

Process:	Projects		
Contact:	Humanities and Social Sciences Financial Services	Last Revision Date:	4/27/16

Introduction:

Projects are made up of two parts: a 6 digit project ID hyphenated with a 5 digit phase number. Example: **201668-06910**. Every project does not require a phase. Phases are normally added at the department's request to better keep track of expenses.

Appearance and Reasonableness Tests For all potential expenditures from all sources of funds, the "appearance test" should be used, i.e., how would this purchase look to external constituents if placed on the front page of a newspaper. Another test that is useful is to ask the question, "Is this expenditure necessary for a faculty/staff member to do his/her job or for the university to carry on its normal business?" The utilization of these tests should help to guide faculty/staff members in their decision-making. At all times, faculty/staff are encouraged to avoid the appearance of poor management of funds as well as the reality of poor management of funds.

Projects are funded from different sources; such as State, State appropriated receipts, trust funds, Sponsored businesses/programs, Endowments/Miscellaneous Gifts. Below is a brief description of each one.

Academic Funds "2" projects or "20xxxx" to be more specific. These are state appropriated funds, used primarily to support teaching and distance education teaching. These funds end each year at the close of the fiscal year of June 30. (No food or refreshments can be purchased from these funds unless it specifically relates to teaching and follow other specific guidelines).

Overhead Receipt or Facilities & Administrative (F&A) is what we call projects "257xxx" These funds are usually managed by the Dept. Head, and also have the same guidelines of the state appropriated funds, with the exception of research incentives. However, these funds can be carried forward each year, with prior approval to do so. They can also be transferred to capital improvement budgets for renovations or new construction.

State Appropriated Receipts Lower level "3" projects or "30xxxx - 349xxx" Generally revenues associated with external conferences and workshops should be receipted into an appropriated receipt project established by the University Budget Office. Authority or the right to do business is given by the state. (No food or refreshments can be purchased from these funds unless it specifically relates to teaching and follow other specific guidelines). It also must have a trailing upper level 3 project in which food expenses should be charged. These funds end each year at the close of the fiscal year of June 30, unless you have prior approval to carry forward. The Business Officer will contact in early May for this carryforward request and other yearend information.

Educational & Technology Fees (ETF) “3” project or “350xxx - 399xxx” These funds must follow state guidelines. The funds have two major purposes: The provision of equipment, supplies, and maintenance for departmental laboratories with specific curricular objects and the provision of campus-wide student computer services. Additional spending limitations on ETF funds are established yearly by the ETF Committee.

Auxiliary/Sales & Service (Trust Fund) Upper level “3” project or “350xxx – 399xxx” These funds are from sales and service which must be for supporting the purpose of the activities for which the project was created and all costs of providing those services including salaries, must be totally self -supporting. The funds follow the same guidelines as those for state appropriated funds except funds may be used to purchase meals and/or refreshments for conferences or workshops when a fee is charged to participants. However, the food should be specifically limited and must be included in the fund authority for the project.

Contracts and Grants “5” project “5xxxxx” These projects must follow sponsor specific terms and conditions noted in the award documents. The projects are established by University Office of Contracts and grants. These funds are managed by Humanities and Social Science’s Research Office.

Foundation Endowment (gift) “6” project “6xxxxx An endowment is a long-term investment in NC State University that provides benefits to students, faculty and programs year after year, generation after generation. An endowment is made up of gifts (including will bequests) that are subject to a donor requirement that is to be maintained and invested to create a stream of income, with a portion of the average investment earnings expended to carry out the **specified purpose of the endowment.**

University Endowment (gift) “7” project “7xxxxx, Expenditures from gift and endowment income funds must be made prudently with the intent of the donor in mind and follow the restrictions set by the donor in a **Memorandum of Agreement.** Endowment principal funds are funds provided to the university, normally in the form of a trust or gift, for investment to generate income. The income may be unrestricted or restricted for a particular purpose.

Agency Funds “9” project “9xxxxx, Agency fund activities include monies received by the University for the benefit of students, employees, or others where the University acts solely in a fiduciary or agent capacity to safeguard, account for and expend funds as directed or instructed by the owner. These funds are considered to be held in trust for others. These funds are not considered to belong to the University but belong to those for which the project was established and, if requested, would be returned to the owner. Transactions recorded as revenue and expenses are not actual revenue and expense to the University but rather increases and decreases in the cash and liability accounts.

Additional References:

Spending Guidelines:

http://materialsmgmt.ofb.ncsu.edu/uploads/pdf/Spending_Guidelines.pdf

Basic State Spending:

http://www.ncsu.edu/project/chemintranet/forms/Basic_State_Spending_Guidelines.pdf