

Process:	Understanding Projects		
Contact:	Humanities and Social Sciences Financial Services	Last Revision Date:	8/14/2023

Introduction:

Projects are comprised of two parts: a 6-digit project ID, hyphenated with a 5 digit phase number, i.e. 201668-06910. Every project does not require a phase. Phases are normally added at the department's request to track a specific category of expenses.

Projects may be funded from different sources; such as state, state appropriated receipts, trust funds, sponsored businesses/programs, and endowments/miscellaneous gifts. Below is a brief description of each project type.

Contacts for the following projects:

2xxxxx, 3xxxxx, 7xxxxx, and 9xxxxx - Office of Financial Services

5xxxxx - Research Office

6xxxxx - Development Office

Academic Funds projects are numbered from 201xxx to 249xxx. These are state appropriated funds, used primarily to support the academic teaching mission of the university. These funds should be fully utilized by the close of the fiscal year, June 30th. 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) projects are numbered from 251xxx to 259xxx. Spending on these funds are governed by the same guidelines as state appropriated funds, with the exception of allowable research incentive payments. 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 projects are numbered 301xxx to 349xxx. Generally revenues associated with external conferences and workshops should be receipted into an appropriated receipt project established by the University Budget Office. Authority to conduct the activity that generates the revenue must be granted by the state prior to the activity commencing. Spending on these projects follow the state spending guidelines, except when the registration fee charged included anticipated meal expenses. Since food and/or refreshments are not permissible on these projects, a trailing project (numbered 37xxxx) can be established to support the food expenses. These funds should be fully utilized by the close of the fiscal year, June 30th, unless prior approval to carry forward pre-collected receipts has been granted. The Office of Financial Services will coordinate submission of carry forward requests in early May.

Educational & Technology Fees (ETF) projects are numbered 361xxx to 361999. Spending on these projects also follow state guidelines and should directly impact students. Acceptable uses for ETF funding includes:

- Classroom technology; Student computing labs and facilities;
- WiFi and network connectivity that directly supports student learning and access;
- Supplies & Software tied to the educational process that is directly used by students;
- Laboratory expenses, including equipment and specialized software that is used by students in their courses;
- Field trips and other experiential learning opportunities;
- Services that support student learning at the Departmental, College or University level, e.g., Disability Resources, tutoring, academic coaching, accessibility, IT support, and other academic enrichment programs directly tied to the academic success of students; and
- Personnel expenses for employees who work with student educational programs and activities, to include IT staff, graduate assistants teaching laboratories or other educational activities. This does not include graduate assistants who are responsible for the class as the instructor of record.

Auxiliary/Sales & Service (Trust Fund) projects are numbered 37xxxx to 39xxx. These funds are from sales and service activities, which must support the purpose for which the project was created. All expenses associated with providing those services, including salaries, must be posted to this project and the project must maintain a positive cash balance. These activities must remain totally self-supporting; state funds cannot be used to support these revenue-generating activities. Spending on these projects follow guidelines established by the trust authority issued when the project was established.

Contracts and Grants projects are numbered 5xxxxx. Spending on 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) projects are numbered 6xxxxx. An endowment is a long-term investment in NC State University that provides income that benefits students, faculty and programs year after year, generation after generation. An endowment is comprised of gifts (including will bequests) subject to donor requirements that is 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) projects are numbered 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 projects are numbered 9xxxxx. Agency fund activities include funds 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.

Regardless of the funding source, all transactions on all projects should reflect good stewardship by passing the appearance and reasonableness test.

Appearance and Reasonableness Tests: For all potential expenditures, from all sources of funding, 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, “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 and staff members in their decision-making. At all times, faculty and staff are encouraged to avoid the appearance of poor management of funds, as well as the reality of poor management of funds.

Additional Reference:

[Spending Guidelines:](#)