

By Mr. O'Leary of Melrose, petition of State Student Association of Massachusetts, Timothy F. O'Leary, Daniel E. Bosley and James T. Brett relative to trust fund accounts and other non-state appropriated funds of public higher education institutions. Education, Arts and Humanities.

**The Commonwealth of Massachusetts**

In the Year One Thousand Nine Hundred and Ninety-One.

AN ACT RELATIVE TO TRUST FUND ACCOUNTS AND OTHER NON-STATE APPROPRIATED FUNDS.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1 SECTION 1. Chapter 15A of the General Laws, as appearing  
2 in the 1988 Official Edition, is hereby amended by inserting after  
3 section 10 the following new sections: —

4 Section 10A. The board of regents shall promulgate regulations  
5 developed in consultation with the public institutions of higher  
6 education governing the overall establishment, financial  
7 management, investment, accounting, financial reporting and  
8 auditing of all institutional non-appropriated funds established  
9 pursuant to sections five and ten of this chapter, section fourteen  
10 of chapter seventy-three, section eleven of chapter seventy-five,  
11 section eight of chapter seventy-five A, or section eight of chapter  
12 seventy-five B, including but not limited to gifts, grants, and trust  
13 fund accounts held or controlled by any public institution of  
14 higher education; provided however, that said regulations shall  
15 not require prior approval from the board of regents for any  
16 expenditure of funds or the establishment of any trust fund  
17 account; provided further, that any higher education institution  
18 shall within thirty days of the establishment of a new trust fund  
19 account notify and provide to the board of regents any such  
20 information as is required under said regulations. Upon violation  
21 of said regulations by any person at an institution, the chancellor

22 or president of such institution may, for a period not to exceed  
23 one year after discovery of such violation, approve or deny any  
24 and all expenditures from any and all trust fund accounts under  
25 the direction of that person after notifying the board of trustees.  
26 Upon violation of said regulations by an institution's president  
27 or chancellor, the chancellor of the board of regents may, for a  
28 period not to exceed one year after the discovery of such violation  
29 approve or deny any and all expenditures from the trust fund  
30 account in which said violation occurred, after notifying the Board  
31 of Regents.

32 Section 10B. All institutional non-appropriated funds including  
33 but not limited to gifts, grants and trust fund accounts held or  
34 controlled by any institution of public higher education which are  
35 subject to a local accounting system approved by the state  
36 comptroller, and not subject to an audit by the federal government  
37 shall be subject to annual management audits performed by an  
38 independent auditing firm, the management compliance unit of  
39 the board of regents, the state auditor or the comptroller. The  
40 scope of said management audit shall be determined by the  
41 institution in conjunction with the board of regents and the state  
42 auditor. The results of all trust fund account audits shall be  
43 reported to the state auditor, the board of regents, the institution,  
44 the joint committee on Education, Arts and Humanities and the  
45 House and Senate committees on Ways and Means.

46 Section 10C. Any person who knowingly or willfully causes or  
47 conspires to cause any violation of any provision of section 10A  
48 or section 10B of any regulation promulgated thereunder, or any  
49 provision of law relating to the incurring of liability or expenditure  
50 of money received on account of the Commonwealth shall be  
51 punished in accordance with provisions of section sixty-six of  
52 chapter twenty-nine.

1 SECTION 2. Regulations promulgated pursuant to the  
2 provisions of this act shall be filed with the joint committee on  
3 Education, Arts and Humanities, the House and Senate  
4 committees on Ways and Means, and the Secretary of  
5 Administration and Finance within sixty days of the effective date  
6 of this act; provided however, that if said committees and said

7 secretary take no action relative to such regulations, or any  
8 revision to such regulations, within thirty days after their  
9 submission, such regulations or revisions to such regulations shall  
10 be deemed approved by said committees and secretary.

The following is a list of the names of the persons who have been appointed to the various positions in the office of the Secretary of the Board of Education for the year 1917.

1. Secretary of the Board of Education: [Name]

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