

St. Cloud State University
Carry Forward Policy and Procedure
12/5/2008

Policy

Introduction:

This document applies to the carrying forward of non-salary balances into a new fiscal year in a way that encourages operational units to effectively manage resources. These balances cannot be carried forward if they are permanent in nature or establish permanent future financial obligations. This policy will ensure that unspent dollars are allocated back to the university budget.

Definitions:

- Carry Forward:** Funds retained from one fiscal year to the subsequent fiscal year.
- Unit:** The offices of the President, Athletics, Academic Affairs, Administrative Affairs, University Advancement, Student Life and Development, and each Dean.
- Surplus:** An accumulated excess of allocation/income over expenditure/costs.
- Deficit:** An accumulated excess of expenditure/costs over allocation/income.
- Original Budget:** The amount budgeted in a cost center prior to July 1 of the fiscal year.
- Investment Plan:** Plan within the current fiscal year for expenditure of budget balances that may benefit students, unit initiatives, university strategic initiatives, or other activities that enhance the mission of the University.
- Recurring:** Occur time after time.
- Non-Recurring:** Unlikely to happen again.

Carry Forward Rule:

Up to 2% of the non-salary original budget of the unit, after all fiscal year encumbrances and expenses, will carry forward without an investment plan. Under normal circumstances, it is expected these funds will be distributed back to the appropriate department/division by the unit supervisor. Balances over the 2% limit at the end of the fiscal year revert to the University reserve. To retain any balance over 2%, an investment plan (see below) is required and will be reviewed and approved or denied.

If the unit has a deficit budget (encumbrances plus expenditures) at the end of the fiscal year, 100% of this deficit balance will carry forward into the next fiscal year. Under normal circumstances, it is expected the deficit will be distributed back to the appropriate department/division by the unit supervisor.

Units that do not follow investment plans or maintain unexpended funds after the timeline indicated in the investment plan will have their budgets reviewed for permanent reallocation.

Exceptions:

Units whose budgets fall in the exceptions category are expected to submit a detailed plan as described below.

1. Student Technology Fee (these accounts will not be considered for reallocation).
2. Outside revenue generating enterprises such as printing services, flight simulator rental-etc. (these accounts will not be considered for reallocation).

3. MnSCU funded grants and contracts (these funds can be reallocated upon completion of the project).
4. Internal faculty/student research grants (these funds can be reallocated upon completion of the project).

Exemptions:

These budgets have either external reporting requirements or are in accord with collective bargaining agreements and are not subject to the SCSU carry forward policy.

1. Federal grants
2. Funds from private companies
3. State grants from agencies outside of MnSCU.
4. Professional development funds for MSUAASF and IFO bargaining units.
5. Faculty improvement grants (long and short)

Contingency:

All carry forwards will be contingent on the overall financial health of the University and the available amount of the University reserves as mandated by MnSCU policy. Changes in financial conditions may require that approved carry forward funds be rescinded.

Procedure

Carry Forward Plans:

Carry forward plans must be submitted using the “Carry Forward Request Form” found on the Administrative Affairs webpage. The plans must include rationales for dollars being carried forward by units and a detailed budget including time-lines for expenditures.

Carry Forward Review Process:

Investment plans for budget balances in excess of 2% may be submitted as early as May but no later than the middle of August. See unit supervisor for specific timeline.

Requests will only be accepted from the units listed in Definitions. The supervisor for each unit is expected to submit an overall request that is a reflection of the individual requests from within that unit. Decisions on carry forwards will be made by the vice presidents. Plans are reviewed and approved by the responsible vice president and forwarded to the office of the Vice President for Administrative Affairs for processing. Decisions may be for a one-year carry forward in excess of 2% or for a longer term carry forward with a specified time for review.

Units may also submit to the Office of Administrative Affairs an appeal to the carry forward policy to allow for funds in addition to the 2% by submitting a copy of the original plan and a memo explaining the request if special circumstances apply. Special circumstances would include situations where expenditures were delayed due to causes deemed beyond a unit’s control. Appeals will be reviewed by the Vice Presidents and the final decision will be the President’s.

Timeline:

Carry forward balances will be reviewed after the MnSCU accounting transaction posting, approximately middle of August. Decisions will be made by September 15th.