

**BOARD OF TRUSTEES OF THE NEBRASKA STATE COLLEGES**  
**ITEMS FOR DISCUSSION AND ACTION\FISCAL, FACILITIES AND AUDIT**

---

---

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

---

Board Policy 6018 - Trust Funds has been reviewed for updates and put into the new policy format. The most significant change to the policy clarifies what fund sources can be treated as Trust Funds. The previous policy allowed Student Event Fees and Student Publications funds to be treated as Trust Funds. The Colleges currently do not treat Student Publication funds as Trust Funds. The policy now clarifies that Trust Funds should be limited to student activity funds, funds from residence hall rent intended for student activities, funds provided by the Foundations or private sources, or funds from the Board of Educational Lands and Funds.

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

**ATTACHMENTS:**

- Revisions to Board Policy 6018    (PDF)

## Board of Trustees of the Nebraska State Colleges

### Policy Category

POLICY  
NAME: Trust Funds

POLICY  
NUMBER: 60186701

---

#### **A. PURPOSE**

To identify the sources and uses of Trust Funds.

#### **B. DEFINITIONS**

**1. Trust Funds** – Assets held by the Colleges and the System Office in a trustee capacity.

#### **C. POLICY**

##### **1. Trust Fund Guidance**

###### 1.1. Fiduciary Duty

The general duty of each ~~institution~~ College is to administer any trusts expeditiously for the benefit of the charitable purpose and the College 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.

###### 1.2. Trust Fund Limitations

The following guidance and limitations apply to Trust Funds:

- No ~~personal services employee~~ positions shall be funded through the Trust Fund ~~account, unless 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 Fund but~~ shall be recorded in the 4000 Fund account (Federal Funds).
- These funds do not require appropriation authority when expended.

### 1.3. Fund Sources

Trust Funds will come from funds held by the Colleges generated from student activity fees, funds from residence hall rent intended for student activities, funds provided by the foundations or private sources, or funds from the Board of Educational Lands and Funds.

## **2. Established Board Trust Funds**

The Board may deposit and expend funds from the following four (4) Trust Funds: The Normal School Endowment Trust Fund (63280); the State College Endowment Trust Fund (65010); 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.

### 2.1. Normal School Endowment Fund

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.

### 2.2. State College Endowment Fund

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.

### 2.3. Educational Enhancement Trust Fund

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.

### 2.4. Davis Scholarship Trust Fund

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.

### 3. 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 trust shall be called the Student Trust Fund and no other funds shall be deposited and co-mingled in this 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 and the fund use shall follow the guidance in Policy 3300 – Student Organization Conduct. ~~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.

### 4. Other Trust Funds

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

### 5. Trust Fund Sub-Accounts

The Colleges are authorized to establish ~~other~~ sub-accounts in the Trust Fund account as long as they meet the fund source requirements. ~~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.

---

#### SOURCE:

Legal Reference: ~~RRS 30-2812~~ Trustee; general duties; not limited

---

~~RRS 30-2813 ——— Trustees= standard of care and performance.~~

**Policy Adopted:** November 1995

**Policy Revised:** June 2012, March 2021, July 2022