



Michigan Tech

Office of the Chief Financial Officer and Senior Vice President for Administration

906-487-1060

Memorandum

TO: Vice Presidents

FROM: Sue Kerry, Chief Financial Officer and Senior Vice President for Administration

DATE: 5/20/21

RE: **Fiscal Year 2021 - General Fund Balances (“Carry-forwards”)**

CC: Nick Stevens

Annual operating funds are intended to support departmental needs in the current year. Understanding that there needs to be some flexibility for expenditures between fiscal years, the account balances in the general fund will carry-forward as explained below. The total of all **carry-forward requests at an institutional level may not exceed \$5M** (including lab account rollovers and encumbrances), a percent calculation on carry-forward will occur for the non-lab and unencumbered balances (at the index level).

- **Lab Account Balances:** Lab account balances will carryforward in full.
- **Encumbrances:** All encumbered expenses will carryforward in full.
- **Remaining Accounts:** Carryforward amounts will be calculated on all remaining indices, consolidated at the VP/College level and evaluated as a possible CFD at up to **1.5% of the original departmental budget load.**

Lab balances and encumbrances will roll forward in the index in which they were generated. A deficit lab index can roll forward as long as at the VP/College roll up the index balances in total are positive. Non-Lab Carry-forwards will be consolidated for disbursement at the VP/College level, as is our past practice. Non-lab deficits at the index level do not need to be positive, however, when consolidated at the VP/College level, deficits must be funded prior to year-end close. Fringe deficits at this same level must also be funded through a budget adjustment from positive account code balances.

Departments excluded from carryforward include: University-Wide, Financial Aid-Scholarships,

Summer Session, and Graduate Student Support.

Startup Transfers: Start-up transfers will continue to be processed throughout the fiscal year as long as the start-up recipient has been assigned an individual start-up index from FSO. This indicates that all necessary hiring and contract paperwork has been completed.

Please contact Nick Stevens in the Budget Office with any questions.