

NUMBER: FINA 3.20 (NEW)

SECTION: Administration and Finance

SUBJECT: State Grant and Legislatively Appropriated Non-operating State Funds ("G" Funds)

DATE: February 5, 2016

Policy for: All Campuses

Procedure for: All Campuses

Authorized by: Vice President for Finance and Chief Financial Officer

Issued by: University Administration and Finance

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## I. Policy

This policy is established to address procedures associated with funds received by the University from the state, including other state entities, which are not appropriated directly for Education and General (E&G) operating purposes. The University of South Carolina will follow procedures consistent with the requirements of the State of South Carolina Code of Laws, State of SC Regulations, Federal Guidelines and University policy as applicable.

## II. Policy Statements

### A. State funds legislatively appropriated for general E&G operating purposes

State funds appropriated for E&G operating purposes are contained in Part 1A of the annual state appropriation act and identified as General Funds of the State. The legislature may also appropriate state funds for E&G operating purposes from other sources, including surplus state revenue or other nonrecurring sources, depending on the availability of such funds in any given fiscal year. State funds appropriated for this purpose are recorded as "A" funds within the University's accounting system.

### B. State funds legislatively appropriated and designated for specific purposes

State funds designated for a specific purpose in the annual state appropriation act that are received by the University, either directly or through another state entity, shall be established as "G" funds within the University's accounting system. These funds include, but are not limited to:

- Education Endowment Funds
- Technology Funds
- Education Improvement Act (EIA) Funded Programs

The University may be notified of these appropriations through a variety of means, including the South Carolina Commission on Higher Education, Department of Revenue or the Executive Budget Office. Upon notification the Controller's Office is responsible for recording and coordinating all

financial activities associated with these funds including establishing, amending and deactivating “G” fund accounts.

For legislatively appropriated “G” funds the Chairman and Principal Investigator for each account shall be the Vice President for Finance and Chief Financial Officer or his/her designee except where EIA funded programs are concerned. EIA funds appropriated to the University or received through another state entity shall have a unit level designated Chairman and Principal Investigator. EIA funds appropriated to the University for a specified program are contained in the State Department of Education section of the annual appropriation act - EIA subsection.

C. State funds not legislatively appropriated but restricted in their use.

State agencies may seek assistance or solicit service from units within the University for the provision of goods and/or services. Such services are provided by the University in accordance with a specific scope of work and project budget. Any University unit seeking to establish a grantee or contractual relationship with another state entity must obtain approval from the Office of Sponsored Award Management (SAM). In coordination with SAM, Contract and Grant Accounting is responsible for establishing, deactivating, and making changes to “G” fund accounts. A Chairman and Principal Investigator shall be established at the Unit level for each “G” account within this category.

III. Exceptions

This policy does not pertain to state funds appropriated for deferred maintenance or capital projects which are recognized within the University accounting system as “W” funds. Nor does this policy pertain to state funded student scholarship programs (LIFE, Palmetto Fellows, HOPE, etc.), which are recognized within the University accounting system as “S” funds.

IV. Reasons for Policy Development

Clarification regarding “G” funds procedures.