

I. Approval for Live Projects

A. Program Based Live Client Projects

For College programs like automotive mechanics, cosmetology, and dental hygiene, services which traditionally use live client projects as a routine part of the curriculum and program, the Dean responsible for the program shall submit a report at the request of the Vice President of Teaching and Learning regarding active live client projects. The Vice President of Teaching and Learning is authorized to approve the continued use of live client projects for these programs.

B. Specific Live Client Projects

If an instructor desires to implement a specific or new live client project, the instructor shall provide a written summary of the project to the Dean for review. The Dean shall review and provide written recommendation to the Vice President for Instruction. The Vice President is authorized to approve specific or new live client projects.

II. Client Selection

Clients for live projects shall be limited to current students and employees in the North Carolina Community College System. When, however, it becomes necessary to solicit outside clients in order to provide students with enough experience to carry out the desired live project, the instructor responsible for the live project shall adopt specific, written criteria for selecting outside clients. The criteria must be approved in advance by the Vice President for Instruction and shall be consistent with the State Board Code.

III. Client Charges

Under State Board Code, the College is authorized to charge clients for goods and services produced through live projects. For live projects involving repair or remodeling non-College owned personal and/or real property, the owner of the property shall supply or pay for all parts required. For live projects that build structures that are sold, produce goods that are sold, or provide services for a fee, the College shall charge the client for the value of the structures, goods and/or services.

IV. Use of Live Client Project Receipts

All costs that otherwise would not have been incurred absent the live client project shall be supported by funds from the College's account that receives the live client project receipts and shall not be supported from State funds. These costs include but are not limited to: supplies and materials used in producing the good or service; additional personnel required to serve clients; specialized equipment; liability insurance; and other costs directly related to the live client project as distinguished from an instructional program that does not produce income. In the context of construction live client projects, these costs include, but

are not limited to: all building materials; land; land improvements; amounts paid to subcontractors for work not performed by College students or employees; any actual interest paid on construction loans or financing arrangements provided for by a partnering third-party entity; and any legal fees and closing costs that may be required. Live client project receipts may also be used to supplement instructional costs of those programs engaging in live client projects. The instructor responsible for the live project shall maintain detailed records so that the College may prepare annual financial statements and a complete audit of the account may be made after the close of the fiscal year.

- A. Where federal programs are involved, federal regulations do not permit goods to be sold. In such programs, goods produced may be used for the benefit of the College or donated to another nonprofit charitable organization, educational agency or institution.
- B. For live projects that involve the repair of equipment purchased with State funds or Federal surplus property, the repair of this equipment and its sale as surplus shall follow the State Division of Purchase and Contract regulations. The proceeds of such sales shall be deposited with the State Board of Community Colleges and credited to the College's equipment budget.
- C. The College may use a combination of State funds and live client project receipts to support costs associated with providing services to patrons, such as cosmetology and dental hygiene services.

V. Construction Live Projects

- A. The College shall not engage in live client construction projects that repair or remodel property for companies or individuals that are in the construction business, unless the property undergoing repair or remodeling is used in the usual course of the business and is not being resold.
- B. For construction live client projects where a permanent building is constructed on the College's campus or property owned by the College, the College shall follow all requirements of the General Statutes in acquiring the building materials and any subcontracted work, as well as in disposing of the building and property. College employees are permitted to perform construction or repair work as long as project costs do not exceed the maximum thresholds established in G.S. 143-135. A project cannot be subdivided to evade the provisions of G.S. 143-135.

VI. Liability Issues

- A. Prior to entering into any live client projects, the instructor for the live project must obtain all the appropriate signatures on the Live Client Project Agreement Form. Participating clients must sign the Project Agreement form, agreeing to release the College from liability for work, projects and services provided to the client. The participating clients shall assume any and all risk, as well as all future liability, for

the live client project when the College declares the students/instructor(s) involvement terminated and the live client project is finished.

- B.** For any live projects conducted off-campus, prior to the project beginning, the participating client must provide documentation of liability insurance covering the College's Trustees, employees, students and agents in an amount no less than one million dollars, from an insurance company authorized to conduct business in North Carolina.

Adopted: August 26, 2022

Legal Citation: N.C.G.S. §143-135; 1H SBCCC 300.1