

PROCEDURE

Number: 71-02

Title: Expenditure of Funds Derived from Earnings of
Auxiliary Enterprises

Responsibility: Vice President of Finance and Administration

Original Approval Date: 02/02/1999

Last Cabinet Review: 00/00/0000

Last Revision: 04/16/2025

Reference (Policy and/or Procedure)

SBTCE: Procedure 7-6-101.1

FDTC: Policy# 70-06 Expenditures for Promotional Activities and Auxiliary
Income

Other: Section 59-53-52 of the 1976 Code of Laws of SC

Procedure Description

I. PROCEDURE

Funds budgeted for promotional activities may be expended without regard to restrictions normally placed on public funds except that all expenditures must be approved by the President of the college, or his/her designee. These funds may not be used for purposes otherwise precluded by statute, such as salary supplements for State employees or supplements to approved regulations for travel reimbursements. Individual events sponsored for college employees are not considered promotional in nature.

The remaining 80% of net income from Auxiliary Enterprises must be budgeted to meet the ordinary operating expenses of the college.

ELIGIBLE EXPENDITURES

The following items are eligible for expenditures under the promotional account established pursuant to SBTCE Policy No. 7-6-101:

Memberships

Service club memberships for the president, institutional officers and other employees may be approved by the President.

Activities

Sponsoring individuals or groups to enhance the image or further the philosophy and mission of the college to enhance the image or further the philosophy and mission of the college. Luncheons or dinners for advisory committees are operating expenses of the college and should be paid from the ordinary operating budget.

Hosting of luncheons, etc. in recognition of unusual contributions or service to the college.

Bestowing of non-monetary awards to individuals or groups to commemorate or memorialize contributions to the college.

Activities as listed above may also be done to enhance or further the economic development of the local service area.

ACCOUNTING PROCEDURES

All expenses incurred as promotional expense within the foregoing definitions are to be accounted for in a separate "Promotional Expense" account under the major program General Institutional Expense. Promotional expenses should not be recorded in any other program or sub account and normal operating expenses should not be recorded in the "Promotional Expense account."

METHOD OF DETERMINING COSTS ALLOCABLE TO AUXILIARY ENTERPRISES PROFIT AND LOSS ANALYSIS

By State law each individual auxiliary enterprise must be self-supporting and must cover the total direct operating and capital expenses of providing such facilities and services. However, generally accepted accounting principles require that auxiliary enterprises be charged all material direct and indirect costs applicable to their activities.

See appendix for sample Worksheet for Cost Allocations to Auxiliary Enterprises.