

<b>ADMINISTRATIVE DIVISION</b> FINA Administration and Finance		<b>POLICY NUMBER</b> FINA <del>1.253.20</del>
<b>POLICY TITLE</b> <del>State Grant and Legislatively Appropriately Non-Operating</del> State Funds (“G” Funds)		
<b>SCOPE OF POLICY</b> USC System	<b>DATE OF REVISION</b> <del>4/1/2024</del> <del>7/1/2022</del>	
<b>RESPONSIBLE OFFICER</b> Executive Vice President for Administration and Finance and Chief Financial Officer	<b>ADMINISTRATIVE OFFICE</b> University Finance – Controller’s Office	

## PURPOSE

This policy ~~is established to~~ addresses and defines the funds received by the University from the state, including other state entities— The University will follow procedures consistent with federal and state requirements and University policy, as applicable.

(Note: This policy does not pertain to state funds appropriated for deferred maintenance or capital projects, which are recognized as “W” Funds, or state-funded student scholarship programs [LIFE, Palmetto Fellows, HOPE, etc.], which are recognized as “SR” funds.)

## DEFINITIONS AND ACRONYMS

Legislatively Appropriated – Funds designated by the state legislature to a specific unit/department or program for a specified purpose, which vary from year to year based on the availability of funds.

## POLICY STATEMENT

### A. State Funds Legislatively Appropriated for General E&G Operating Purposes

Appropriations for Education and General (E&G) operating purposes are contained in the state’s annual Appropriations Act and are identified as General Funds of the State, which are recorded as “A” Funds within the University’s accounting system— 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.

### B. State Funds Legislatively Appropriated and Designated for Specific Purposes

State funds designated for a specific purpose in the state’s annual Appropriations Act, through state proviso, received either directly or through another state entity are recorded as “G” Funds within the University’s accounting system.

The University may be notified of these appropriations through a ~~variety of various~~ means, including the South Carolina Commission on Higher Education 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 working with state entities to collect the appropriated funds, disbursing the funds to the appropriate operating unit, and establishing, amending, and deactivating “G” Funds. Once disbursed, the respective operating unit is responsible for managing the funds in accordance with the designated purpose and complying with applicable requirements/regulations.

Appropriation and proviso funding ~~should will not~~ be set up as sponsored awards.

**C. State Funded Sponsored Awards Not Legislatively Appropriated but Restricted in Use**

State entities 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 Awards Management (SAM)—. In coordination with SAM, Grants and Funds Management within the Controller’s Office is responsible for establishing, amending, and deactivating “G” Funds as well as invoicing the state agencies directly and completing financial reporting.—. A Principal Investigator will be established at the unit level for each “G” Fund account within this category.

**PROCEDURES**

There are no procedures for this policy.—. Questions may be sent to the Controller’s Office at controller@sc.edu.

**RELATED UNIVERSITY, STATE, AND FEDERAL POLICIES**

- ~~FINA 2.00—Expenditure Account Codes~~
- ~~FINA 2.03—Revenue Account Codes~~ 1.00 - Chart of Accounts
- FINA 2.12 – Accounts Payable
- FINA 2.14 – Acquisition and Payment of Goods and Services
- FINA 3.00 – Sponsored Awards
- South Carolina Appropriations Act

**HISTORY OF REVISIONS**

DATE OF REVISION	REASON FOR REVISION
<del>04/01/2024</del>	<del>Language, content, and formatting updates</del>
02/05/2016	Policy creation

~~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.~~