



CHAPTER 159
ARTICLE 3 - THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT

N.C.G.S. § 159-39.

Special regulations pertaining to public hospitals.

SOURCE	LAST AMENDMENT IN THIS TEXT	RETRIEVED	SOURCE FINGERPRINT
General Statutes of North Carolina, as published by the General Assembly	S.L. 2005-417, s. 1 — fourth act in the lineage	21 September 2026, 02:47 UTC	0842524c1d736c37c77c655b - 1856bf16988c74366c92ca1e - 4a5914de665888d4

- § 159-39(a)

For the purposes of this Part, "public hospital" means any hospital that

(1) Is operated by a county, city, hospital district, or hospital authority, or

(2) Is owned by a county, city, hospital district or hospital authority and operated by a nonprofit corporation or association, a majority of whose board of directors or trustees are appointed by the governing body of a county, city, hospital district, or hospital authority, or

(3) On whose behalf a county or city has issued and has outstanding general obligation or revenue bonds, or to which a county or city makes current appropriations (other than appropriations for the cost of medical care to prisoners or indigents).
- § 159-39(b)

Except as provided in this Part, none of the provisions of Parts 1, 2, and 3 of this Article apply to public hospitals.
- § 159-39(c)

Each public hospital shall operate under an annual balanced budget. A budget is balanced when the sum of appropriations is equal to the sum of estimated net revenues and appropriated fund balances.
- § 159-39(d)

The governing board of each public hospital shall appoint or designate a finance officer, who shall have the following powers and duties:

- (1) He shall prepare the annual budget for presentation to the governing board of the public hospital and shall administer the budget as approved by the board.
- (2) He shall keep the accounts of the hospital in accordance with generally accepted principles of accounting.
- (3) He shall prepare and file a statement of the financial condition of the hospital as revealed by its accounts upon the request of the hospital governing board or the governing board of any county, city, or other unit of local government that has issued on behalf of the hospital and has outstanding its general obligation or revenue bonds or makes current appropriations to the hospital (other than appropriations for the cost of medical care to prisoners or indigents).
- (4) He shall receive and deposit all moneys accruing to the hospital, or supervise the receipt and deposit of money by other duly authorized officers or employees of the hospital.
- (5) He shall supervise the investment of idle funds of the hospital.
- (6) He shall maintain all records concerning the bonded debt of the hospital, if any, determine the amount of money that will be required for debt service during each fiscal year, and maintain all sinking funds, but shall not be responsible for records concerning the bonded debt of any county, city, or other unit of local government incurred on behalf of the hospital.

§ 159-39(e)

The Local Government Commission has authority to issue rules and regulations governing procedures for the receipt, deposit, investment, transfer, and disbursement of money and other assets by public hospitals, may inquire into and investigate the internal control procedures of a public hospital, and may require any modifications in internal control procedures which, in the opinion of the Commission, are necessary or desirable to prevent embezzlements, mishandling of funds, or continued operating deficits.

§ 159-39(f)

The accounting system of a public hospital shall be so designed that the true financial condition of the hospital can be determined therefrom at any time. As soon as possible after the close of each fiscal year, the accounts shall be audited by a certified public accountant or by an accountant certified by the Local Government Commission as qualified to audit local government accounts. The auditor shall be selected by and shall report directly to the hospital governing board. The audit contract or agreement shall be in writing, shall include all its terms and conditions, and shall be submitted to the secretary of the Local Government Commission for his approval as to form,

terms and conditions. The terms and conditions of the audit shall include the scope of the audit, and the requirement that upon completion of the examination the auditor shall prepare a written report embodying financial statements and his opinion and comments relating thereto. The finance officer shall file a copy of the audit with the secretary of the Local Government Commission and with the finance officer of any county, city, or other unit of local government that has issued on behalf of the hospital and has outstanding its general obligation or revenue bonds or makes current appropriations to the hospital (other than appropriations for the cost of medical care to prisoners or indigents).

- § 159-39(g)** A public hospital may deposit or invest at interest all or part of its cash balance pursuant to G.S. 159-30 and may deposit any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, with the State Treasurer for investment pursuant to G.S. 147-69.2.
- § 159-39(h)** Public hospitals are subject to G.S. 159-31 with regard to selection of an official depository and security of deposits.
- § 159-39(i)** Public hospitals are subject to G.S. 159-32 with regard to daily deposits.
- § 159-39(i1)** Public hospitals may accept electronic payments pursuant to G.S. 159-32.1.
- § 159-39(j)** Public hospitals are subject to G.S. 159-33 with regard to semiannual reports to the Local Government Commission on the status of deposits and investments.
- § 159-39(k)** Any hospital district or hospital authority having outstanding general obligation or revenue bonds is subject to G.S. 159-35, 159-36, 159-37, and 159-38.

END OF SECTION TEXT

APPARATUS FOLLOWS — DERIVED, NOT ENACTED

APPARATUS I
4 ACTS

Amendment lineage

The State prints this history as a single parenthetical at the foot of the section. It is reproduced verbatim in the colophon and unpacked below in order of enactment.



Nº	YEAR	ACT	CHARACTER
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01	1973	c. 474, s. 28.1	ENACTED
02	1973	c. 1215	AMENDED
03	1999	S.L. 1999-434, s. 5.1	AMENDED
04	2005	S.L. 2005-417, s. 1	AMENDED

APPARATUS II
7 AUTHORITIES

Authorities referenced

Every G.S. cross-reference appearing in the text of this section, in order of first appearance. Nothing is characterized; the operative language is quoted from the section itself.

REFERENCE	APPEARS IN	OPERATIVE LANGUAGE IN THIS SECTION
G.S. 159-30	(g)	<i>"of its cash balance pursuant to"</i>
G.S. 147-69.2	(g)	<i>"State Treasurer for investment pursuant to"</i>
G.S. 159-31	(h)	<i>"Public hospitals are subject to"</i>
G.S. 159-32	(i)	<i>"Public hospitals are subject to"</i>
G.S. 159-32.1	(i1)	<i>"may accept electronic payments pursuant to"</i>
G.S. 159-33	(j)	<i>"Public hospitals are subject to"</i>
G.S. 159-35	(k)	<i>"or revenue bonds is subject to"</i>

APPARATUS III

Citation

FULL SECTION

N.C. Gen. Stat. § 159-39 (2005).

PINPOINT

N.C. Gen. Stat. § 159-39(a) (2005).

Pinpoint keys are set in the left margin of the text rather than line numbers: subsection designators are stable across editions and paper sizes, line numbers are not.

COLOPHON

Provenance

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HISTORY PARENTHETICAL, AS PRINTED BY THE STATE
(1973, c. 474, s. 28.1; c. 1215; 1999-434, s. 5.1; 2005-417, s. 1.)

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