

Introduced by

1 A BILL for an Act to require disclosure of higher education institution internal service funds.

2 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

3 **SECTION 1. Disclosure of internal service fund activity by institutions of higher**
4 **education - Financial statements.** Each institution under the control of the state board of
5 higher education must prepare an annual financial statement on all internal service funds of that
6 institution. The state auditor shall prepare the format for a financial statement under this
7 section. The financial statement must include at least a balance sheet and an activity
8 statement that provides complete and specific detail of all revenue and the source of the
9 revenue for each expenditure and transfer from each internal service fund. The financial
10 statement must be prepared on a fiscal year basis and must be filed with the legislative council
11 before December thirty-first following the close of each fiscal year. The financial statement
12 must be prepared using the format developed by the state auditor in conformance with this
13 section. As used in this section, the term "internal service funds" includes any fund described
14 as a "recharge center", "service department", "service center", "central stores"; and any other
15 term used to describe interdepartmental transactions receiving and expending materials,
16 services, or capital assets between departments of an institution and for which the purpose is to
17 provide institutional support. "Institutional support" includes central executive management and
18 long-range planning activities; institution fiscal operations; institution data processing; institution
19 facility management; institution employee personnel functions; institution logistic activities
20 including purchasing, storerooms, safety, security, printing, and transportation; institution faculty
21 and staff support services; and institution community and alumni relations activity including
22 development and fundraising.