

<b><i>FINANCIAL POLICY AND PROCEDURES</i></b>		<i>Instruction Number:</i>
<i>Subject:</i> Operating Budget		<i>Date Issued:</i> March 1985
<i>Title:</i> Operating Budget Carry-forward		<i>Date Revised:</i> November 2004
<i>Issued by:</i> Assistant Vice-President, Financial Services	<i>Approved by:</i> Vice-President, Finance & Administration	

**Purpose:**

To define the parameters for carry-forward of underspending or overspending of approved annual operating budget allocations.

**Policy:**

The following policy shall apply to the carry-forward of underspending or overspending of annual operating budget allocation for Faculties, units and other expenditure lines:

- 100% of any operating budget underspending or overspending by Faculties and academic units (e.g. Library, Centres and Institutes) shall be carried forward each fiscal year end.
- The carryforward of underspending and overspending in central University operating expenditure budgets (e.g. student assistance and facilities renewal) will be determined annually considering factors such as the overall surplus/deficit position of the budget, projections and requirements for the next fiscal year, etc.
- Non-academic budget units may request carry-forward of unspent operating budget allocations with a cumulative balance not to exceed 10% of the units expenditure base for the most recent fiscal year. Ancillary units will carry-forward 100% of any underspending or overspending. Under exceptional circumstances the limits on underspending and overspending may be varied with the approval of the Vice-President, Finance & Administration following consultation with the appropriate Vice-President and/or the President.
- Where an overexpenditure is carried forward, payback plans must not exceed a three-year period, and a minimum of one-half of the overexpenditure must be eliminated in the first year. Savings carry-forwards must be used for non-recurring expenditures. Any variation from these requirements must be approved by the Vice-President, Finance & Administration following consultation with the appropriate Vice-President and/or President.

## **Procedures:**

1. The Director or Manager of a non-academic or ancillary budget unit must request the carry-forward of an unspent budget allocation not later than April 15<sup>th</sup> for any given fiscal year. The request must describe in detail the purpose of the carry-forward of budget underspending. The Vice-President, Finance & Administration or his designate will confirm the decision as early as possible following the year end. In the event of a cumulative negative carry-forward balance a detailed plan must be submitted to the appropriate Vice-President and the Vice-President, Finance & Administration by August 15<sup>th</sup>.
2. Deans and Directors must report at least annually to the appropriate Vice-President on their plans for the use of positive carry-forward balances, as well as plans for the repayment of any negative carry-forward balance in accordance with policy.
3. In any event, the amount of annual and cumulative carry-forward amounts will be confirmed in writing to the responsible Vice-President, Dean or Director by June 30<sup>th</sup> for the previous fiscal year.