

CS 3.2.2 - Governing Board Control

The legal authority and operating control of the institution are clearly defined for the following areas within the institution's governance structure:

- the institution's mission;
- the fiscal stability of the institution;
- institutional policy, including policies concerning related and affiliated corporate entities and all auxiliary services;
- related foundations (athletic, research, etc.) and other corporate entities whose primary purpose is to support the institution and/or its programs.

Compliance Finding: In Compliance

Narrative:

The University of South Carolina was chartered by the South Carolina General Assembly in 1801. In 1959 the South Carolina legislature created the Beaufort campus of the University of South Carolina. In June 2002, the University of South Carolina Beaufort (USC Beaufort) was granted four-year status by the South Carolina Commission on Higher Education (SCCHE), and in 2004 USC Beaufort was accredited as a Level II baccalaureate-degree-granting university. The University is a body corporate and politic, in deed and in law under the name of the University of South Carolina. The Board of Trustees [i] of the University of South Carolina is the governing body of the University of South Carolina System, including USC Beaufort. The powers of the Board are enumerated by the provisions of South Carolina Code of Laws, Sections 59-117 [ii].

As the administrative head of USC Beaufort, the Chancellor bears responsibility to the Board, through the President, for the effective execution of all laws relating to the University of South Carolina System; all resolutions, policies, rules, and regulations adopted by the Board for the administration and operation of the University System and for the governance of the USC Beaufort campus; and all policies, rules, regulations, directives, and memoranda issued by the President. The Chancellor has full authority to administer USC Beaufort campus affairs and to formulate and issue regulations and orders not inconsistent with the bylaws, rules, policies, and procedures of the Board and the President.

The legal authority and operating control of USC Beaufort are clearly defined for the following areas within the USC Board of Trustees Bylaws [iii], USC Policies and Procedures [iv], and the USC Foundation Bylaws.3.2.2.1 Mission

Article III, Section 1: Duties of the Board [v]: "The Board shall define the mission, role and scope of the University System and each of its major component institutions, shall establish the general policies of the University System, shall lay out the University System's broad program of educational activity, shall approve the budget for the next fiscal year, and shall provide ultimate accountability to

the public and the General Assembly."

The Chancellor bears responsibility for carrying out the institution's mission [vi], the fiscal stability of the institution, institutional policy, including policies concerning related and affiliated corporate entities and all auxiliary services, and related foundations and other corporate entities whose primary purpose is to support the institution and/or its programs.

USC Beaufort's mission statement undergoes annual review by the Institutional Effectiveness Council as part of the internal strategic planning process and in accordance with the South Carolina state-mandated performance-funding indicator outlined in Act 359 (59-103-15, SC Code of Laws, 1976, as amended.) [vii]. Every five years, USC Beaufort's mission undergoes a formal review by the SCCHE.

3.2.2.2 Fiscal Responsibility

Article III, Section 1: Duties of the Board [viii]: "The Board shall define the mission, role and scope of the University System and each of its major component institutions, shall establish the general policies of the University System, shall lay out the University System's broad program of educational activity, shall approve the budget for the next fiscal year, and shall provide ultimate accountability to the public and the General Assembly.

Within these fundamental responsibilities, the Board will perform, where appropriate, many essential functions, including but not limited to the following: ...[note: only H-N apply to fiscal responsibility.]

H. Levy fees and charges and examine from time to time admissions policies as established by the faculties and the administration;

I. Review and approve requests for appropriations;

J. Review and approve annual budgets and budget changes;

K. Approve all gifts where restrictions are indicated, designate the use of unrestricted gifts, and approve and designate the use of testamentary gifts;

L. Approve all loans, borrowing, and issuance of bonds;

M. Approve appointments and salaries of principal officials which shall be defined as those persons elected by the Board as provided in Paragraphs A, B, and C above, as well as University officers having the rank of Vice President or Chancellor or equivalent rank;

N. Approve compensation policy for faculty and staff...."

The Chancellor bears responsibility for the financial management of the campus and its component parts in conformity with USC management policies and practices. This function includes but is not limited to the preparation of budgets, maintenance of financial records and accounts for activities of the campus, the receipt and expenditure of all campus funds, and preparation of required financial reports.

3.2.2.3 Institutional Policy

Article XI, Section 1: Organization [ix]. "The University of South Carolina System, at times also referred to as the "Carolina System," consists of the component campus units described in Article I, Section 4 of these Bylaws. It shall be charged with the responsibility of providing to the State of South Carolina readily accessible comprehensive undergraduate, graduate and professional programs and other instruction, research, continuing education and service programs, all of the highest quality, through the operation of major components or campuses with varying missions and at various locations throughout the State. Each four-year campus with the exception of the Columbia campus shall be administered by a Chancellor who shall report directly to the President. The position of the President of the University System shall also encompass the office and duties of Chancellor of the Columbia campus. Each University Campus, other than Columbia and four-year campuses, shall be administered by a Dean who shall report to the Vice Provost and Executive Dean for Regional Campuses and Continuing Education who in turn reports to the Provost."

Through the Bylaws of the University of South Carolina Board of Trustees, the authority and duties of the Chancellors are delegated as follows:

Article XI, Section 3: Authority and Duties of the Chancellors [x].

"There shall be a Chancellor of each component four-year institution within the University System, and the President shall serve as and perform the duties of Chancellor for the Columbia campus. The Chancellors shall be the chief administrative officers of their respective campuses and shall have full authority to administer campus affairs and to formulate and issue regulations and orders not inconsistent with the Bylaws, rules, policies and procedures of the Board and the President. They shall be responsible for the participation of their campuses in the overall planning, resource allocation and program evaluation of the University System. The Chancellors shall report directly to the President who in turn shall report to the Board."

3.2.2.4 Related Foundations and other Corporate Entities

The University of South Carolina Beaufort does not operate its own independent foundation. USC Beaufort has the ability to accept gifts and grants of a complex nature due to its relationship with three of the five foundations established within the University of South Carolina: the USC Educational Foundation, the USC Development Foundation and the USC Research Foundation. USC Beaufort cannot influence or control these foundations but works within the USC Foundations' policies and procedures.

Foundations: The University of South Carolina Development Foundation [xi], Educational Foundation [xii] and Research Foundation [xiii] are organized and shall be operated exclusively to support the University of South Carolina, including all campuses, in all of its educational, instructional, scientific, literary, research, service, charitable, and outreach endeavors. The foundations shall operate exclusively for the benefit of the University to:

- obtain, acquire, receive, construct, erect or otherwise provide real and personal property in accordance with the needs and demands of the University; and to hold, retain, lease, license, rent, manage, invest, reinvest, develop, sell or otherwise dispose of or assign the income from and/or rights in or to real and personal property, in accordance with the needs and demands of the University.
- promote, encourage and aid scientific investigation and research at the University by providing or assisting in providing the means, property, and facilities for pursuing scientific research, investigation, discoveries, inventions and processes, or for utilizing, distributing or disposing of same for the purpose of providing funds for the benefit of the University and stimulating further scientific investigation and research at the University.
- engage in any and all lawful activities necessary or incident to the foregoing purposes, including all powers set forth in S. C. Code §33-31-302 except as limited herein.

The USC Research Foundation was founded (formerly known as the Carolina Research Institute) was formed in 1997 to increase the support for faculty doing research at USC. The USC Research Foundation provides greater flexibility and competitiveness in implementing research grants and contracts, building infrastructure, and developing intellectual property for the faculty. The Research Foundation’s management responsibilities include USC’s intellectual technology licensing program and the USC Columbia Technology Incubator. USC Beaufort submits all grant proposals through the USC Research Foundation, awards are deposited into the foundation and expenditures and reports are tracked by the foundation.

The University of South Carolina Board of Trustees has an established policy governing the creation of standing committees as described in Article VI, Section 1: Standing Committees [xiv]. The purpose is “A. To facilitate consideration of the business and management of the Board and of the University, standing committees are established as hereinafter set forth.

The Intercollegiate Athletic Committee “shall be charged with the formulation, review, and approval of all policies affecting the intercollegiate activities of the University and shall be kept informed of all matters affecting these policies in order that it may make recommendations and reports to the Board” as stated in Article VII, Section 6 [xv].

Beaufort Jasper Higher Education Commission: Article XI, Section 5: Area or County Higher Education Commission [xvi]. "The Chancellors and/or Deans of the four-year and University Campuses as well as the President, the Secretary and the Vice Provost and Executive Dean for Regional Campuses and Continuing Education shall work in close liaison with the various area and county higher education commissions which shall act in an advisory capacity on matters pertaining to the various campuses within the University System." In accordance with these Bylaws, the Beaufort County Higher Education Commission was established in 1959 by an act of the South Carolina General Assembly. In 1994 Bill H.4865 repealed the original act and created the Beaufort Jasper Higher Education Commission. Chapter 56, Section 59-56-20 [xvii] states that “The commission may: upon the approval of a majority of its members, may enter into contracts with institutions of higher learning upon terms and conditions mutually acceptable to the commission and the institution for the establishment and operation of educational centers to be branches of the institution at Beaufort or Jasper County, or both.”

Supporting Documents

- [i USC Board of Trustees](#)
- [ii South Carolina Code of Laws, Sections 59-117](#)
- [iii USC Board of Trustees Bylaws](#)
- [iv USC Policies and Procedures](#)
- [v USC Board of Trustees ByLaws, Article III, Section 1](#)
- [vi USC Beaufort Mission](#)
- [vii South Carolina Code of Laws ACT 359](#)
- [viii USC Board of Trustees ByLaws, Article III, Section 1](#)
- [ix USC Board of Trustees ByLaws, Article XI, Section 1](#)
- [x USC Board of Trustees ByLaws, Article XI, Section 3](#)
- [xi USC Development Foundation](#)
- [xii USC Education Foundation](#)
- [xiii USC Research Foundation](#)
- [xiv USC Board of Trustees ByLaws, Article VI, Section 1](#)
- [xv USC Board of Trustees ByLaws, Article VII, Section 6](#)
- [xvi USC Board of Trustees ByLaws, Article XI, Section 5](#)
- [xvii Beaufort Jasper Higher Education Commission](#)