(a) Each college is to assess its own need to provide instructional services by contracting with other public or private organizations or institutions. Any curriculum instructional program or course intended to be offered by contract must be submitted to the System President for approval. This policy does not apply to contracts between a college and its individual instructors.

(b) Any curriculum contract entered into by the local board of trustees of a college must meet the following general criteria:

1. A contract document in proper legal form is necessary in all cases and shall be drawn up by the college consistent with the requirements of the local board of trustees, the public or private organizations or institutions being contracted with and the State Board's criteria.
2. The contract shall be limited to and not exceed the fiscal year in which it begins.
3. The provisions for payment under contract shall not exceed usual and customary costs associated with the contracted instruction.
4. The contract shall provide that the college personnel shall have the right to supervise the educational program offered by the public or private organizations or institutions to the extent necessary to ensure the quality of the instructional program.
5. The contract shall provide that the college, the Department and the State Auditor shall have access to the records of the contractor to the extent necessary to ascertain the accuracy of such records and shall authorize the Department to obtain such fiscal accounting reports as are necessary in carrying out the terms of the contract.
6. Curriculum courses taught under contract shall be limited to programs the college has been authorized to offer.
7. The contract shall stipulate that students taught under the terms of the contract shall pay the same fees charged other students in similar programs in the college, which fees shall be deposited in like manner as other fees. No tuition or fee charges shall be collected by the public or private organizations or institutions from students taught under such contracts unless specified by the contract.
8. The contract must be signed by the chairman of the board of trustees, president of the college and a representative of the public or private organizations or institutions.
9. Approval Procedure. When approved by the local board of trustees and the public or private organizations or institutions, the contract document shall be submitted to the System President who is authorized to approve the college's budget for the contracted instructional services if the requirements in Paragraphs (b), (c), (d), and (e) of this Rule have been met.

(c) The following provisions shall apply specifically to curriculum contracts with a proprietary or private non-profit institution or public agency.

1. The proprietary or private non-profit institution with which the contract is made must be licensed as required by the General Statutes of North Carolina and must have maintained the licensure for a minimum of two years to offer the instruction desired.
2. If federal funds are to be used to pay for instruction provided under the conditions of the contract, the proprietary or private non-profit institution must meet the requirements of the private vocational training institution.
3. The chief executive officer of the proprietary or private non-profit institution, or designated agent, must sign a certification statement that the program in question, facility, or contract for services to students will be open without regard to race, age, color, creed, sex, political affiliation, or disability.
4. Public or private colleges or universities must be licensed as required by the General Statutes of North Carolina to offer the instruction desired if entering into a contract to provide instructional services with the board of trustees of a college.

(d) Instructional curriculum contracts with local school administrative units must meet the following conditions:

1. Shall not supplant existing funding for public school positions;
2. Must provide through the Cooperative Agreement Program (Huskins Bill) college-level classes which could not be otherwise provided;
3. Shall recoup the direct instructional cost contained in the contract and 15 percent for administrative cost incurred, if a college contracts with a local school unit under the Cooperative Agreement Program (Huskins Bill).

(e) Unless otherwise specified, colleges shall earn reimbursement on the regular formula budget for student membership hours generated by instruction under contract except that cosmetology instruction offered under contract shall be funded for instructional units at the occupational extension formula rate and for instructional support and administration at the curriculum
formula rate. Also, note 1G SBCCC 100.99 which addresses contracted instruction offered primarily in the non-credit, occupational extension area.