



## TEXAS TECH UNIVERSITY™

### Operating Policy and Procedure

#### **OP 62.34: Budgeting Carry Forwards**

**DATE:** March 30, 2010

**PURPOSE:** The purpose of this Operating Policy/Procedure (OP) is to set forth the general policy and procedures for processing fund balance carry forwards.

**REVIEW:** This OP will be reviewed in January of even-numbered years by the assistant vice president for budget and resource planning and management and the vice provost for financial planning and analysis with recommended revisions forwarded to the assistant vice president and controller and the chief operating officer and senior vice president for administration and finance (COO/SVPAF).

#### **POLICY/PROCEDURE**

##### **1. Definition**

A carry forward is any unexpended balance of certain educational and general (state) FOPs or the fund balance of local designated and auxiliary accounts that can be carried forward to a subsequent fiscal year. The carry forward procedure increases the spending authority within an account while reducing the uncommitted fund balance. The remaining fund balance stays in the appropriate fund, and budget adjustments are required to spend any additional amount of the uncommitted fund balance.

##### **2. Approval Process for Carry Forwards**

Approval authorizations required for budget adjustments also apply to carry forward requests. See Section 07.04, *Regents' Rules*, for more detailed information regarding this policy.

##### **3. Guidelines for Carry Forward Approval of Local Fund Balances**

- a. If a fund has a balance of less than \$5,000, it will be allowed to carry forward 100% of that amount.
- b. If a fund has a balance of \$5,000—\$24,999, it will be allowed to carry forward up to 75 percent of that amount.
- c. If a fund has a balance of \$25,000—\$49,999, it will be allowed to carry forward up to 60 percent of that amount.
- d. If a fund has a balance of \$50,000—\$99,999, it will be allowed to carry forward up to 45 percent of that amount.
- e. If a fund has a balance of \$100,000—\$200,000, it will be allowed to carry forward up to 25 percent of that amount.

- f. Authorization to budget from a fund balance above \$200,000 will be approved on a case-by-case basis.

Any exceptions to the above guidelines must be approved by the appropriate vice president or provost.

#### **4. Annual Carry Forward Processing Procedures for Local Accounts**

- a. Request for carry forwards can be submitted on a budget revision form using the guidelines in section 3 above and routed through the appropriate vice president or provost for approval. After accounting has completed second close, which is usually the third week of September; the financial accounting system calculates the amount of fund balance from the previous fiscal year that can be carried forward to the next fiscal year. The calculated uncommitted fund balance is the amount used in the guidelines in section 3 above.
- b. Carry forwards are not necessary for multi-year accounts.
- c. Carry forwards on Residence Hall Association FOPs are brought forward after second close by the Budget Office.
- d. Requests for carry forwards on graduate tuition FOPs and other designated tuition accounts controlled by the Office of the Provost are reviewed by the Office of the Provost on a case-by-case basis.

#### **5. Annual Carry Forward Processing Procedures for State Accounts**

- a. HEAF appropriated accounts are multi-year FOPs and no carry forward is necessary.
- b. Advance technology and advanced research FOPs are multi-year accounts and no carry forward is necessary.
- c. Any item appropriated by the legislature that has unexpended balance authority can be carried forward to the next year.
- d. Carry forwards on other state FOPs can be submitted for approval on a case-by-case basis. Departments that request carry forward authority on state FOPs should route their request through the appropriate vice president or dean for their area. Once the vice president or dean has approved the request, the request should then be forwarded to the COO/SVPAF.
- e. Carry forwards on matching FOPs for sponsored projects are initiated by the Sponsored Programs Accounting and Reporting department and are then forwarded to the COO/SVPAF for approval.

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