

<b>ADMINISTRATIVE DIVISION</b> FINA Administration and Finance	<b>POLICY NUMBER</b> FINA 1.23
<b>POLICY TITLE</b> Internal Funds (N 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 defines the criteria to establish an Internal N fund and the required administration.

**DEFINITIONS AND ACRONYMS**

**N Fund:** Unrestricted departmental funds set aside for specific purposes or internal projects. Balances in these funds may be carried forward from year to year.

**POLICY STATEMENT**

The Controller's Office will review all requests to establish N Fund projects for appropriateness and discuss alternatives if the activity does not meet the necessary N Fund project criteria as outlined in this policy. Requests for N Funds must be submitted directly to the Controller's Office. N Fund projects will be established for a maximum initial term of five years and can be renewed in five-year increments after a request is made and a review is completed by the Controller's Office.. Once an N Fund is approved and established, the committed funds must immediately be transferred to the newly created N Fund project. The department is then responsible for spending according to any established research guidelines for the project and maintaining a positive cash balance in accordance with established policies of the University. The Controller's Office will monitor N Funds to identify:

- A. Accounts operating in deficit,
- B. Accounts with limited activity over a year, and
- C. Accounts with excessive fund balance (unspent funds).

Following the fiscal year-end review, the Controller's Office will provide each unit with a list of the N Fund projects within their area of responsibility that have continuing excessive or deficit funding levels for their review and immediate action.

**PROCEDURES**

The procedure can be found here:

[https://sc.edu/about/offices\\_and\\_divisions/controller/toolbox/policies\\_and\\_procedures/index.php](https://sc.edu/about/offices_and_divisions/controller/toolbox/policies_and_procedures/index.php)

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

FINA 1.00 Chart of Accounts

FINA 3.00 Sponsored Awards

**HISTORY OF REVISIONS**

<b>DATE OF REVISION</b>	<b>REASON FOR REVISION</b>
May 23, 2023	Policy creation
September 20, 2024	Language, content, and formatting updates