

ITEMS FOR DISCUSSION AND ACTION FISCAL, FACILITIES AND AUDIT

March 17, 2021

ACTION: **First and Final Round Approval of Revisions to Board Policy 6018; Trust Funds**

Proposed changes to Policy 6018 include general updates to the policy since the last update in 2012. These include changes to the fund number structure at the state level, and the addition of the Davis Scholarship Trust Fund. References for the Student Activities Trust Funds are also updated. Finally, on page two of the proposed changes, the authority is given to establish additional trust funds, as needed, for the tracking of non-federal restricted funds. A recent example is the new trust fund established for the Peru State College partnership with the Department of Corrections.

The System Office recommends approval of the Revisions to Board Policy 6018; Trust Funds.

ATTACHMENTS:

- Revisions to Board Policy 6018 (PDF)

FISCAL OPERATIONS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 6018

Trust Funds

Page 1 of 2

BOARD POLICY

Trust Funds are assets held by the Colleges and the System Office in a trustee capacity. The general duty of each institution is to administer any trusts expeditiously for the benefit of the organization(s) providing the funds. All expenditures are to be made in accordance with the terms of any trust agreement(s) which have been adopted.

Board of Trustee's Trust Funds

The Board may deposit and expend funds from the following ~~three-four~~ (4) Trust Funds: The Normal School Endowment Trust Fund (63280); the State College Endowment Trust Fund (65010); ~~and~~ the Education Enhancement Trust Fund (65070) and the Davis Scholarship Trust Fund (64960). All expenditures from these funds shall support the role and mission of the System. All revenues to be credited to these funds shall be deposited with the State Treasurer. The Nebraska Investment Council shall be responsible for investing all funds and reporting on those investments to the System Office.

The Normal School Endowment Fund (63280) is, by statute, under the control of the Educational Land and Funds and is the depository for the principal received from the sale of Normal School Lands. This principal may not be expended. The interest earnings on the principal shall be transferred to the 65010 account and expended as determined by the Board.

The State College Endowment Fund (65010) is the depository for the rental income from the Board of Trustees' farmland and the interest earned from investing funds in the 63280 and 65010 accounts. Other State College receipts may also be deposited to this fund when they are intended for the benefit of the System. Disbursements from this fund shall be limited to those expenditures that will benefit the System.

The Education Enhancement Trust Fund (65070) is the depository for contributions received by the Board from donors for endowed activities or special projects. Disbursements shall be made according to their intended purpose as determined by the Board.

The Davis Scholarship Trust Fund (64960) is the depository for all contributions received by the Board for student scholarships for the Davis Chambers Scholarship program. Disbursements from this fund shall be limited to scholarships awarded to students.

Student Trust Fund

The Colleges are authorized to establish a Student Trust Fund whereby funds can be collected, held in trust and expended for various student activities. This ~~fund-trust~~ shall be called the Student Trust Fund and no other funds shall be deposited and co-mingled in this ~~fund-trust~~. Funds designated for Student Trusts are Chadron State College Student Activities (65050), Peru State College Student Activities (65030); and Wayne State College Student Activities (65040).

Revenue generated by the Student Activity Fee shall be deposited into the Student Trust Fund. The amount of this special fee shall be submitted to the Board for approval as part of the annual fee recommendations.

The appropriate student organization at each College, following its approved guidelines, shall determine the purposes for which the Student Trust Funds are to be spent. College staff may assist the student organization(s) in administering the fund but shall retain no control over how it is to be used.

Interest earnings accruing to this fund shall be retained in the fund and used for student-determined activities.

FISCAL OPERATIONS, NEBRASKA STATE COLLEGE SYSTEM

POLICY: 6018

Trust Funds

Page 2 of 2

Other Trust Funds

The System Office may establish additional Trust Funds, as needed. The Colleges may request additional Trust Funds for tracking of non-federal restricted funds, which could include private or state grants and contracts, foundation project funds, and others.

The Colleges are authorized to establish other sub-accounts in the Trust Fund account into which non-federal restricted funds, which are provided by students or other entities for a specific purpose, can be deposited and expended. Examples of other sub-accounts that are authorized by this policy include Student Event Fee and Student Publications. These distinct sub-accounts shall be used to account for each restricted fund separately from all others in the Trust Fund.

No personal services positions shall be funded through the Trust Fund account, unless funds have been specifically designated for that purpose.

No expenditures for parking projects shall be made from the Trust Fund account. Revenues from parking permits and penalties shall be deposited into and expended from the Cash Fund or Revolving Fund accounts, dependent upon the location and purpose of the specific parking lot project.

Revenues and expenditures from Federal Funds shall not be accounted for in the Trust Fund, but shall be recorded in the 4000 Fund account (Federal Funds).

Legal Reference: RRS 30-2812 Trustee; general duties; not limited
RRS 30-2813 Trustees= standard of care and performance

Policy Adopted: 11/11/95
Policy Revised: 6/15/12

Policy Revised: