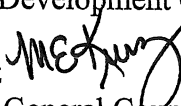


NC STATE UNIVERSITY

February 2, 2007

MEMORANDUM

TO: Deans, Department Heads, and Directors  
NC State University Development Officers

FROM: Mary Elizabeth Kurz   
Vice Chancellor and General Counsel and University Ethics Liaison

SUBJECT: Reporting Lobbying Expenses by the University

The General Assembly recently enacted legislation that requires the reporting of lobbying expenditures made by university officials and employees on behalf of the University. This memorandum is to acquaint you with the University's reporting responsibilities and your responsibilities as University employees to keep track of any lobbying expenditures that you or individuals who report to you make on behalf of the University. Once the University's Office of Finance and Business has finalized the reporting format and procedure, you will receive a supplemental memo regarding the reporting mechanism that will be used and to whom you will need to submit your lobbying expenditures reports.

The reporting obligation: NCGS § 120C-800 requires NC State to report any lobbying expenditures with a value of over \$200 per **designated individual** per calendar quarter. NCGS §120C-800 speaks in terms of a person or "group of persons acting together." University employees who engage in lobbying on behalf of NCSU and use University funds (all sources) for such activities would be considered as a "group of persons acting together," and the University must aggregate these lobbying expenditures to determine whether the reporting threshold has been met and report such expenditures. If you are engaging in any activities that involve reportable lobbying expenditures, you must keep track of these expenditures and be prepared to report such expenditures quarterly to the Office of Finance and Business. The University's first report will cover the first three months of this calendar year. The procedure for this reporting will be issued in the near future.

**Lobbying** is defined in the lobbying statute as either of the following: 1) influencing or attempting to influence legislative action or executive action, or both, through direct communication or activities with a designated individual or that person's immediate family; or 2) developing goodwill through communications or activities, including the building of relationships, with a designated individual or that person's immediate family, with the intention of influencing current or future legislative or executive action, or both. A **designated individual** is a legislator, legislative employee, or "public servant." The term "public servant"

is defined in NCGS § 138A-3(30). It essentially covers constitutional officers of the state, heads of all principal state departments who are appointed by the governor, chief deputies and administrative assistants of the foregoing persons, confidential assistants and secretaries to these persons, certain employees in exempt positions and their confidential secretaries, employees of the Office of the Governor, and any other employees or appointees in the principal state departments as may be designated by the governor; judicial employees, all voting members of boards as designated by the Ethics Commission, members of the Ethics Commission, certain persons under contract with the state, and for the University of North Carolina and the Community College System, certain designated boards and individuals.

If there are any individuals who report to you who are engaged in lobbying and will have reportable lobbying expenditures, please share this memorandum with them and notify me so that we will have an accurate list of individuals that will need to be informed about these reporting requirements and the procedures that are to be followed.

Please let me know if you have any questions.

Attachment

c: James L. Oblinger, Chancellor  
Charles Leffler, Vice Chancellor, Finance and Business  
Ernest Murphrey, Associate Vice Chancellor, Financial Services