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

Normally, between the first and second year of the biennium (i.e. between FY 2019-2020 and FY 2020-2021) fund balances in state-aided non-revolving cost centers carry forward automatically with the exception of benefits (social security, retirement, life and health insurance) which are budgeted centrally. However, 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. Check with your Dean or Vice Chancellor for information and advisement.

Normally, encumbrances supported by purchase orders and plant fund transfers will carry forward at the end of any fiscal year.

An encumbrance involves a purchase order certified by UNK Business 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 an example, based upon the current fiscal year of 2019-2020, of a description of funds carried forward June 30, 2020 under normal circumstances:

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Expenditures</th>
<th>Encumbrances</th>
<th>Balance</th>
<th>Carry Forward (Increased budget in 2018-2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>100</td>
<td>94</td>
<td>5</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Benefits</td>
<td>20</td>
<td>18</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Operating</td>
<td>30</td>
<td>20</td>
<td>5</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>150</td>
<td>132</td>
<td>11</td>
<td>7</td>
<td>16</td>
</tr>
</tbody>
</table>

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.
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, 2020.
   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 FY2020 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, 2020.
4) If a vendor is not in eSHOP, complete a Vendor Request Form located under Special Forms in
   eSHOP. If you have questions, please contact Kim Christensen at 865-8525.

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 51xxxxxx 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 29, 2020. The ability to
transfer is contingent on the availability of funds in the fund center.