



**NORTH CAROLINA COMMUNITY COLLEGE SYSTEM**

*Peter Hans, President*

20 August 2019

**IMPORTANT INFORMATION**

**MEMORANDUM**

**TO:** Members of the State Board of Community Colleges  
Community College Presidents  
Boards of Trustees Chairs  
Community College Chief Academic Officers, Chief Admissions Officers, Basic Skills Directors, Business Officers, Continuing Education Officers, Customized Training Directors, Distance Learning, Chief Financial Officers, Financial Aid Officers, Planners, Public Information Officers, Registrars, Student Development Administrators, & Other Interested Parties

**FROM:** Jonathan R. Harris, *NCCCS General Counsel*

**RE: Amendment of 1H SBCCC 200.1 – Allocation of Funds**

On 16 August 2019, the State Board of Community Colleges voted to amend **1H SBCCC 200.1 – Allocation of Funds**. The amendment delegates authority to the System President to approve certain budget allocations to colleges.

**The rule will be effective 1 September 2019. The new rule will be published on the NC Community College System's website, [www.nccommunitycolleges.edu](http://www.nccommunitycolleges.edu), under "State Board Code."** For your convenience, a copy of the rule is attached to this memorandum.

**CC19-042  
E-mail Copy**

Attachment



1                                   **State Board of Community Colleges Code**  
2                                   **TITLE 1. COMMUNITY COLLEGES**

3  
4                                   **CHAPTER H. FISCAL MANAGEMENT**

5  
6                                   **SUBCHAPTER 200. STATE FUNDS**  
7

8 **1H SBCCC 200.1 Allocation of Funds**

9 (a) The State Board shall allocate State funds to colleges using one or more of the  
10 following methods:

11 (1) Formula allocation: Allocations calculated using a formula of objective, verifiable  
12 factors.

13 (2) Competitive allocation: Allocations determined through a competitive process  
14 through which colleges apply for funds and the colleges' requests are evaluated  
15 and ranked based on identified criteria.

16 (3) Direct allocation: Funds allocated directly to a specific college when one of the  
17 following conditions apply:

18 (A) The General Assembly directs that funds shall be allocated to a specific  
19 college;

20 (B) The terms of a grant award require that grant funds be allocated to a specific  
21 college; or

22 (C) A college has programmatic ability unique among colleges and the desire to  
23 fulfill the objectives for which the funds allocated.

24 (b) Notwithstanding subsection (a) of this rule, the State Board delegates to the President  
25 of the North Carolina Community College System the authority to approve allocations  
26 made pursuant to:

27 (1) 1H SBCCC 200.1(a)(2) if the total amount of funds allocated under the competitive  
28 process does not exceed \$250,000;

29 (2) 1H SBCCC 200.1(a)(3)(A) and (B); or

30 (3) 1H SBCCC 200.1(a)(3)(C) if the total amount of funds allocated to the college does  
31 not exceed \$250,000.

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

3 (c) At the time of allocation, the System Office shall notify colleges of the allocation period,  
4 which is the time period during which the college is authorized to expend the allocation.  
5 The System Office shall extend the allocation period if additional time is needed for the  
6 college to complete the objectives for which the funds were allocated, funds remain  
7 available, and the extension of the allocation period is in the best interest of the NC  
8 Community College System as determined by the System President.

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

11 (1) At the System Office's request, a college voluntarily forgoes an amount of its  
12 approved allocation because it is not able to fully expend the funds and other  
13 colleges have a need for those funds; or

14 (2) A college fails to meet pre-determined programmatic or expenditure benchmarks  
15 that were communicated to the college when the State Board initially allocated  
16 funds and other colleges have a need for those funds; or

17 (3) Revenue collections are not meeting budget projections and there is a projected  
18 cash shortfall of greater magnitude than one that can be covered through projected  
19 unexpended allocations.

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

23

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

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

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