

Strategic Budgeted Carryover

Guidelines and Practices

ACADEMIC AFFAIRS

November 23, 2011

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What is Strategic Budgeted Carryover (SBC)?

Under the current state guidelines 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. Units will have the opportunity to identify specific projects/equipment/initiatives that require strategic use of fiscal reserves to accomplish and carryover funds from up to two fiscal years to apply to planned expenditures.

Basic Parameters

Requests for Strategic Budgeted Carryover will align with the current processes related to Provost Enhancements and the submission of annual budget documents in Academic Affairs. Specific practices have been streamlined to accommodate the addition of SBC and to better represent the purpose of the budget planning and accountability process.

Types of Allowable Requests

Like type carryover to expenses is preferred in most cases. The primary example is operating carryover for operating expenses. As it is assumed that personnel variance is less likely as the demand for personnel needs, especially those related to instruction, are frequently emphasized; carryover from personnel to operating is discouraged but not restricted with a reasonable justification. In addition, as units plan for various situations such as increased personnel needs based upon a new recruitment program for faculty, a known FMLA, etc. they may consider either personnel or operating carryover to address strategic personnel needs. However, as both fund types are limited there should not be a continuous cycle of requests for carryover between operating and personnel.

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.

Requests for enhancement funds will now be based upon three types:

1. Provost Enhancements (PE)
2. Strategic Budgeted Carryover + Provost Enhancements (SBC + PE)
3. Strategic Budgeted Carryover (SBC)

1. Provost Enhancements (PE)

Provost Enhancements will be the traditional type of enhancement request for one year funds intended for use the year they are allocated. These requests will now be limited to *temporary funds* only. Requests for permanent funding will be addressed separately in the Annual Planning Document.

2. Strategic Budgeted Carryover + Provost Enhancements (SBC+PE)

Applications for SBC may include a one-time request for Provost Enhancement funds during the *first year of the initial submission ONLY*. Provost Enhancements funds will remain a one-year program and will not include commitments

beyond the first year request. However, following approval they will then be a part of the carryover request based upon the unit's desired expenditure year.

For example:

The College of Water Professions submits a request for SBC + PE funds in the FY13 Planning Document [PERS 937]. They would like to carryover \$20,000 from FY12 + Request \$20,000 from the Provost Enhancements funds for FY13 + carryover \$20,000 from the College in FY13 + contribute \$20,000 in FY14 to purchase a new \$80,000 water polo net. See chart for a summation:

PERS 937: SBC + PE Request

	Strategic Budgeted Carryover	Provost Enhancement
FY13	\$20,000 from FY12	\$20,000 request for FY13 & carryover until FY14
FY14	\$20,000 from FY13 + \$20,000 from FY14 [current fiscal year]	No new requests allowed
FY14 EXPENDITURE	Water Polo Net	\$80,000

3. Strategic Budgeted Carryover (SBC)

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 third year]. Each project/initiative must 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.

Timeline of Submissions

All Strategic Budgeted Carryover requests will be submitted **one time annually** on the 26th day of March as a component of the upcoming fiscal year Planning Document. All worksheets will be loaded on the newly established *Budget Docs* drive in your folders by December 1, 2011. The worksheets provide a summary of currently approved requests, required Accountability Reports, and will serve as the vehicle where new requests will be submitted; using the PERS 937 and 936 formats. It should be noted that revisions to any previously approved SBC+PE or SBC requests [FY13 and beyond] may *only* be made during the annual submission process. *No requests for additional Provost Enhancement funds may be made after the initial approval.*

Accountability Reporting

Accountability Reports will be required as a part of the Annual Report for the fiscal year where final expenditures were made. This includes all three types of enhancements funds:

1. Provost Enhancements
2. Strategic Budgeted Carryover + Provost Enhancements
3. Strategic Budgeted Carryover

Accountability Report information will be gathered and submitted electronically. The PE, SBC+PE, SBC submission worksheet will include an annual statement of approved activity and will include a link(s) to the online form for each required Accountability Report. All colleges will also have included in the worksheet a link to the **Instructional Capacity Accountability Report** which is required annually; but not due until September 15th representing data from the previous academic year. Any additional enhancement initiatives that require Accountability Reporting will also be included. To enhance the quality and usefulness of the report pre-populated data fields will be provided to help guide the submissions.

How will funds be received?

Approved Provost Enhancement funds will be distributed based upon the current system. All approved enhancements will be allocated to the College or primary Unit for their distribution as appropriate.

All carryover dollars for both SBC + Provost Enhancements and SBC only will be distributed to the College or primary Unit the year the planned expenditure was identified on the original submission. If the actual expenditure is less than the budgeted carryover amount received units may apply the funds to any expenditures that fiscal year. Residual funds will not be eligible for future carryover. Accountability Reporting will require units to identify how/why actual expenses did not meet planned expenses. Units are cautioned against significantly overinflating SBC amounts in an effort to have residual SBC dollars for a given fiscal year to use at random.

Frequently Asked Questions

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

Yes. These are referred to as PE+SBC requests. However, you may only request funds for the fiscal year the first year the PE+SBC request is made. These funds will then carryover to the planned expenditure year. You may not request funds for more than one year.

2. 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 new 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.

3. Can I request permanent PE with temporary SBC?

No. No permanent funds will be distributed through this process. The Office of the Provost recognizes that units may have vitally important permanent fund requests. However, currently there is not mechanism in the Office of the Provost to fund such requests. However, a separate section in the Annual Planning Document has been included so such requests can be identified with the appropriate rationale. The Provost will use this information as she advocates for additional permanent budget increases.

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. In addition, carryover may be requested for a shorter period if desired.

5. Can I carryover personnel for an operating SBC planned expenditure?

Yes, with caution. We are oftentimes reminded that personnel needs exceed available resources. If dollars are consistently requested for SBC from personnel for a planned operating expense it is difficult to respond to questions related to staffing needs. 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. When can I make edits to my approved SBC requests?

Yes, with some limitations. Edits may only be made one time annually and may not include additional requests for Provost Enhancement funds.

8. When can I make edits to my approved PE requests?

Edits to previously approved PE+SBC or SBC requests will be recorded during the annual submission process due March 26th.

9. When do I get my money?

All dollars will be transferred near the beginning of the fiscal year of the planned expenditure previously identified.

10. Who gets the money?

All dollars will be transferred to the College or primary Unit. Those units will manage final distributions.

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

The total dollar figure approved and carried over will be transferred. If the planned expenditure comes under budget the residual dollars may be used for any expenses that may be occurred in that fiscal year. The dollars are not eligible for automatic carryover. Units should be cautioned against inflating SBC requests to have additional funds for miscellaneous expenses.

12. 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.

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

Accountability Reports are due with the Consolidated Annual Report the *year the expenditure was completed*. Units will receive a statement annually that reminds them of their due dates for Accountability Reports, including Instructional Capacity where pertinent. However, it should be noted that the Instructional Capacity Accountability Reports are not due until September 15th. A link to the required Accountability Reports will be provided with the annual statement and all information will be submitted electronically.

14. What information should I include in the Accountability Report?

Pre-populated fields will be provided so units know exactly what information is required.