

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2005**

S

1

**SENATE BILL 957\***

Short Title: Est. Private, Nonprofit Corps.

(Public)

---

Sponsors: Senator Lucas.

---

Referred to: Education/Higher Education.

---

March 24, 2005

A BILL TO BE ENTITLED

1 AN ACT TO PROVIDE THAT THE UNIVERSITY OF NORTH CAROLINA MAY  
2 ESTABLISH PRIVATE, NONPROFIT CORPORATIONS TO SUPPORT THE  
3 CONSTITUENT INSTITUTIONS AND THE UNIVERSITY SYSTEM.  
4

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** Article 1 of Chapter 116 is amended by adding a new Part to  
7 read:

8 "Part 2B. Private, Nonprofit Corporations.

9 "**§ 116-30.20. Establishment of private, nonprofit corporations.**

10 The Board of Governors of The University of North Carolina shall encourage the  
11 establishment of private, nonprofit corporations to support the constituent institutions of  
12 The University of North Carolina and the university system. The President of The  
13 University of North Carolina and the chancellors of the constituent institutions may  
14 assign employees to assist with the establishment and operation of a nonprofit  
15 corporation and may make available to the corporation office space, equipment,  
16 supplies, and other related resources; provided, the sole purpose of the corporation is to  
17 support The University of North Carolina or one or more of its constituent institutions.

18 The board of directors of each private, nonprofit corporation shall secure and pay for  
19 the services of the university system's internal auditors or employ a certified public  
20 accountant to conduct an audit of the financial accounts of the corporation. The board of  
21 directors shall transmit to the Board of Governors a copy of the annual financial audit  
22 report of the private nonprofit corporation."

23 **SECTION 2.** This act is effective when it becomes law.