

**STRATEGIC BUDGETED CARRYOVER
AND
PROVOST ENHANCEMENT
Guidelines and Practices**

Academic Affairs

October 1, 2016

STRATEGIC BUDGETED CARRYOVER

What is Strategic Budgeted Carryover (SBC)?

Strategic Budgeted Carryover (SBC) provides the opportunity for units to address needs that would otherwise be too great of a financial burden during one fiscal year. Requests for SBC should address projects/initiatives that require a collection of funds from various fiscal years [with a goal limit of two years carryover expending in the final year]. Each project/initiative must be specific and be one that can be quantified. For Colleges and Units with direct reporting units, the dollars requested for the carryover may be collected from various entities but are reflected as a carryover for the College or Unit only. Once approved, at the end of the fiscal year the requested carryover dollars will be transferred to the Provost's Office and maintained centrally until the identified expenditure year. **SBC requests should be for a minimum of \$5,000.**

Types of Allowable Requests

It is preferable to carryover funds to the same budgetary category (operating to operating, personnel to personnel) if possible. Because of the continuing demand for instructional capacity funding, it is logical to assume that personnel variance is less likely to be requested as carryover to operating funds. Thus, carryover from personnel to operating is discouraged but can be allowed with a strong justification. Similarly, SBC requests for increased personnel needs based upon a new recruitment program for faculty, a known FMLA, etc. may consider either personnel or operating carryover to address strategic personnel needs. However, there should not be a continuous cycle of requests for carryover between operating and personnel. When making a request to carryover funds for instructional capacity needs, specific information about circumstances that necessitate that need should be included. If a unit has requested extra funding from the college or Provost's office during the current year, a request to then carryover personnel funds would be scrutinized very carefully and likely be questioned.

SBC Category

This field allows the Provost Office to separate out all SBCs by specific initiative categories, allowing the Provost Office to analyze SBC requests more efficiently. There is a dropdown for more common categories, and an "other" option for less common categories. SBC category dropdown box includes the following items: Accreditation, Awards, Equipment, Facilities, Instructional Capacity, Software, Startup Packages, Summer Salaries, Travel, or Other- Provide Info in Notes.

Multi-Year SBC Request

A multi-year SBC requests should be made specifically for more expensive initiatives that cannot be covered in one year. The rationale for such requests should be carefully considered, and **such a request should be made for a minimum of \$10,000 to be accumulated over two years**. Under normal circumstances, a multi-year SBC should have a limit of two years carryover and be

expended in the final year. Requests for a multi-year SBC for longer than two years should be discussed in advance with the Office of the Provost.

Quotes Required

All requests should be limited to those items that can be clearly quantified. When considering large equipment purchases or facilities projects, a current year quote must be obtained and included with the request. Appropriate adjustments should be made and reflected in the original request to account for inflation during the carryover period.

Timeline of Submissions

All requests will be submitted **one time annually** in March as a component of the upcoming fiscal year Planning Document. All worksheets will be loaded on the *Budget Docs* drive in your folders. The worksheets provide a summary of currently approved requests and required Accountability Reports.

Completing PERS 937 Forms

Review the PERS 937 SBC and PERS 937 Multi-Year SBC instruction sheet attached to these guidelines to properly complete these forms.

PROVOST ENHANCEMENT

What is Provost Enhancement (PE)?

Provost Enhancement (PE) funds are temporary dollars allocated for one fiscal year at a time. If you are unable to spend the provost enhancement dollars for the requested initiative allocated, please contact the Provost Office to return the unused dollars.

Types of Allowable Requests

Provost enhancement (PE) funds have typically been requested for such things as facility projects, large equipment purchases, and computer recapitalizations. These requests should be for items that are beyond the capability of the unit budget to afford. These are temporary (one-time) funds so personnel requests (e.g. lab supervisor, academic advisor, graduate assistants) would not be appropriate for PE requests. A PE request is made stronger if there is a cost share involved from the department/school and/or college since this shows a commitment on the part of the requesting unit. A PE request can also be paired with an SBC request simply by including that information in the rationale for the PE request and the SBC request. There is no guarantee that a PE will be funded so always consider alternative funding options when pairing the PE with a SBC.

Quotes Required

All requests should be limited to those items that can be clearly quantified. When considering large equipment purchases or facilities projects, a current year quote must be obtained and included with the request. Appropriate adjustments should be made and reflected in the original request to account for inflation during the carryover period.

Timeline of Submissions

All requests will be submitted **one time annually** in March as a component of the upcoming fiscal year Planning Document. All worksheets will be loaded on the *Budget Docs* drive in your folders. The worksheets provide a summary of currently approved requests and required Accountability Reports.

Completing PERS 937 Forms

Review the PERS 937 PE instruction sheet attached to these guidelines to properly complete these forms.

FREQUENTLY ASKED QUESTIONS

1. What can we do as a Unit to assure that we do not leave large positive variances in our account after the March deadline?

Units should consider Strategic Budgeted Carryover early in the budget planning process. Verify that your units are reconciling their accounts often in an effort to identify what possible dollars are available for SBC. If your unit believes that there will be funds available for a SBC initiative, please submit that SBC with your budget documents in March. As long as your unit continues to think strategically and reconcile their accounts often, your unit should not have to be concerned over large positive or negative variances at the end of the fiscal year.

2. Can you still request Provost Enhancement funds with Strategic Budgeted Carryover?

In previous years, we had a feature for a PE + SBC option. Since we have an option for a PE request and a SBC request, this combination PE + SBC was redundant. Thus, we have eliminated that option. Rather, if you want to connect a PE request to an SBC request, simply indicate this information in your justifications for your PE request and then again for your SBC request. There is no guarantee that a PE will be funded so always consider alternative funding options.

3. How will I be able to distinguish between requests from permanent funds and requests for temporary funds?

No permanent fund requests will be made through the Provost Enhancement request process. Permanent fund requests will be handled in a separate section in the Annual Planning Document. Based upon the current fiscal climate it is highly unlikely these funds will be made possible through the Provost's Office, but the exercise should be preserved to emphasize specific needs only solved by permanent funds.

4. How many years can I request a carryover?

Currently we are requesting units to plan for two carryover years as a maximum with expenditures occurring in the third year. SBC requests for in excess of two years can be granted only in exceptional circumstances.

5. Can I carryover personnel funds for a planned operating expenditure?

Yes, with caution. We are often reminded that personnel needs exceed available resources. If dollars are consistently requested for SBC from personnel for a planned operating expense, it makes it counterintuitive for the Office of the Provost to then support staffing requests. However, we do recognize that there may be unique situations where personnel dollars may offset a strategic, high-need operating expense.

6. What if I have no idea how much the project/equipment will cost?

A quote for the project/item must accompany the original request. Inflation should be considered when identifying a final expenditure estimate.

7. How will SBC funds and PE funds be received?

All dollars will be distributed to the College or primary Unit the year identified as “Expenditure Year” on the PERS 937 spreadsheet(s).

8. When do I get my money?

The Finance and Planning office will determine if a College/Unit ran a budgetary deficit in the previous year. If there was a deficit, it is possible that they will deduct those dollars from your SBC request. The timing of disbursement can vary from year to year, but typically has occurred in mid-September.

PE dollars will be disbursed after the previous fiscal year has closed.

9. What if my actual expenditure is less than my planned expenditure?

SBC: The total dollar figure approved and carried over will be transferred. If the planned expenditure is completed under budget the residual dollars may be used for any expenses that occur in that fiscal year. The dollars are not eligible for automatic carryover. Units should not inflate SBC requests to have additional funds for miscellaneous expenses. This is not an intended use of SBC and could lead to university leaders questioning the need for this program.

PE: Unused Provost Enhancement dollars must be returned to the Provost Office

10. What if my actual expenditure is greater than my planned expenditure?

The unit(s) will be required to address the additional amount locally. No requests for additional Provost Enhancements will be entertained outside the annual submission process.

11. When do I complete the Accountability Report(s)?

Please review the current Annual Report posted on the Provost Office Website for due dates for all accountability reports.

12. Do you have instruction sheets to assist with completing the PERS 937 forms?

Yes, please see attached PERS 937 SBC Instruction sheet, PERS 937 Multi-Year SBC Instruction sheet and PERS 937 PE Instruction Sheets attached to these guidelines to properly complete these forms.

PERS 937 SBC Instruction Sheet

(Note: All fields are required, unless indicated otherwise)

Short Title of Proposed Initiative: Indicate a short title describing the initiative.

SBC Category: This field allows the Provost Office to sort all SBC requests submitted. There is a dropdown for the more common category's and an "other" option, for less common categories.

Brief Description & Plan for Sustainability: Provide rationale for requesting this initiative and your offices plan for sustainability.

Quote Required: Quotes are required for all requests that are quantifiable. If you have questions on when a quote should be required, please contact the Provost Office.

Total Amount SBC: Amount SBC'd from current fiscal year to next fiscal year.

Expense Year (FY): This is the fiscal year you need the funds transferred to your College to purchase the approved initiative.

Expense Year Contribution: These are the additional funds the College/Dept/School/Unit plan to supplement to the initiative. If there is no additional contribution, please indicate \$0.

Total Amount of Initiative: This is a calculated field. No entry is required. (Total Amount SBC plus Expense Year Contribution)

Department: This is a field for the College/Unit. This field assists in delegating funds that are approved, etc. *(Note: This is not a required field)*

Notes: This is an extra field for any additional rationale as needed. *(Note: This is not a required field, except when selecting the "other" option from the SBC category.)*

PERS 937 Multi-Year SBC Instruction Sheet

(Note: All fields are required, unless indicated otherwise)

Short Title of Proposed Initiative: Indicate a short title describing the initiative.

SBC Category: This field allows the Provost Office to sort all SBC requests submitted. There is a dropdown for the more common category's and an "other" option, for less common categories.

Brief Description & Plan for Sustainability: Provide rationale for requesting this initiative and your offices plan for sustainability

Quote Required: Quotes are required for all requests that are quantifiable. If you have questions on when a quote should be required, please contact the Provost Office.

1st Year SBC Amount: Amount SBC'd from current fiscal year to next fiscal year.

2nd Year SBC Amount: Amount SBC'd from next fiscal year.

Total Amount SBC: This is a calculated field. No entry is required.
(1st Year SBC Amount plus 2nd Year SBC Amount)

Expense Year (FY): This is the fiscal year you need the funds transferred to your College to purchase the approved initiative.

Expense Year Contribution: These are the additional funds the College/Dept/School/Unit plan to supplement to the initiative. If there is no additional contribution, please indicate \$0.

Total Amount of Initiative: This is a calculated field. No entry is required. (Total Amount SBC plus Expense Year Contribution)

Department: This is a field for the College/Unit. This field assists in delegating funds that are approved, etc. *(Note: This is not a required field)*

Notes: This is an extra field for any additional rationale as needed. *(Note: This is not a required field, except when selecting the "other" option from the SBC category.)*

PERS 937 PE Instruction Sheet

(Note: All fields are required, unless indicated otherwise)

Short Title of Proposed Initiative: Indicate a short title describing the initiative.

Brief Description & Plan for Sustainability: Provide rationale for requesting this initiative and your offices plan for sustainability.

Quote Required: Quotes are required for all requests that are quantifiable. If you have questions on when a quote should be required, please contact the Provost Office.

Provost Enhancement: Provost Enhancement request are for the next fiscal year ONLY.

Expense Year (FY): This is the fiscal year you need the funds transferred to your College to purchase the approved initiative.

Expense Year Contribution: These are the additional funds the College/Dept/School/Unit plan to supplement to the initiative. If there is no additional contribution, please indicate \$0.

Total Amount of Initiative: This is a calculated field. No entry is required. (Provost Enhancement plus Expense Year Contribution)

Department: This is a field for the College/Unit. This field assists in delegating funds that are approved, etc. *(Note: This is not a required field)*

Notes: This is an extra field for any additional rationale as needed. *(Note: This is not a required field).*