CHAPTER 118

South Carolina Academic Endowment Incentive Act

**SECTION 59‑118‑10.** Short title.

 This chapter is known and may be cited as the South Carolina Academic Endowment Incentive Act.

HISTORY: 1997 Act No. 155, Part II, Section 21A.

**SECTION 59‑118‑20.** Purpose.

 The purposes of this chapter are to:

 (1) further the state's efforts to meet its responsibility for the intellectual development of our youth;

 (2) enhance statewide economic development through initiatives in higher education; to provide incentives to individuals, corporations, or private funding organizations to create endowments to support the teaching and related activities at South Carolina's public colleges and universities;

 (3) supplement the financial impacts of newly created endowments that support these colleges and universities.

HISTORY: 1997 Act No. 155, Part II, Section 21A.

**SECTION 59‑118‑30.** Definitions.

 For purposes of this chapter:

 (1) "Qualifying college or university" means a state‑supported, post‑secondary two‑year or four‑year educational institution including college or university regional campuses offering undergraduate, master, or doctoral programs, a technical college under the jurisdiction of the State Board for Technical and Comprehensive Education, and a regional campus of the University of South Carolina.

 (2) "Endowments" mean permanent gifts or donations to the qualifying college or university or its principal foundation including cash, income producing securities, an income producing business, real property, personal property, fixed assets, mortgage notes, and life income gifts or bequests. Research grants and funds received by the institution in the performance of a contractual obligation are not an endowment for purposes of this chapter.

 (3) "Principal foundation" means a foundation designated by the Board of Trustees of the qualifying college or university and registered with the South Carolina Secretary of State.

 (4) "Year" means a state fiscal year beginning on the first day of July and ending the following June thirtieth.

HISTORY: 1997 Act No. 155, Part II, Section 21A; 1998 Act No. 419, Part II, Section 59A; 2000 Act No. 289, Section 4; 2000 Act No. 387, Part II, Section 15.

**SECTION 59‑118‑40.** Matching state gifts on qualified disbursements.

 Each qualifying college or university will provide donors with an incentive in the form of matching state gifts on disbursements from earnings on certain endowments, donations, or gifts if these monies are used for the purposes specified in Section 59‑118‑50.

HISTORY: 1997 Act No. 155, Part II, Section 21A.

**SECTION 59‑118‑50.** Use of disbursements.

 Disbursements from the earnings must be used to provide funds for academic purposes, to include academic scholarships, and are then eligible to receive state matching funds.

HISTORY: 1997 Act No. 155, Part II, Section 21A.

**SECTION 59‑118‑60.** South Carolina Higher Education Matching Gift Fund.

 There is created the South Carolina Higher Education Matching Gift Fund which shall be separate and distinct from the state general fund and shall be administered by the Commission on Higher Education with the funds appropriated by the General Assembly in the general appropriations act of 1997‑98. The General Assembly in the annual general appropriations act shall appropriate monies into this matching gift, fund not to exceed five million dollars annually, to be used for the purpose of providing matching state funds to qualifying colleges and universities for purposes stipulated by this chapter. The combined annual total of the match funds appropriated to the University of South Carolina Columbia, Clemson University, and the Medical University of South Carolina cannot exceed sixty percent of the annual appropriation. The disbursement match cannot exceed the amount provided by the South Carolina Higher Education Matching Gift Fund. The State Treasurer shall manage and invest the monies in the Higher Education Matching Gift Fund in the same manner and under the same terms and conditions as other state funds under his control are managed and invested, and disbursements to particular colleges or universities shall be made on warrant and under the direction of the Commission on Higher Education pursuant to the provisions of this chapter.

HISTORY: 1997 Act No. 155, Part II, Section 21A.

**SECTION 59‑118‑70.** Provision of matching funds.

 The State of South Carolina, acting through the Commission on Higher Education, shall provide funds to match funds from the qualifying college, university, or principal foundation, to the extent of available funds, from the South Carolina Higher Education Matching Gift Fund established in Section 59‑118‑60.

HISTORY: 1997 Act No. 155, Part II, Section 21A.

**SECTION 59‑118‑80.** Conditions on matching gifts.

 The state matching gifts authorized in Section 59‑118‑70 are subject to the following conditions:

 (1) qualifying disbursements to which the state matching gift is applied must come from the earnings of the endowment and not from principal or corpus;

 (2) the state matching funds must go directly into the college's or university's operating account to be spent only for the purposes authorized;

 (3) the college or university must make application to receive state matching funds on forms and under procedures prescribed by the Commission on Higher Education.

HISTORY: 1997 Act No. 155, Part II, Section 21A.

**SECTION 59‑118‑90.** Procedures for submission and documentation of requests.

 The Commission on Higher Education shall specify by regulation the procedures for submission and documentation of requests for matching state funds.

HISTORY: 1997 Act No. 155, Part II, Section 21A.

**SECTION 59‑118‑100.** Proportionate shares; undistributed funds.

 The Commission on Higher Education shall ensure that each qualifying college or university receives its proportionate share of the State Higher Education Matching Gift Fund based on the ratio of disbursements. Any monies in the State Higher Education Matching Gift Fund not distributed in any year shall be carried forward for the same purposes in future years and all earnings on monies in the State Higher Education Matching Gift Fund must be retained in the fund and used for its stated purposes.

HISTORY: 1997 Act No. 155, Part II, Section 21A.