for nonresident graduate students when setting tuition rates and tuition remission policies.

2. Constituent institutions are authorized to award tuition remission to certain nonresident graduate students to reduce the tuition rate for these students to the in-state rate. This tuition remission may be given to nonresident graduate students who are awarded a graduate teaching or research assistantship and who are paid a stipend of at least \$2,000 per academic year. Individual institutions may also establish higher minimum stipend amounts or additional policies relating to eligibility for tuition remission. The following conditions apply:

- a. Each institution shall limit the granting of tuition remissions to conform with established budgetary limitations.
- b. Each institution may supplement this appropriation from other non-state sources.
- c. Institutions may not provide tuition remissions to all graduate students.

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

d. The president shall adopt administrative procedures and regulations for the implementation of the tuition remission.

D. Tuition Rates for Part-time Students. Effective with the fall term of 2021, part-time resident students and part-time nonresident students taking courses within North Carolina are charged the regular-term tuition rates established by the Board and the tuition rates for these students are implemented on a per-credit-hour basis to be calculated as follows:

1. Part-time undergraduate students shall be charged tuition per credit hour, at a rate equal to the annual undergraduate tuition rate at their institution divided by 24. The per-credit rate shall be capped at 12 credits per semester for fall and spring semesters, meaning undergraduate students shall not be charged for additional credits beyond 12 in a fall or spring semester.

2. Part-time graduate students shall be charged tuition per credit hour, at a rate equal to the annual graduate tuition rate divided by 18. The per-credit rate shall be capped at nine credits for fall and spring semesters, meaning graduate students shall not be charged for additional credits beyond nine per semester in a fall or spring semester.

E. Other Tuition Rates

1. The authority to set tuition rates for nonresident students taking courses outside North Carolina and to approve tuition rates for self-supported summer enrollment is delegated to the president. The president may also grant exceptions to the method by which the tuition rate is implemented on a per-credit-hour basis, provided that the relevant course or program is receipt-supported.

2. Student Exchange Programs. The constituent institutions are authorized to enter into and extend or modify agreements with institutions in other countries to provide for a balanced exchange of students. A UNC student participating in such an exchange shall be charged tuition by the home UNC institution at a rate consistent with the residency status the student would otherwise have at the home institution and shall be counted in the official FTE of the home institution in that residency status. A foreign student participating in such an exchange agreement shall not be charged tuition by the host UNC institution and shall not be counted in the official FTE of the host UNC institution.

3. Project Kitty Hawk Programs. At the request of Project Kitty Hawk, Inc., on an annual basis the Board of Governors shall establish a maximum per-credit tuition rate for self-supported digital learning programs offered through a partnership with Project Kitty Hawk ("Maximum Tuition Rate"). In consultation with the participating constituent institutions and upon approval of the president, the Project Kitty Hawk, Inc., Board of Directors shall approve tuition rates for Project Kitty Hawk programs, provided

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

the rates do not exceed the Maximum Tuition Rate.<sup>31</sup> Project Kitty Hawk programs may request approval from the Board of Governors to exceed the Maximum Tuition Rate where the Project Kitty Hawk, Inc., Board of Directors and the president find that it is in the best interest of the program to do so. Notwithstanding, tuition rates established for nonresident students shall exceed the resident tuition rate charged for the applicable Project Kitty Hawk program.

### **III. Process for Setting Tuition Rates**

A. Undergraduate Rates. The Board recognizes that campuses may experience circumstances that suggest an across-the-board change in undergraduate tuition may be needed at one or more institutions. In the event that circumstances lead a campus or campuses to the conclusion that a change in undergraduate tuition rates is needed, campuses are permitted to bring proposals for undergraduate tuition changes to the Board for its consideration. Campuses wishing to submit requests for undergraduate tuition changes will conduct a process that includes meaningful participation by and input from students. A student involvement form signed by the student body president, or designee, should be included with any campus-initiated tuition increase request. A campus will consider the following factors when creating an undergraduate tuition proposal:

1. Availability of state general fund revenue to maintain quality and access within the campuses of the University of North Carolina System;
2. Evidence of institutional efforts to manage costs through increases in productivity, budget flexibility, and/or efficiency improvements;
3. Analysis of the impact of tuition and fee charges on student access to the constituent institutions of the University of North Carolina System as measured by the college-going rate and other metrics so as not to limit access to the University;
4. Changes in various price and income indices (e.g., North Carolina per capita personal income, Consumer Price Index, Higher Education Price Index, Median Household Income);
5. The current level of student charges (tuition, fees, room and board) at UNC System institutions and whether campuses have proposed campus or program tuition differentials for the budget period that would be in addition to general increases in tuition;
6. Analysis of student indebtedness levels within the University, viewed in the context of student attrition rates;

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

7. Availability of financial aid and amount of unmet need. Financial aid should be reviewed in the context of the different missions of the institutions, the diverse capacities of the institutions to provide financial assistance and the contrasting needs of students attending the institutions.

B. Graduate and Professional Tuition Rates. The Board of Governors will permit individual campuses to initiate requests for Board approval of different base or program tuition rates at the graduate and professional level. If a campus explores the possibility of developing such a request, it will present evidence to ensure that students in the affected graduate and/or professional programs have been consulted. Graduate and professional schools should establish rates consistent with each program's unique market and academic requirements. Tuition for graduate and professional students will be set with an emphasis on maintaining and increasing the excellence of the institution's graduate and professional programs as well as ensuring access. To the extent possible, there should be full tuition remission for graduate assistants to improve an institution's competitiveness in recruiting and retaining highly qualified nonresident graduate students.

In reviewing potential criteria to recommend as a basis for deciding when specific graduate or professional tuition differentials may be appropriate at a particular institution, a flexible policy framework that allows judgments to be reached based on a number of factors is preferable either to cost-based formulas or to discipline or program typologies that treat all academic or professional programs the same. In particular, a flexible approach based on the unique factors associated with specific programs is desirable because of the potential mix of graduate and professional programs that one may find within any given school or college, e.g., a professional school may offer a Ph.D. program in addition to one or more professional degree programs. Therefore, the campuses will consider the following factors in developing graduate and professional school tuition proposals:

1. The anticipated impact of a proposed change on program quality;
2. The projected impact of a proposed change in tuition on access for North Carolina residents;
3. The availability of student financial aid for students with economic need and of tuition remission;
4. The extent to which current and prospective students can afford possible increases in tuition;
5. The relationship of projected tuition revenue to institutional and/or program costs;

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

6. Tuition and fees, net of remissions and waivers, charged by peer institutions or programs, as compared to tuition and fees, net of remissions, at the UNC institution or program (the public subsidy received by students at public institutions or programs in the peer set, including the UNC institution or program in question, will also be identified as part of the comparison);
7. A plan for the intended use of additional tuition receipts (e.g., needed improvements to the educational program, funding for competitive salary increases, financial aid, etc.);
8. Assistantships or grant support for graduate students; and
9. Analysis of student indebtedness levels within the University.

C. **Timing of Board Action.** The Board will act by March of each year, or as soon as possible thereafter, to establish the University's campus-initiated tuition rates for the next academic year. Setting campus-initiated tuition rates by March will permit students and their families to know in early spring what their tuition charges for the fall semester will be, assuming consistency between the actions of the Board of Governors and the General Assembly.

D. **Individual Consideration of a Campus Request.** The Board will review each campus-based tuition request on an individual basis, within the context of the UNC System's strategic plan, the need for tuition increases, the state's economic environment, and the financial impact on students. The Board is obligated to exercise its discretion in granting, modifying, or denying a campus request. Revenue generated from a campus-initiated change in tuition rates will be accounted for in the budget of the originating campus and transferred within the institution by the chancellor in accordance with the priorities identified in the approved campus proposal.

E. In the event that circumstances require that an increase in tuition be made outside of the process described above, the president may recommend proposed increases in general tuition rates for consideration by the Board. The president will seek counsel from the chancellors and a committee of campus representatives, appointed by the president in consultation with the chancellors, before making the recommendations for tuition changes. The committee of campus representatives appointed by the president shall include students.

The president, the chancellors, and the committee of campus representatives will consider a number of factors in deciding whether to recommend changes to general tuition rates in any given year. After the president recommends any action to the Board of Governors, the Board will also consider the factors in sections III.A and III.B., above.

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

### **IV. NC Promise Tuition Plan**

A. Pursuant to G.S. 116-143.11, beginning with the 2018 fall academic semester, the Board of Governors shall set the rate of in-state undergraduate tuition at Elizabeth City State University, the University of North Carolina at Pembroke, and Western Carolina University at \$500 per academic semester, and the tuition rate for nonresident undergraduate students at \$2,500 per academic semester. The Board of Governors shall give due consideration to maintaining the unique historical character of each institution, including service to students who are first generation, college-going, economically disadvantaged, or minority.

B. By October 1 of each year, the Board of Governors and the chancellors of the institutions named in this subsection, respectively, shall submit a report to the Joint Legislative Education Oversight Committee, the House Appropriations Committee on Education, the Senate Appropriations Committee on Education/Higher Education, and the Fiscal Research Division on the amount of any financial obligation resulting from the established tuition rate incurred at each constituent institution and at least the following information for the fiscal year:

1. The amount required to offset the forgone tuition receipts at each of the three constituent institutions as a result of the tuition rate established by this section and how those funds were allocated to each institution.
2. The number of enrolled resident students at each institution.
3. The number of enrolled nonresident students at each institution.

### **V. Fixed Tuition**

A. Fixed Tuition Program. Pursuant to G.S. 116-143.9, the Board of Governors of the University of North Carolina shall ensure that policies and procedures are established for a fixed tuition program beginning with the fall 2016 academic year and all subsequent years. The rate of tuition of any eligible first year, continuing or transfer undergraduate student who is admitted to any constituent institution of the University of North Carolina and deemed to be a North Carolina resident for purposes of tuition shall be guaranteed for a designated time period based on program length and classification. The tuition period shall be eight consecutive academic semesters for a first-time student seeking a baccalaureate degree in a four-year program or 10 consecutive academic semesters for a first-time student seeking a baccalaureate degree in a program officially designated by the Board of Governors as a five-year program, not including any summer sessions. Transfer students shall receive fixed tuition for a period determined based on the balance of a designated program length after making the proper adjustments for a student who transfers to the constituent institution. Current undergraduates shall receive fixed tuition for a period determined based on the balance of their designated program length after making the proper adjustments for

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

semesters already completed. The calculation to determine the balance of a designated program length will be determined by the UNC System Office.

B. **Guarantee Rate of Tuition.** The fixed tuition program is a guarantee that the rate of tuition approved by the Board of Governors will remain constant or decrease during the tuition period. Students must remain continuously enrolled at the constituent institution during the designated time period to receive this benefit. At the end of the tuition period, the cost of tuition for any additional academic semesters reverts to the amount of the current tuition for that constituent institution.

C. **Students Subject to Fixed Tuition.** Fixed tuition will be for all eligible students deemed to be a North Carolina resident for tuition purposes for the following three categories of degree-seeking undergraduates in four or five-year baccalaureate degree programs.

1. Baccalaureate degree-seeking students entering into an undergraduate four or five-year degree program as a first-time student.
2. New degree-seeking transfer students entering into an undergraduate four or five-year degree program.
3. Currently enrolled resident continuing students who are enrolled in an undergraduate four or five-year degree program.

Any program authorized by the Board of Governors to require 135 semester credit hours or more shall be officially designated as a five-year baccalaureate program. Fixed tuition applies to students enrolled in distance education and traditional on-campus programs.

D. **Fixed Tuition Time Period.** First-time degree-seeking students are eligible for fixed tuition for a maximum of eight consecutive semesters for a four-year program and 10 consecutive semesters for a five-year program as long as they are continuously enrolled. Continuous enrollment is defined as a student being consecutively enrolled at the same higher education institution in fall and spring semesters in courses creditable toward a baccalaureate degree. A break in continuous enrollment occurs when a student is not enrolled in consecutive semesters at the same constituent institution. Summer terms are not considered part of the fixed tuition time period.

E. **Transfer and Currently Enrolled Students.** New transfers and currently enrolled continuing students shall receive fixed tuition for a prorated time period calculated based on the number of enrolled semesters accumulated at the transferring or home institution(s).

F. **Break in Enrollment.** Once a student breaks continuous enrollment at a UNC constituent institution he/she is no longer eligible for the current rate of fixed tuition at the home institution. If the student transfers to another UNC institution they will be treated as a

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

new transfer student, as described above, and will be eligible for fixed tuition at that institution's current rate for the remaining balance of his or her fixed tuition eligibility period.

G. **Withdrawal from Home Institution.** Students who withdraw from all classes at their home institution before the date of census, will have broken continuous enrollment and will no longer be eligible for fixed tuition at the current rate at their home institution. Students who withdraw from their home institution after the date of census and then subsequently enroll at the same institution in the next semester will not have broken continuous enrollment and will receive the benefit of fixed tuition at the rate they paid in the prior semester of enrollment.

H. **Exhaustion of Eligibility Period.** Tuition will convert to the amount of the current tuition for that constituent institution for students who exhaust their eligibility period, are not continuously enrolled, or become ineligible as designated in section I., below. Upon application by a student, the reversion to current tuition may be waived if the student demonstrates that any of the following have substantially disrupted or interrupted their continuous enrollment: (1) a military service obligation, (2) serious medical debilitation, (3) short-term or long-term disability, or (4) other extraordinary hardship.

I. **Students Exempt from Fixed Tuition.** The fixed tuition shall not be implemented for the following students: continuing education, cooperative innovative high school/early college students while enrolled in high school, consortium, dual-enrollment program, second degree seeking, transient, nonresident students, non-degree seeking and graduate and professional students.

J. **Nonresident Students.** Students who are originally classified as nonresident for tuition purposes and subsequently are reclassified as a resident for tuition purposes will be eligible for fixed tuition at the institution's current rate for the balance of his or her remaining eligibility period.

K. **Fixed Tuition for Part-Time Students.** Campuses shall establish fixed tuition rates for part-time enrollment for students eligible for fixed tuition pursuant to this policy.

L. **Cost of Attendance Calculation.** Financial aid offices shall establish cost of attendance budgets that are realistic and reasonable.

### VI. Other Matters

A. **Effective Date.** The requirements of this policy shall be effective on the date of adoption by the Board of Governors.



## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

- B. Relation to State Laws. The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.
- C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

### **(7) [UNC Policy 1000.1.2](#)**

- I. Purpose. The Board of Governors is responsible for establishing fees at the constituent institutions<sup>[2]</sup> of the UNC System consistent with the philosophy set forth in the North Carolina constitution.
- II. General Policy. Fees will be charged only for limited, dedicated purposes and shall not be used to defray the costs of general academic and administrative operations of campuses, including academic programs and faculty and administrative salaries and benefits. The Board will make every effort to keep fees for students as low as possible while providing the revenues needed to support the purposes for which the fees are charged. The 2016 General Assembly enacted a special provision (G.S. 116-143.10) that caps mandatory student fee increases (including debt service fees) to three percent per year.

Each year, the Board establishes the fees listed below. All fees established shall be based upon the recommendation of the chancellor, the institutional board of trustees, and following his or her review, the president. Excluding the application fee charged to prospective students, all fees set by the Board are annual fees. Once an annual fee has been established, semester rates and summer school fees shall be established by the president and part-time rates shall be reported to the president. It is the policy of the Board to act no later than March of each year to establish fees for the following fall semester.

Although the General Assembly provides for most of the instructional costs of institutions through state appropriations, institutions traditionally rely entirely on student fees to finance a number of activities, services, and facilities. Institutional boards of trustees are required to weigh the benefits of the activity, facility, or service against the fee required to provide financial support. Orientation sessions for the boards of trustees will regularly include discussions of the process followed when establishing student fees.

- A. Application Fee. An application fee shall be established for each institution. Specific programs within an institution may require an application fee different from the fee charged for most students and the Board may set different fees according to program needs.

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

B. General Fees. Fees generally applicable to all students shall be established by the Board of Governors. Six general fees are authorized: athletics, association of student government, health services, student activities, educational and technology, and campus security.

C. Fees Related to the Retirement of Debt Incurred for Capital Projects. Fees generally applicable to all students that provide revenues for the retirement of debt shall be fixed by the Board of Governors at the time of the borrowing. Indebtedness fees may not include components for operations and maintenance but shall reflect the cost of servicing the debt at the coverage levels required in Board resolutions and other documents authorizing the debt. Any subsequent changes in fees require Board approval. Indebtedness fees expire when the related debt is retired unless otherwise authorized by the Board of Governors.

D. Special Fees. Fees applicable only to students engaged in particular activities or courses of study shall be established by the Board of Governors when needed. These fees will not be used to provide general academic revenues that are provided from campus-initiated tuition increases.

III. Process for Establishing Fees. The process shall be initiated at the beginning of the fall semester and contain the following steps:

A. Instructions Issued. The senior vice president for finance and administration shall issue instructions to the chancellors calling for them to initiate a review of fees.

B. Fee Committee Review and Recommendations. Campuses wishing to submit requests for fee changes will conduct a process that includes meaningful participation by and input from students. A student involvement form signed by the student body president, or designee, should be included with any fee increase request. Each chancellor shall establish a fee review committee with representatives of all aspects of campus life, including, but not limited to, representatives from business affairs, student affairs, the financial aid office, and the student body. The committee shall conduct a complete review of student fees from a zero-based budgeting perspective and shall make recommendations to the chancellor for establishing fees effective with the upcoming fall semester. The review will include an examination of alternative resources, including available institutional reserves, to determine if other funding is available to provide the services in lieu of establishing the fee. The review will include a reassessment of the existing operating methods to ensure that operations are performed in a cost-effective manner. If the committee determines that an increase in a fee is needed, the committee shall attempt

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

to decrease another fee so that the total cost of education for students does not increase. In order to ensure that all students are able to meet the increased cost of education, the university's financial aid officer, working with the committee, shall determine that sufficient financial aid is available, from whatever sources are possible.

C. Chancellor Recommendations. The chancellor shall review the recommendations of the committee and present recommendations to the board of trustees for review and approval. Before a chancellor makes recommendations to the board of trustees, the recommendations of the fee review committee will be shared with student government leaders so that students may inform the chancellor of their perspectives on the proposed changes.

D. Board of Trustee Recommendations. The recommendations, as approved by board of trustees, will be forwarded to the president for review.

E. President Recommendations. When the review is completed, the president will present fee recommendations to the Committee on Budget and Finance for consideration by the Board of Governors.

Each step in the process shall be an iterative and comprehensive review of the previous step, resulting in changes to the fee recommendations as deemed appropriate.

IV. Distance Education Fees. Section 400.1.1[R](II)(b) of the UNC Policy Manual defines distance education and off-campus programs.

A. For fee-charging purposes, a distance education program is one designed to deliver 80 percent or more of the direct instruction through distance education or off-campus, as defined in Section 400.1.1[R](II)(b). There may be a requirement for the student to attend the main campus for a portion of the program, but that requirement is minimal.

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

B. Effective fall 2022, students enrolled in distance education programs as defined above will be assessed certain mandatory fees, including the campus security, educational and technology, and association of student government fees, and will not have access to other services and activities supported by the other Board-approved mandatory fees unless they pay the appropriate additional mandatory fee.

C. Students not enrolled in distance education programs will be assessed all mandatory fees regardless of how their courses are delivered in a given semester.

### V. Other Charges

A. **Housing and Dining Charges.** Each chancellor is authorized to establish charges for on-campus student housing and meal plans. Housing and dining charges shall be set in the context of developing the campus all-funds budget. The campus board of trustees shall approve student housing and meal plan charges by March 1 of each year for the following academic year. Approved charges shall be filed with the president prior to the beginning of the academic year.

B. **Miscellaneous Service Charges.** Each chancellor is authorized to establish miscellaneous service charges for items such as transcripts, diplomas, caps and gowns, special examinations, late registrations, and replacement of I.D. cards. A schedule of such charges shall be filed with the president prior to the beginning of each academic year.

### VI. Other Matters

A. **Effective Date.** The requirements of this policy shall be effective on the date of adoption by the Board of Governors.

B. **Relation to State Laws.** The foregoing policies as adopted by the Board of Governors are meant to supplement, and do not purport to supplant or modify, those statutory enactments which may govern the activities of public officials.

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

C. Regulations and Guidelines. These policies shall be implemented and applied in accordance with such regulations and guidelines as may be adopted from time to time by the president.

**(8) [UNC Policy 600.5.1](#)**

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.

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

- 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.

### **(9) UNC Policy 600.5.1.1**

The 1990 Session of the General Assembly amended N.C.G.S. § 116-36.1 to provide an expanded definition of institutional "trust funds." That definition now includes institutional student auxiliary enterprise funds and funds received from the operation and maintenance of institutional forests and forest farmlands. The same legislation also repealed N.C.G.S. § 116-36.3, which had regulated institutional student auxiliary enterprise funds. This legislation required revision to the Board of Governors' regulations for institutional vending facilities. On February 8, 1991, the board adopted the foregoing resolution to make appropriate changes to board policy with respect to institutional vending facilities and guidelines related to the board's new regulations for reporting proceeds from vending facilities (Attachment B). These administrative policies provide further guidance in implementing the amended law and the revised regulations through comment within the following series of paragraphs, whose titles and numbers correspond to the section titles and numbers of the board's revised regulations. In addition, "Vending Facilities Reporting Guidelines" and report formats are attached.

1. Vending Facilities Definition. The term "vending facilities" as defined in the regulations is unchanged and thereby continues the broad and comprehensive definition previously established by the General Assembly.
2. State Funds. The designation as "State funds" of receipts from vending facilities operated by a constituent institution of the University of North Carolina remains in effect.
3. Deposits. The deposit requirement remains unchanged. UNC General Administration previously requested specific confirmation from the Office of State Budget and Management (OSBM) that current practices for depositing vending receipts are acceptable. By letter of November 17, 1987, to Vice President Joyner from Mr. Marvin K. Dorman, Jr., Deputy State Budget Officer, OSBM reaffirmed its earlier acceptance of institutional practices for depositing vending receipts. This reaffirmation remains in effect.
4. Authorized Uses. The authorized uses of net proceeds from the operations of vending facilities are unchanged. In some cases, though, those uses are closely conditioned by instruments of gift or other external documents. 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.

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

5. Account Applicability. The requirement under N.C.G.S. § 116-36.4 for reporting the net proceeds of vending facilities embraces only those accounts defined, budgeted, and expended pursuant to N.C.G.S. § 116-36.1 (Institutional Trust Funds). However, N.C.G.S. § 116-36.1, as amended in 1990, expanded the definition of institutional "trust funds" to include institutional student auxiliary enterprise funds for the operation of housing, food, health and laundry services, effective July 1, 1990; and to include moneys received from the operation and maintenance of institutional forests and forest farmlands, effective July 1, 1991. The effect of the first statutory addition was to subject accounts for the four student auxiliary services to the vending regulations. On the other hand, moneys received from the operation and maintenance of institutional forests and forest farmlands, by definition, are not subject to vending regulations.

The majority of the vending operations covered by N.C.G.S. § 116-36.1, as amended, are included in student auxiliaries (activity 200), along with some portions of institutional auxiliaries (activity 210) and independent operations (activity 220). The attached "Reporting Guidelines" denote general categories of reporting applicability. This listing should be used as a guide. A continuing assessment must be made by each institution to determine the institutional vending facilities covered by the legislation and related reporting requirements. In some instances, it may be necessary to establish internal records to provide a separate accounting for covered vending facilities. It is the responsibility of each institution to establish such records. Refer to Section 7. or applicable formatting instructions.

Special Funds (N.C.G.S. § 116-36.2) are not covered by the vending legislation; but the budgeting and expenditures of those accounts are covered by other applicable legislation.

6. Definition of Net Proceeds. The definition of the term "net proceeds" for a covered vending facility is unchanged. It continues to be the equivalent of "net income" in accounting terminology.

7. Reporting. The board's regulations direct the President to make such reports concerning vending facilities as may be required under N.C.G.S. § 116-36.4. The annual reporting requirement and the due date, "not later than October 1 of each year," is unchanged. The reports are due in General Administration by September 1 for subsequent transmittal to the Joint Legislative Commission on Governmental Operations by October 1 of each year.

N.C.G.S. § 116-36.4 requires an "itemized annual report . . . concerning the use of net proceeds. . . broken down by campus and by authorized purpose." This requirement is unchanged; and, therefore, the current format, with emphasis on authorized uses of net proceeds being consistent with N.C.G.S. § 116-36.4, is also unchanged. The reporting format, as determined by the Office of State Budget and Management, is attached. It consists of two sections: Summary Report and Specific Vending Activity Report(s).

The "Summary Report" is the total of the values reported for the separately identified vending activities cited on the accompanying "Specific Vending Activity Report" form(s).

Each "Specific Vending Activity Report" identifies a separate vending activity by stating a brief descriptive title and a three-digit Chart of Accounts purpose number. The use of purpose 219, Other Auxiliaries, requires further identification of specific vending activity(ies) by the use of a more descriptive (non-standard) phrase on the vending report. A separate report is required for each current vending activity and for any additional activities subsequently and appropriately identified pursuant to the "Vending Facilities Definition" and "Account Applicability" sections of the regulations.

The following aspects of the two format sections should be noted:

## **Authority and Approvals to Charge Fees Use of Funds and Reporting Requirements**

- a. The amount reported in the space for "Total Net Proceeds" should be equal to the amount reported in the space for "Total Authorized Uses of Net Proceeds." All net proceeds for the reporting period must be identified with one or more authorized uses.
  - b. As a result of multi-year reporting experience, when net proceeds accumulated in a prior fiscal year (typically via item "e" of the authorized uses) are used for an authorized purpose during a subsequent fiscal year, the use of a negative number for item "e" may be required to balance the "Total Net Proceeds" with "Total Authorized Uses of Net Proceeds." This has the effect of spending previously accumulated (prior fiscal year) net proceeds from available fund balances during a subsequent reporting period.
  - c. Item "f," "Transfers . . . ," is to be specifically identified both on the format sections and by a separate attachment, including appropriate documentation authorizing such use pursuant to the requirements stated in item "f" of the " Authorized Uses" section.
8. Effective Date. These regulations are effective retroactively to July 1, 1990.