

§ 116-350.40. Regulation of UNC Hospitals funds.

(a) Definition of Funds. – As used in this section, "funds" means:

- (1) Moneys, or the proceeds of other forms of property, received by the UNC Hospitals as gifts or devises.
- (2) Moneys received by the UNC Hospitals pursuant to grants from, or contracts with, the United States government or any agency or instrumentality thereof.
- (3) Moneys received by the UNC Hospitals pursuant to grants from, or contracts with, any State agencies, any political subdivisions of the State, any other states or nations or political subdivisions thereof, or any private entities whereby the UNC Hospitals undertakes, subject to terms and conditions specified by the entity providing the moneys, to conduct research, training, or public service programs.
- (4) Moneys received from or for the operation by the UNC Hospitals of any of its self-supporting auxiliary enterprises, including the Liability Insurance Trust Fund.
- (5) Moneys received for services UNC Hospitals and the patient care programs established or maintained by the School of Medicine of the University of North Carolina at Chapel Hill render in its hospital, clinics, and other operations.
- (6) Moneys received by the UNC Hospitals in respect to borrowings for capital equipment or construction projects to further services it renders in either or both of its hospital or clinical operations.
- (7) The net proceeds from the disposition effected pursuant to Article 7 of Chapter 146 of the General Statutes of any interest in real property owned by or under the supervision and control of the UNC Hospitals if the interest in real property had first been acquired by gift or devise or through expenditure of moneys defined in this section, except the net proceeds from the disposition of an interest in real property first acquired by the UNC Hospitals through expenditure of moneys received as a grant from a State agency or General Fund appropriations.

(b) Fund Management. – The Board of the System is responsible for the custody and management of the funds of the UNC Hospitals. The Board shall adopt uniform policies and procedures applicable to the deposit, investment, and administration of these funds, which shall assure that the receipt and expenditure of such funds is properly authorized and that the funds are appropriately accounted for. The Board may delegate authority, through the Chief Executive Officer, to the President of the UNC Hospitals, when such delegation is necessary or prudent to enable the UNC Hospitals to function in a proper and expeditious manner.

(c) Fund Expenditure. – Funds under this section and investment earnings thereon are available for expenditure by the UNC Hospitals and are hereby appropriated by the General Assembly.

(d) Fund Oversight. – Funds under this section are subject to the oversight of the State Auditor pursuant to Article 5A of Chapter 147 of the General Statutes are not subject to the provisions of the State Budget Act, except for operating and capital funds appropriated from the General Fund.

(e) Fund Reporting. – The UNC Hospitals shall submit such reports or other information concerning its fund accounts under this section as may be required by the Board.

(f) Funds Supplemental. – Funds under this section, or the investment income therefrom, shall not take the place of State appropriations or any part thereof, but any portion of these funds available for general institutional purposes shall be used to supplement State appropriations to the

end that the UNC Hospitals may improve and increase their functions, may enlarge their areas of service, and may become more useful to a greater number of people.

(g) Fund Investment. – The Board may deposit or invest the funds under this section in interest bearing accounts and other investments in the exercise of its sound discretion, without regard to any statute or rule of law relating to the investment of funds by fiduciaries. (2023-134, s. 4.10(b).)