STATE BOARD OF COMMUNITY COLLEGES CODE

TITLE 1. COMMUNITY COLLEGES

CHAPTER D. EDUCATION PROGRAMS

SUBCHAPTER 700. GENERAL PROVISIONS

1D SBCCC 700.99 Live Projects

(a) Live projects are defined as:

(1) educational programs in which students, as part of their educational experiences, repair or remodel equipment not owned by the college; or

(2) educational programs that produce goods that are sold or services for which charges are made, such goods or services being the normal and necessary product of learning activities of students.

(b) In the case of (a)(1) of this Rule, the owner of the equipment must supply or pay for all parts required. In the case of (a)(2) of this Rule, the following regulations apply:

(1) Where federal programs are involved, rules do not permit goods to be sold. In such programs, goods produced may be used for the benefit of the college or donated to another non-profit charitable or educational agency or institution.

(2) For live projects that involve the purchase of equipment from the state or federal surplus property agency, the repair of this equipment and its sale as surplus under the rules of the State Division of Purchase and Contract, the proceeds of such sales shall be deposited with the State Board and credited to the equipment budget of the college.

(3) In other programs that fall under the above definition of live projects:

(A) The local board of trustees shall approve rules, consistent with state laws and rules, covering the disposal of goods and services, charges made, etc.

(B) The local board of trustees shall provide that the receipts be deposited to the State Treasurer (unless a "special local" fund account arrangement has been worked out in keeping with rules of the department). Receipts deposited to the State Treasurer under this provision shall be allotted back to the college for expenditures during the same fiscal year.
(C) Where a "special local" fund arrangement is set up as provided in (b)(3)(B) of this Rule, all costs made necessary because goods or services are produced and then sold shall be paid from the "special local" account that receives the income. This includes materials used in producing the goods and services, extra personnel required to serve customers, specialized equipment that would not otherwise be required for instruction alone, and other costs directly related to a live project as distinguished from an instructional program that does not produce income. Detailed records must be maintained on the special local fund account in order that periodic financial statements may be prepared and a complete audit of the account made after the close of the fiscal year.

(D) Where a "special local" fund arrangement is set up as provided in Part (b)(3)(B) of this Rule, the local board of trustees shall adopt regulations which set forth the purposes for which funds from the special local fund [in excess of those required under Part (b)(3)(C) of this Rule] may be used. Such funds shall not be used to supplement regular salaries of permanent employees whose base salaries are paid from state or local appropriations.

(E) Approval as a Special Fund. If a project is expected to continue over an extended period of time or if the cost of providing the goods or services is difficult to trace to a particular patron, the project may be accounted for as a "special fund". Expenses of these projects may be paid out of receipts. The approval of the Department will be required to set up projects as special funds.

(c) The clientele served in providing clinical experience for students by carrying on live projects shall be limited to students and employees in the system so far as possible. Where, however, outside clients become necessary in order to provide enough experience to carry out educational programs, clients shall be selected from the general public on the basis of standing criteria adopted and published by the college, not inconsistent with State Board rules.

(d) The above rules, except those under Subparagraph (b)(2) of this Rule, do not apply to the disposal of any state owned equipment, which must be declared surplus and sold by the State Board.

REPEALED by the State Board of Community Colleges, eff. January 1, 2016.
History Note: Authority G.S. 115D-5; 115D-14; P.L. 97-300;

Eff. February 1, 1976;

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