

REG 07.15.01
Trust Fund Reserve Fund Balances

Authority: Vice Chancellor of Finance & Administration

History: First Issued: March 7, 2022

Additional Resources:

- [UNC Policy 1000.1.1 Policy on Tuition Rates](#)
- [UNC Policy 600.5.1 Institutional Vending Facilities](#)
- [UNC Policy 600.2.4 Custody and Management of Institutional Trust Funds and Special Funds of Individual Institutions](#)
- [G.S. 116-36.1 Regulation of Institutional Trust Funds](#)

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1. PURPOSE: This regulation provides guidelines for the creation, use and replenishment of UNCP Trust Reserve Fund Balances. The University will maintain adequate fund balances for university services that will be funded through user charges. The intent is for departments to develop budgets, operating plans and price/fee structure to include the funding of a balance sufficient for renewals and replacements, required debt service, planned capital improvements, and sufficient operating contingency reserves for emergencies and revenue shortfalls in an amount equal to six (6) months of current year operating revenues, for all user fee funded trust funds.

2. SCOPE: Applies to University Trust Funds (funded by user fees such as Band and Chorus, Central Stores, Food Service, GPAC, Housing, Student Health Services, and Vehicle Registration).

3. RESPONSIBILITIES: Responsible persons (Financial Manager) of Trust funds will maintain an adequate price/fee structure to cover the costs of all operations. The responsible person will assure to the following:

3.1 Prior year fund balances shall be used only for emergencies, non-recurring expenditures, or major capital purchases that cannot be accommodated through current year revenues as specified in the purpose.

3.2 After completion of the annual review by the financial manager, if the fund balance exceeds planned expenditures and the required six (6) months operating expenses, the excess may be used for specific expenses to enhance services or any rate/fee increase.

3.3 Plans and budgets for the fiscal year should be reviewed by the appropriate Vice Chancellor and submitted to the Office of Financial Planning and Budgeting, for approval by the Vice Chancellor of Finance and Administration, no later than May 1 prior to the beginning of the fiscal year.

3.4 Should the fund balance fall below the six (6) month operating revenue level, recommendations to restore the fund balance to the specified reserve level must accompany the current year budget plan.