

Education & General Policy on Roll Forwards

A policy on unexpended operating budget is only rational to the extent that the Education & General (E&G) year-end fund balance is positive. With that context, and the core principle that we generally expend funds in the year they are allocated to meet the needs of existing students and faculty, a roll forward policy should allow for better management of funds near the end of the fiscal year and allow units, with university approval, to plan and make expenditure prioritization choices that allow multiyear budget commitments to longer term projects. This policy only pertains to budgets and actuals within the University Education & General sub fund.

Roll Forward Policy Provisions. For roll forward provisions to be allowed in any given year, the following criteria must be met:

1. The University's most recent Composite Financial Index (CFI), as established by the Higher Learning Commission (HLC), must be above the zone (greater than 1.0), **and**
2. The University must have a minimum Education and General (E & G) fund balance of at least 5% of the annual Education and General (E & G) budget.
3. Roll forwards will not be authorized for remaining amounts (current budget minus actual expense) of less than \$500.
4. Departments should not plan on using a roll forward to fund future year projects since a roll forward cannot be guaranteed largely due to the above criteria.
5. Roll forwards will only be allowed on operating budgets. They are not applicable to compensation budgets, i.e., budgets associated with faculty, admin pro, classified, etc.
6. Roll forwards are one-time and will not be base building. The funding approved through this roll forward process must be spent within the year of the roll forward.
7. Subject to the other criteria, 20% of unspent budgets can roll forward to the next year.
8. Separate from roll forward criteria, should a college or vice president unit end the year with a negative operating balance (current budget minus actual expenses), the deficit balance will be reinstated to the college/vp unit as part of the roll forward process.

Procedures.

The Budget Office will initiate roll forward entries by the end of the 1st quarter of the new fiscal year unless unforeseen circumstances cause delays.

Exceptions to the Roll Forward Policy .

1. Although the intent is to build reserves, there may be times when unexpended year-end balances in excess of the 20% roll forward limit may be retained for certain specific purposes. These include: program initiative funds requested by ULT and Cabinet, sustainability funds that have been approved by the Board of Governors, faculty start-up funds requested by Deans and approved by the Provost, other Provost approved initiatives for academic departments' utilization of unspent budget (Reassigned time), and funds needed for maintenance initiatives that have the approval of the President and Cabinet. While the funds retained may be greater than 20%, consideration to policy provisions 1 and 2 above must be given.
2. Some department accounts may be excluded from a deficit balance reinstatement. These include institutional aid accounts and any other accounts that ULT and Cabinet have approved to be exempted from the process.