

ADMINISTRATIVE DIVISION FINA Administration and Finance		POLICY NUMBER FINA 1.24
POLICY TITLE Local Appropriation Policy		
SCOPE OF POLICY USC System		DATE OF REVISION August 20, 2025
RESPONSIBLE OFFICER Executive Vice President for Finance and Chief Financial Officer		ADMINISTRATIVE OFFICE University Finance – Controller’s Office

PURPOSE

The purpose of this policy is to establish procedures for funds received by the University from local government entities (county or city) in the form of appropriations and ensure funds are appropriately and properly recorded in the University’s financial accounting system.

DEFINITIONS AND ACRONYMS

Appropriations: According to GASB Cod. Sec. 1700.103, an appropriation is awarded as a result of legislative action. Funds legislatively appropriated to the University from governments, such as the state of South Carolina, local county, city, or taxing authority. State appropriations are subject to policy [FINA 1.25 State Funds \(G Funds\)](#). Local appropriations are subject to this policy FINA 1.24 Local Appropriations.

Fund Group Number: is a combination of five digits that identify the specific source of funding. The first digit of the fund corresponds to the appropriate fund group. For example, E1500 represents a current Unrestricted Sales and Service Fund and A0001 represents current Unrestricted General Operating Funds.

POLICY STATEMENT

A. Establishment of Local Appropriation Accounts

The University will designate funds received from the local appropriations within the University’s accounting system as outlined below and ensure procedures followed are consistent with the requirements for the State of South Carolina Code of Laws, State of SC Regulations, Federal Guidelines, and University policies as applicable. Local appropriations may be received in the following forms:

1. Legislatively appropriated for general E&G Operating Purposes:

Funds from local governments appropriated for E&G Operating purposes are generally identified in their approved and published annual budget. Local governments may also appropriate funds for E&G Operating purposes from other sources, including surplus revenue or other nonrecurring sources in any given fiscal year based on availability of such funds.

Local appropriations for this purpose are recorded as “A” funds within the University’s accounting system using account code 48681-Local Appropriations. Once properly recorded as “A” funds, the Unit may transfer funds as necessary and applicable to support operations (i.e. scholarship fund, athletics, etc.).

2. Legislatively appropriated and designated for Specific Purposes:

Local funds received by the University that are designated or restricted for a specific purpose by the local government's legislation shall be established as "H Funds" within the University's accounting system using account code 48681 – Local Appropriations.

The University may be notified of these appropriations through a variety of means. Upon notification, the Controller's Office is responsible for establishment, amendment, and deactivation of "H" fund accounts.

For local legislatively appropriated "H" Funds there shall be a designee assigned for each account to ensure compliance with restrictions.

3. Not Legislatively appropriated but Restricted in their Use:

Local governments may seek assistance or solicit service from the University for the provision of goods and/or services. Such services are provided by the University in accordance with a specific scope of work and project budget through the establishment of a grantee or contractual relationship. Any University Unit, Campus, Center, or Department seeking to establish a grantee or contractual relationship with another government entity must obtain approval from the Office of Sponsored Award Management (SAM). In coordination with SAM, Grants and Funds Management is responsible for the establishment, amendment, and deactivation to "H1000" fund accounts. A Principal Investigator and Business Manager shall be established at the Unit level for each "H1000" account within this category.

To establish "H" funds, the [Chartfield Request Form](#) must be completed and submitted directly to the Controller's Office at CFMAINT@mailbox.sc.edu. However, for sponsored awards, it must go through the Office of Sponsored Award Management (SAM).

B. Exceptions

There are no authorized exceptions to this policy.

PROCEDURES

There are no procedures for this policy. Questions may be sent to the Controller's Office at controller@sc.edu.

RELATED UNIVERSITY, STATE, AND FEDERAL POLICIES

[FINA 1.00 Chart of Accounts](#)

[FINA 1.25 State Funds \(G Funds\)](#)

HISTORY OF REVISIONS

DATE OF REVISION	REASON FOR REVISION
May 23, 2023	New Policy Approval
August 20, 2025	Policy title renamed