

Attachment FC 01

STATE BOARD OF COMMUNITY COLLEGES

Review of Finance Committee Charter

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I. Background

The State Board of Community Colleges (State Board) derives its authority from Chapter 115D of the North Carolina General Statutes and the State Board of Community Colleges Code (the Code). The structure of the SBCC committees is defined by the Bylaws of the State Board.

The Finance Committee has been part of the State Board since the creation of the Community College System within the State Board of Education in 1963.

Commented [SW1]: Noting that the historic reference may need to be deleted, should that be the prevailing wish

II. Purpose

The purpose of the Finance Committee is to oversee fiscal policies and the distribution of State and federal funds that support the administration and operation of institutions within the North Carolina Community College System (NCCCS).

III. Organization

The Finance Committee shall be a standing committee of the State Board. Per Article II of the Bylaws of the State Board, the Chair of the State Board shall appoint the membership, designate the chair and vice-chair, and determine the size of the committee. The membership of the committee may be rotated at the discretion of the Chair of the State Board.

IV. Meetings

Per G.S. 115D 2.2(i) The State Board shall meet at stated times established by the State Board, but not less frequently than 10 times a year. The Finance Committee shall meet on the same schedule as the other standing committees or as needed, but no less than four times a year, as determined by the State Board.

V. Responsibilities

The responsibilities of the Finance Committee shall be:

- To ensure that the System Office and the Community Colleges have in place processes and procedures that assess the following areas:
 - Budgeting – general administration, instructional services, and support services;
 - Collection of established tuition and fees within the policies established by the General Assembly;
 - Fiscal Policy and Management;
 - Capital Improvements and management of the State capital funds

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- To understand the allocation process utilized by the System Office to distribute funding to the Community Colleges.
- To ensure that appropriate fiscal information to make well-informed decisions is received; and
- To report to the full State Board on fiscal matters an on-going basis.

VI. Duties

The specific duties of the Finance Committee shall include:

- Budgeting
 - Per G.S. 115D-31, the State Board is responsible for providing formula funds to support current operating expenses for general administration, instructional services, and support services. The State Board is also responsible for providing categorical funds for equipment, library resources, and other administrative and instructional purposes ~~and library books~~;
 - Approve the System's expansion budget request and supports its adoption by the General Assembly;
 - Approve the use of Board Reserve Funds for feasibility studies, pilot projects, start-up of new programs, and innovative ideas, per G.S. 115D-5(j);
 - Collaborate with NC Community College Foundation, Inc. on partnerships and budetary items;
 - Approve budget allocations to colleges, either via formula basis, competitive Request for Proposal (RFP), or other rationale, except as delegated by 1H SBCCC 200.1(b);
- Tuition and Fees G.S. 115D-39
 - Establish curriculum tuition and continuing education registration fee rates;
 - Establish policies regarding student tuition and fees;
 - Monitor receipt collections;
 - Adopt financial aid award schedules and policies;
- Fiscal Policy and Management
 - Adopt budget and fiscal policies consistent with legislation.
 - Approve System Office contracts in excess of the amounts delegated 1A SBCCC 200.6.
 - Per G.S. 115D-58.14, the State Board may increase or decrease a college's purchasing delegation, in consultation with the Department of Administration. The maximum delegation amount is \$100,000.
- Capital Improvements
 - Approve sites and capital improvement projects under G.S. 115D-5, except as delegated by 1H SBCCC 400.4;
 - Approve the sale, exchange, or lease of property under G.S. 115D-15;
 - Approve the acquisition of property under G.S. 115D-20
 - Approve special construction delegation to colleges under G.S. 115D-9.

Commented [SJ2]: Updated with Formula Allocation and reword

Commented [BA3R2]: Slight revision to include the breakout of formula and categorical funding. Library books is now called Instructional Resources (b/c it includes many different media). Are these revisions clearer to the reader, or does it need to stay to the exact language in 115D-31?

Commented [SJ4]: Is this address by FC or LEG committee?

Commented [BA5R4]: Confirmed the 2022-25 Legislative Agenda (3-year plan) was presented as an action item to the Legislative Committee as LEG 01 at the 1/21/22 meeting.

Commented [BA6R4]: UPDATE: researched budget priorities for previous biennium and see that it was taken to Finance in the past. It is up to the committees as to where this action should reside.

Commented [SW7R4]: AS a budget item, this ideally would be approved by Finance before it moves to the Legislative Committee and/or Board. I would recommend that budget items remain within the purview of the Finance Committee before they move to the Board. Is it not the Legislative Committee's joint responsibility to provide strategic insights into the development of the expansion budget based on the political climate, recommendations of the President's Association, etc. This would be a good discussion at the September retreat.

Commented [SJ8R4]: It was discussed in Governance and recommendation is that it remains in Finance.

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The Committee may modify or supplement these duties and responsibilities as needed.

The Committee will have oversight of the relevant elements of the strategic plan and the annual operating plan.

The Committee should annually review and assess the adequacy of the Finance Committee Charter in accordance with the Bylaws.

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