I. LIVE CLIENT PROJECTS.....1
A. Definition..... 1
B. Project Charges..... 1
C. Use of Project Receipts..... 2
1. Generally.....2
2. Surplus Equipment Live Client Projects.....2
3. Construction Live Client Projects.....2
4. Patron Service Live Client Projects..... 2
5. Disposition of Discontinued Live Client Project Fund Balance.....3
II. COLLEGE PROJECTS.....3

I. LIVE CLIENT PROJECTS

A. Definition

Live client projects are defined as either:

- Educational programs in which students, as part of their educational experiences and as part of the instructional course requirements, repair or remodel non-college owned personal property or real property; or
- Educational programs that construct structures that are sold, produce goods that are sold, or provide services for a fee, such structures, goods or services being the normal and necessary product of learning activities of students.

Live client projects are governed by procedures adopted by the President in connection with this Policy and consistent with State Board Code.

B. Project Charges

The College shall charge project clientele for goods or services produced through a live client project. Live client project receipts shall be deposited into an unrestricted institutional account

In the case where the repairing or remodeling of non-college owned personal property or real property is the basis of the project, the owner of the property shall supply or pay for all parts required.

In the case where the construction of structures, production of goods, or provision of services for a price or fee is the basis of the project, the college shall charge all clientele for the value of the goods and services provided through a live customer project.

C. Use of Project Receipts

1. Generally

All costs that otherwise would not have been incurred absent the live client project shall be supported by funds from the institutional account that receives the live client project receipts and shall not be supported from State funds. These costs include, but are not limited to, supplies and materials used in producing the good or service, additional personnel required to serve clients, specialized equipment, liability insurance, and other costs directly related to the live client project as distinguished from an instructional program that does not produce income.

Live client project receipts may also be used to supplement instructional costs of those programs engaging in live client projects. The college shall maintain detailed records so that the college may prepare annual financial statements and a complete audit of the account may be made after the close of the fiscal year.

2. Surplus Equipment Live Client Projects

For live client projects that involve the repair of equipment purchased with State funds or federal surplus property, with a subsequent sale as surplus under the rules of the State Division of Purchase and Contract, the proceeds of such sales shall be deposited as a refund of expense to the equipment budget of the college.

3. Construction Live Client Projects

In the context of construction live client projects, costs may include, but are not limited to, all building materials, land, land improvements, amounts paid to subcontractors for work not performed by students or employees of the college, any actual interest paid on construction loans or financing arrangements provided for by a partnering third-party entity, and any legal fees and closing costs that may be required.

For construction live client projects where a permanent building is constructed on the College's campus or on property owned by the College, all requirements of the General Statutes in acquiring the building materials and any subcontracted work, as well as in disposing of the building and property, shall be followed. College employees on the permanent payroll of the college are permitted to perform construction or repair work as long as project costs do not exceed the maximum thresholds established in G.S. 143-135. A project cannot be subdivided to evade the provisions of G.S. 143-135.

4. Patron Service Live Client Projects

Notwithstanding other provisions of this Policy, the College may use a combination of State funds and live client project receipts to support costs associated with providing services to patrons, such as cosmetology and dental hygiene services.

5. Disposition of Discontinued Live Client Project Fund Balance

If the College decides to discontinue a live client project activity, any unexpended funds in the live client project institutional account shall be used for other live client projects or used consistent with the provisions of 1E SBCCC 700.7.

II. COLLEGE PROJECTS

College projects are defined as educational programs in which students, as part of their educational experiences and as a part of the instructional course requirements, either 1) repair or remodel College-owned personal property or real property, 2) construct personal or real property where the College is the intended owner, or 3) provide services in support of College operations.

Funding sources used in support of a College project shall be consistent with funding sources that would otherwise be used if the College were instead to engage a contractor for the project in question. In all other respects, College projects are governed by procedures adopted by the President in connection with this Policy.

REFERENCES

Statutory References	N.C.G.S § 143-135
Regulatory References	1H SBCCC 300.1; 1E SBCCC 700.7
Relevant Guidance	None
Policy Manual Cross-References	None

POLICY HISTORY

September 24, 2025	Adopted.