

**POLICIES AND PROCEDURES
FOR RESERVING AND/OR CARRYING FORWARD
DEPARTMENTAL STATE-AIDED NON-REVOLVING BUDGET**

Budget remaining in state-aided non-revolving cost centers (those that begin with 51xxxxxxx) will carry forward automatically between fiscal years except for benefits (social security, retirement, life and health insurance) which are budgeted centrally. The Deans and Vice Chancellors have the option to adopt a policy that is more restrictive than this for carrying forward budget within their College or Division and consequently should be consulted for any exceptions to this policy.

While unexpended budget balances will carry forward, they should not remain unnecessarily idle. The Administration understands carrying forward these funds between fiscal years is an important mechanism allowing departments and colleges to save funds for either emergencies or major one-time expenditures. The Administration views such carryforward as necessary to promote effective management of funds. However, the Administration may, due to revenue shortfalls, amend the carry forward balance allowed or suspend the carry forward provision altogether in any fiscal year it is warranted due to economic or other conditions. Any considerations related to an amended reallocation of carryforward balances will be communicated as part of the campus budget process prior to being acted upon.

Mechanisms for earmarking carry forward balances for specific purchases or projects include encumbrances and plant fund transfers. An encumbrance involves a purchase order certified by UNK Procurement and Payment Services, which identifies the goods or services, anticipated delivery date, and cost. A plant fund transfer involves a specific renovation project to be coordinated through UNK Facilities Management & Planning or UN Facilities Planning & Construction and approved by the Vice Chancellor for Business & Finance.

Departments awarded Nebraska Research Institute grants and Rural Futures Institute grants should work closely with the Institutes and the UNK Office Sponsored Programs to understand carryforward allowances and spending deadlines for each grant.

ENCUMBRANCES

Following is a description of funds carried forward at the end of the fiscal year assuming no restrictions from your Dean or Vice Chancellor:

	<u>Budget</u>	<u>Expenditures</u>	<u>Encumbrances</u>	<u>Balance</u>	<u>Carry Forward</u> (Increased budget in 2022-2023)
Salaries	100	94	5	1	6
Benefits	20	18	1	1	0
Operating	<u>30</u>	<u>20</u>	<u>5</u>	<u>5</u>	<u>10</u>
	150	132	11	7	16

Salary budget is \$100, expenditures are \$94, encumbrances are \$5, balance is \$1: **Carry forward is \$6.**
 Benefits budget is \$20, expenditures are \$18, encumbrances are \$1, balance is \$1: **Carry forward is \$0.**
 Operating budget is \$30, expenditures are \$20, encumbrances are \$5, balance is \$5: **Carry forward is \$10.**

PURCHASE ORDER ENCUMBRANCES

The following are factors to consider when encumbering:

- 1) There must be adequate funding in the cost center to equal or exceed the encumbrance.
 - a. A purchase order must be entered into eSHOP no later than June 25, 2022.
 - b. The purchase order must include a description of the product or services, a vendor, and amount.
 - c. The purchase order cannot be a blanket order; it must be for a specific single purchase.
 - d. To encumber FY2022 funds, leave the Requested Delivery Date blank.
- 2) The purchasing policy of the Board of Regents regarding bidding must be followed.
- 3) The product or service must be received by October 31, 2022.
- 4) If a vendor is not in eSHOP, complete a change request using the new Supplier Maintenance tile in Firefly. If you have questions, please contact Val Glaser at 865-8419.

PLANT FUND TRANSFERS

A plant fund transfer is accomplished with the completion of a *UNK Cost Center or WBS Information Sheet – Construction Projects* form that includes:

- 1) A description of the renovation project. (The project must be completed within five years).
- 2) A *Space Alteration and Change in Room Use Form* is typically needed when the project involves existing space.
- 3) Proposed projects and cost projections should be coordinated with UNK Facilities Management & Planning or UN Facilities Planning & Construction.
- 4) The source of funding (i.e. fund center numbers where the funds will be transferred from and amounts; benefit savings in 51xxxxxxx cost centers are not available for transfer.)
- 5) The Dean & SVCAA signatures of approval.
- 6) The Director of Facilities signature of approval.
- 7) The Vice Chancellor for Business & Finance signature of approval.

The completed form must be delivered to the Finance Office no later than May 15, 2022. The ability to transfer is contingent on the availability of funds in the fund center.