

## DASA Finance Updates – DASA Directors Meeting – 5/15/2018

### Trust Fund Overview

Activities must have specific legal authority to be considered non-state funds, as specified by several statutes of the State of North Carolina. At NC State, the Office of Cost Analysis has the approval authority for upper ledger 3 (35XXX-39XXX), some ledger 7, and ledger 9 projects. Sales activity is allowed by the State's General Statute (Umstead Act). The Umstead Act prohibits North Carolina government agencies and institutions from competing with a private enterprise. Only certain provisions allow the University to engage in a sales activity (Forms BA-108 Trust Fund Request and BA-109 Sales Activity Questionnaire).

### Example of Approved Request for Trust Fund Authority:

*Your request to establish a trust fund entitled "University Honors and Scholars Program" has been approved. From the information provided, we have determined that the activity presented in the request is representative of Student Activity Fee and is authorized by G.S. Reference 116.36.1 to be accounted for and maintained in the University's Trust Funds. Please see the attached Trust Fund Authority – Subsidiary Account for specific information regarding the coding of transactions, the rules for source and use of funds, and any restrictions over the spending of these funds. As the owner of the trust fund, you are responsible for complying with the University's Trust Fund Guidelines and Spending Guidelines.*

### How do these requirements apply to DASA Units?

- All activities that take place at the University are governed by NC State law.
- You cannot charge for and collect revenue for an item or service unless explicitly requested and approved (by University Office of Cost Analysis).
- Does your existing trust fund authority allow for a requested sales/service activity?
  - If yes, submit an approved rate and charge form.
  - If no, there is a lengthy process involved in requesting a new trust fund and getting a new sales/service activity approved.
- If you request a new trust fund and it is approved, it will be assigned the appropriate "exempt trust status" which governs how those funds can be spent (food/entertainment/conferences).
- All trust activities must be in compliance with Trust Fund Guidelines and Spending Guidelines.
- The request and review process should be initiated at least 6 months in advance of your activity.

### Signature Authority: REG 01.20.02 – Delegation of Authority to Sign Contracts

**Last Revised: March 13, 2018, see Section 2 below**

#### 2. UNAUTHORIZED CONTRACTS

2.1 NC State does not recognize contracts signed by University employees or agents as binding on the University unless the employee who signed the contract has duly delegated signature authority.

2.2 Employees who sign contracts purporting to bind NC State without any authority properly delegated under this regulation may be personally liable to the contractor and to NC State, and may be subject to University disciplinary action, up to and including dismissal or discharge for cause.

2.3 All previous delegations of authority are superseded and rendered void as of the effective date of this regulation.