

## **Policy – Dining Auxiliary Procedures**

### Procedures Establishing and Regulating Auxiliaries

Auxiliaries are established to provide services or products to the university community. In general these services are established based on the needs and interests of campus community, but they must provide support for the educational purpose of the university mission. These services may support the core academic mission of the institution such as the delivery of curriculum materials (textbooks) through the bookstore, or support the extracurricular activities of the institution such as running dining services, which in turn are intended to support the core mission of the institution. Auxiliaries are not intended, nor permitted to unfairly use state facilities to compete against private enterprises. Services and products are only provided for the benefit of students, staff, faculty or members of the general public who have been invited to campus for some purpose related to the institutional mission. Establishment and provision of university auxiliaries is regulated by NC State Statute and The Code of the Board of Governors, The University of North Carolina (as outlined in the Policy Manual for the University of North Carolina).

### University of North Carolina Regulation

North Carolina [General Statute 1116-36.1](#) (Regulation of institutional trust funds) delegates to the Board of Governors of the University of North Carolina responsibility for the custody and management of the trust funds of the University of North Carolina and of each institution. Furthermore, it defines these trust funds as including "moneys received from or for the operation by an institution of any of its self-supporting auxiliary enterprises, including institutional student auxiliary enterprise funds for the operation of housing, food, health, and laundry services." Accordingly, auxiliary operations are subject to the guidelines established by this statute as well as The Code of the Board of Governors for The University of North Carolina (Policy Manual for the University of North Carolina) which establishes guidelines for the custody and management of institutional trust funds.

[Chapter 600.5.1](#) outlines the information necessary to establish a Trust Fund Authority for each auxiliary including the source of funds, purpose for which the moneys credited to the fund may be used, and those authorized to receive and disburse these funds. This information is maintained by the Division of Business Affairs. The Code also provides additional regulations regarding the control, accounting, audit, investment, allocation, and reporting for these funds. These regulations apply to the operation of all "self-supporting service enterprises which exist primarily to furnish goods and services to students, faculty, or staff, and include but are not limited to housing, food, health, and laundry services, central stores, printing and duplicating services, utilities systems, and similar operations, including all operations whose profits are dedicated to scholarship support or specific student activity programs" at the University of North Carolina at Charlotte.

[Chapter 600.5.1.1](#) includes regulations which further define the authorized uses of net proceeds from the operation of vending facilities at the University.

## State Regulation

The establishment and provision of these enterprises is regulated by the North Carolina State Statutes, [Chapter 66 Article 11 Section 66-58](#) sale of merchandise or services by governmental units, commonly referred to as the Umstead Act.

The act is designed to prohibit state government from competing in the marketplace against the private commercial activities of North Carolina citizens, whether that service delivery is managed by the University or by private contractors.