

**10A NCAC 27A .0110 EXPENDITURE OF DIVISION FUNDS SETTLED ON AN EXPENDITURE BASIS**

(a) The area programs may budget division funds within cost centers that also include, but are not limited to, local funds, federal funds or other division funds. When area programs elect to budget division funds within a cost center that is settled on an expenditure basis with other funds, funds shall be considered to have been expended in the following order:

- (1) special grants from non-divisional sources that are for reimbursement of the same expenditures as those for which divisional categorical funds are appropriated (examples are grants from the Department of Public Instruction or Division of Youth Services - Community-Based Alternative Funds);
- (2) federal funds from the Division; and
- (3) state funds from the Division. Revenue from non-divisional sources shall be deducted from total cost center expenditures for the purpose of determining the net cost upon which the state share is based.
- (4) Client-earned income, such as payments received from patients or third parties (insurance, Medicare, Medicaid), which is received but not expended shall be retained by the area program.

(b) Settlement of Willie M. and Thomas S. funds shall be in accordance with Rules .1136 and .1148 of this Section, respectively.

*History Note: Authority G.S. 122C-112; 122C-147;  
Eff. July 1, 1980;  
Amended Eff. February 1, 1996; October 1, 1992; April 1, 1990; June 1, 1987;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.*