

<b>ADMINISTRATIVE DIVISION</b>	FINA Administration and Finance
<b>POLICY NUMBER</b>	FINA 1.25
<b>POLICY TITLE</b>	State Funds (“G” Funds)
<b>SCOPE OF POLICY</b>	USC System
<b>DATE OF REVISION</b>	September 20, 2024
<b>RESPONSIBLE OFFICER</b>	Executive Vice President for Administration and Finance and Chief Financial Officer
<b>ADMINISTRATIVE OFFICE</b>	University Finance – Controller’s Office

**PURPOSE**

This policy addresses and defines the funds received by the University from the state, including other state entities. The University will follow procedures consistent with federal and state requirements and University policy, as applicable.

(Note: This policy does not pertain to state funds appropriated for deferred maintenance or capital projects, which are recognized as “W” Funds, or state-funded student scholarship programs [LIFE, Palmetto Fellows, HOPE, etc.], which are recognized as “SR” funds.)

**DEFINITIONS AND ACRONYMS**

**Legislatively Appropriated:** Funds designated by the state legislature to a specific unit/department or program for a specified purpose, which vary from year to year based on the availability of funds.

**POLICY STATEMENT**

**A. State Funds Legislatively Appropriated for General E&G Operating Purposes**

Appropriations for Education and General (E&G) operating purposes are contained in the state’s annual Appropriations Act and are identified as General Funds of the State, which are recorded as “A” Funds within the University’s accounting system. The legislature may also appropriate state funds for E&G operating purposes from other sources, including surplus state revenue or other nonrecurring sources, depending on the availability of such funds in any given fiscal year.

**B. State Funds Legislatively Appropriated and Designated for Specific Purposes**

State funds designated for a specific purpose in the state’s annual Appropriations Act, through state proviso, received either directly or through another state entity are recorded as “G” Funds within the University’s accounting system.

The University may be notified of these appropriations through a various means, including the South Carolina Commission on Higher Education or the Executive Budget Office. Upon notification, the Controller’s Office is responsible for recording and coordinating all financial activities associated with these funds, including working with state entities to collect the appropriated funds, disbursing the funds to the appropriate operating unit, and establishing, amending, and deactivating “G” Funds. Once disbursed, the respective operating unit is

responsible for managing the funds in accordance with the designated purpose and complying with applicable requirements/regulations.

Appropriation and proviso funding will not be set up as sponsored awards.

**C. State Funded Sponsored Awards Not Legislatively Appropriated but Restricted in Use**

State entities may seek assistance or solicit service from units within the University for the provision of goods and/or services. Such services are provided by the University in accordance with a specific scope of work and project budget. Any University unit seeking to establish a grantee or contractual relationship with another state entity must obtain approval from the Office of Sponsored Awards Management (SAM). In coordination with SAM, Grants and Funds Management within the Controller’s Office is responsible for establishing, amending, and deactivating “G” Funds as well as invoicing the state agencies directly and completing financial reporting. A Principal Investigator will be established at the unit level for each “G” Fund account within this category.

**PROCEDURES**

There are no procedures for this policy. Questions may be sent to the Controller’s Office at [controller@sc.edu](mailto:controller@sc.edu).

**RELATED UNIVERSITY, STATE, AND FEDERAL POLICIES**

- [FINA 1.00 Chart of Accounts](#)
- [FINA 2.12 Accounts Payable](#)
- [FINA 2.14 Acquisition and Payment of Goods and Services](#)
- [FINA 3.00 Sponsored Awards](#)
- [South Carolina Appropriations Act](#)

**HISTORY OF REVISIONS**

<b>DATE OF REVISION</b>	<b>REASON FOR REVISION</b>
February 5, 2016	Policy creation
September 20, 2024	Language, content, and formatting updates