



NORTH CAROLINA COMMUNITY COLLEGE SYSTEM

Dr. William S. Carver, II
Interim President

NUMBERED MEMO CC23-017

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

FROM: Tawanda Foster Artis
NCCCS General Counsel

SUBJECT: Amendment of 1H SBCCC 200.1 – Allocation of Funds

DATE: May 23, 2023

On May 19, 2023, the State Board of Community Colleges voted to amend State Board Code, **1H SBCCC 200.1 – Allocation of Funds**. This amendment adds a new subsection (c2) directing receipt and the use of categorical funds to be reported annually to the North Carolina Community College System in accordance with the System’s Annual Reporting Plan.

The amendment will be effective June 1, 2023. The new rule will be published in the North Carolina Community College System’s website, www.nccommunitycolleges.edu/sbcccode. For your convenience, a copy of the code in its final form is attached to this memorandum.

CC23-017

E-mail Copy
Attachments

State Board Community Colleges Code

TITLE 1 – COMMUNITY COLLEGES

CHAPTER H. FISCAL MANAGEMENT

SUBCHAPTER 200. STATE FUNDS



1H SBCCC 200.1 Allocation of Funds

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

- (1) Formula allocation: Allocations calculated using a formula of objective, verifiable factors.
- (2) Competitive allocation: Allocations determined through a competitive process through which colleges apply for funds and the colleges' requests are evaluated and ranked based on identified criteria.
- (3) Direct allocation: Funds allocated directly to a specific college when one of the following conditions apply:
 - (A) The General Assembly directs that funds shall be allocated to a specific college.
 - (B) The terms of a grant award require that grant funds be allocated to a specific college.
 - (C) A college has programmatic ability unique among colleges and the desire to fulfill the objectives for which the funds are allocated.

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

- (1) 1H SBCCC 200.1(a)(2) if the total amount of funds allocated under the competitive process does not exceed \$250,000.
- (2) 1H SBCCC 200.1(a)(3)(A) and (B).
- (3) 1H SBCCC 200.1(a)(3)(C) if the total amount of funds allocated to the college does not exceed \$250,000.

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

- (c1) At the time of allocation, the System Office shall notify colleges of the allocation period, which is the time period during which the college is authorized to expend the allocation. The System Office shall extend the allocation period if additional time is needed for the college to complete the objectives for which the funds were allocated, funds remain available, and the extension of the allocation period is in the best interest of the NC Community College System as determined by the System President.
- (c2) Colleges receiving categorical funds from any state government source must report the receipt and use of such funds annually to the North Carolina Community College System in accordance with the System's Annual Reporting Plan.
- (d) The System Office may reduce a college's allocation under the following circumstances:
 - (1) At the System Office's request, a college voluntarily forgoes an amount of its approved allocation because it is not able to fully expend the funds and other colleges have a need for those funds; or
 - (2) A college fails to meet pre-determined programmatic or expenditure benchmarks that were communicated to the college when the State Board initially allocated funds and other colleges have a need for those funds; or
 - (3) Revenue collections are not meeting budget projections and there is a projected cash shortfall of greater magnitude than one that can be covered through projected unexpended allocations.
- (e) If a college's allocation is reduced as provided in subsection (d), the System Office shall reallocate those funds to other colleges that demonstrate need and an ability to utilize the funds if there is no projected cash shortfall.

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

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

Amended Eff. [June 1, 2023](#); [September 1, 2019](#).