

Revised Guideline for using State Appropriated Funds to pay rent for specific buildings on Centennial Campus – approved by VC Leffler November 23, 2010:

Centennial Campus Legislation (GS 116-36.5) stated “All moneys received through development of the Centennial Campus of North Carolina State University at Raleigh, from whatever source, including the net proceeds from the lease or rental of Centennial Campus real property, shall be placed in a special, continuing, and non-reverting trust fund having the sole exclusive use for further development of the Centennial Campus”.

Memoranda of Agreement (MoA) that establish rental arrangements of space are not for University use of appropriated space but, rather, for space in those buildings whose rentals fund what are commonly referred to as “Receipt-Supported Bonds.” Rentals, both internal and external, from specific buildings **(Research Building I, II, III, & IV, Partners Buildings I, II, III, and Corporate Research Building I)** are used to retire bond debt as proposed when the financing was secured. This is one of the fundamental premises behind the current Centennial Campus financing model.

While it is typically not the practice to use state appropriated funds to pay rent that will be deposited into University Trust funds, an exception has been made for rents paid for occupancy in these specific eight buildings. The rationale behind the exception is that the buildings’ rentals are used for further development of the Centennial Campus including the issuance of bonds supported by the receipts to be collected from tenants. **As the University rents space to both internal and external occupants the proceeds for this occupancy should be handled consistently for all tenants in the Centennial Campus Trust fund.** Additional buildings may only be added to the list by the Vice Chancellor for Finance and Business.