



1 STATE BOARD OF COMMUNITY COLLEGES CODE
2 TITLE 1. COMMUNITY COLLEGES

3
4 CHAPTER D. EDUCATION PROGRAMS

5
6 SUBCHAPTER 700. GENERAL PROVISIONS

7
8 ~~1D SBCCC 700.99 — Live Projects~~

9 ~~(a) Live projects are defined as:~~

- 10 ~~(1) educational programs in which students, as part of their educational experiences, repair or~~
11 ~~remodel equipment not owned by the college; or~~
12 ~~(2) educational programs that produce goods that are sold or services for which charges are made,~~
13 ~~such goods or services being the normal and necessary product of learning activities of~~
14 ~~students.~~

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

- 17 ~~(1) Where federal programs are involved, rules do not permit goods to be sold. In such programs,~~
18 ~~goods produced may be used for the benefit of the college or donated to another non profit~~
19 ~~charitable or educational agency or institution.~~
20 ~~(2) For live projects that involve the purchase of equipment from the state or federal surplus~~
21 ~~property agency, the repair of this equipment and its sale as surplus under the rules of the State~~
22 ~~Division of Purchase and Contract, the proceeds of such sales shall be deposited with the State~~
23 ~~Board and credited to the equipment budget of the college.~~

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

- 25 ~~(A) The local board of trustees shall approve rules, consistent with state laws and rules,~~
26 ~~covering the disposal of goods and services, charges made, etc.~~
27 ~~(B) The local board of trustees shall provide that the receipts be deposited to the State Treasurer~~
28 ~~(unless a "special local" fund account arrangement has been worked out in keeping with~~
29 ~~rules of the department). Receipts deposited to the State Treasurer under this provision~~
30 ~~shall be allotted back to the college for expenditures during the same fiscal year.~~

1 ~~(C) Where a "special local" fund arrangement is set up as provided in (b)(3)(B) of this Rule,~~
2 ~~all costs made necessary because goods or services are produced and then sold shall be~~
3 ~~paid from the "special local" account that receives the income. This includes materials~~
4 ~~used in producing the goods and services, extra personnel required to serve customers,~~
5 ~~specialized equipment that would not otherwise be required for instruction alone, and~~
6 ~~other costs directly related to a live project as distinguished from an instructional~~
7 ~~program that does not produce income. Detailed records must be maintained on the~~
8 ~~special local fund account in order that periodic financial statements may be prepared~~
9 ~~and a complete audit of the account made after the close of the fiscal year.~~

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

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

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

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

29 REPEALED by the State Board of Community Colleges, eff. January 1, 2016.

1 *History Note: Authority G.S. 115D-5; 115D-14; P.L. 97-300;*
2 *Eff. February 1, 1976;*
3 *Amended Eff. September 1, 1993; ~~August 17, 1981~~ August 17, 1981;*
4 *Repealed Eff. November 1, 2015.*

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