

# Year End Budgeting

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At fiscal year-end, Financial Services and Tax runs several processes that impact the new fiscal year budgets. The process impact to budget is explained below:

1. **Prior Fiscal Year Encumbrances and some associated budgets are rolled to the new Fiscal Year.** Encumbrances can only be paid out of 1 fiscal year so a process is run to move any residual encumbrances to the New Year so they can be paid. (These budgets are placed in the 6 digit account code rather than the 3 digit budget pool.) Since these encumbrances are tied to the prior year budget, the system also rolls the budget with the encumbrance if the budget is an annual or multi-year budget. It is not necessary to roll encumbrance budgets on funds budgeted based on fund balance as the fund balance is budgeted regardless of the encumbrance activity.
2. **Uncommitted Budgets roll to the new Fiscal Year for Multi-Year funds.** Plant and grant funds are budgeted based on project expectations and not annually so the uncommitted budget will roll during the close process so the budget can be utilized in the current year.
3. **Cash Balances are rolled to the new Fiscal Year.** Cash balances are rolled for **all** funds and there are several budget processes dependent on cash.
  - **Budgets based on fund balance will not be available in the new year until cash balances are rolled.** Since fund balance is tied to a fund regardless of the year, departments may only operate in one fiscal year at a time.
  - **Budgets from Fund Balance (Budget Revision System Option 2) may not be processed until cash is rolled.** Since prior year closing activity occurs during the 1<sup>st</sup> few weeks in September, a true calculation of the prior year fund balance is not available until the activity is stopped and the roll occurs.

**The attached chart lists the fund types and how they are impacted by year end processing.**

## Year End Budgeting

<b>Impact of year end processes on the 3 types of budgets</b>		
<b>Budget Type</b>	<b>Prior Fiscal Year Encumbrance</b>	<b>Uncommitted Budget Roll</b>
<b><i>Annual</i></b>	Encumbrance will roll with the associated budget	No budget roll as these are budgeted through budget prep or manual budget process
<b><i>Multi-Year (Grant and Plant funds)</i></b>	Encumbrance will roll with the associated budget	Uncommitted budget rolls to the next year
<b><i>Budgeted based on fund balance (Presence-controlled)</i></b>	Encumbrance will roll without the associated budget	No budget roll necessary as these are budgeted based on fund balance

<b>Budget Type by Fund</b>		
<b>Fund Type</b>	<b>Fund Type Description</b>	<b>Budget Type</b>
11	Educational and General	<b><i>Annual</i></b>
12	Educational and General Dedicated	<b><i>Annual</i></b>
13	Educational and General HEAF	<b><i>Multi-Year</i></b>
14	EG NRUF	<b><i>Annual</i></b>
15	Designated Scholarship	<b><i>Fund Balance</i></b>
16	Designated Student Charges	<b><i>Annual</i></b>
17	Designated Service Center	<b><i>Annual</i></b>
18	Designated Other	<b><i>Annual</i></b>
19	Designated Plant	<b><i>Multi-Year</i></b>
21	Federal Restricted	<b><i>Multi-Year</i></b>
22	State Restricted	<b><i>Multi-Year</i></b>
23	Local Restricted	<b><i>Multi-Year</i></b>
24	Gifts Restricted	<b><i>Fund Balance</i></b>
25	Student Scholarship Restricted	<b><i>Fund Balance</i></b>
28	Other Restricted	<b><i>Annual</i></b>
29	Plant Restricted	<b><i>Multi-Year</i></b>
31	Auxiliary Enterprise	<b><i>Annual</i></b>
35	Auxiliary Enterprise Scholarship	<b><i>Fund Balance</i></b>
39	Auxiliary Enterprise Plant	<b><i>Multi-Year</i></b>
41	Loan	<b><i>N/A</i></b>
61	Endowment and Similar	<b><i>N/A</i></b>
81	Agency Other	<b><i>Fund Balance</i></b>
83	Agency Foundation	<b><i>Fund Balance</i></b>
84	Foundation Gifts Restricted	<b><i>Fund Balance</i></b>
85	Foundation Student Scholarship Rest	<b><i>Fund Balance</i></b>
87	Foundation Endowment and Similar	<b><i>N/A</i></b>
91	Plant Unexpended	<b><i>Multi-Year</i></b>
95	Plant Retirement of Indebtedness	<b><i>Annual</i></b>
97	Plant Investment in Plant	<b><i>Multi-Year</i></b>