

TO: Executive Area Budget Managers
FROM: Diane Singh, Assistant Vice-President, Office of Financial Planning
DATE: June 16, 2023
SUBJECT: Fiscal Year 2023-24 E&G Carry Forward Budget Process

The determination of the FY 2023-24 E&G Carry Forward budget allocation to departments consists of the following processes:

- [E&G open purchase order extension request](#): *units request carry forward budget authority for purchase orders that are open at the end of FY 2022-23 which are for furniture, fixtures, and equipment (FF&E). Please see the Fiscal Year 2023-24 E&G Budget Authority Amendment Open Purchase Order (BAAPO) Process memo attached for further details.*
- [Calculation of departmental 50% allocation](#): *The Office of Financial Planning (OFP) calculates the 50% allocation to departments based on net available balances at the end of FY 2022-23.*
- [Detailed departmental spending plan](#): *units submit a detailed spending plan of their E&G Carry Forward budget allocation; required by the State University System of Florida Board of Governors (BOG) Regulation [9.007](#) State University Operating Budgets and Florida Statute [1011.45](#) End of Year Balance of Funds.*

The university has suspended the E&G Carry Forward retention process to meet university-wide commitments. All other processes remain in effect as described above and below.

We will establish budget authority in Commitment Control in PantherSoft for approved open purchase order extension requests, 50% of departmental Net Available Balances, and commitments granted 100% authority by **Friday, August 11, 2023**.

Please note an important amendment to Florida Statute 1011.45. Effective July 1, 2023, there is no longer a restriction on the use of carry forward for non-recurring operating expenses; this provides universities additional flexibility on the use of carry forward funds. Due to the non-recurring nature of carryforward funds, prudent use of these funds includes expenses that are time-limited such as contracts with end-dates, limited or time specific employment, or temporary personnel. Carryforward funds should not be used for salaries of benefit-earning (permanent) personnel unless time-limited in nature; OFP will be monitoring carry forward expenses and will request a funding plan for any such expenses. Additionally, the Board of Governors is amending Regulation 9.007 such that institutions should track actual E&G Carryforward expenses during the fiscal year to ensure compliance with the spending plan.

If you have any questions or need additional information, please feel free to contact us via Teams chat, e-mail, or phone. Our contact information is as follows:

[Collette O'Meally](#) | [Teams Direct Chat](#) | 7-7092
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Calculation of Departmental 50% Allocation

After the fiscal year-end close process is complete, all available balances in the FY 2022-23 E&G current year base budget will be transferred to the E&G Carry Forward fund (211). In accordance with university guidelines, 50% of the departmental Net Available Balance will be established in the department's carry forward activity number. The remaining 50% and any existing balances in the E&G Carry Forward fund will revert to the University to be used to fund strategic initiatives that support the University's overall mission and strategy.

The following commitments will be granted carry forward budget authority for 100% of the net available balance.

1. Legislatively earmarked funds: *Line-item appropriations received from the state for specific purposes such as Information Technology Performance Funds, FIUnique, Nursing (PIPELNE) and Nursing (LINE).*
2. Construction projects in Facilities
3. E&G Cost Share Projects
4. Other approved major university commitments

The Net Available Balance is calculated as follows:

*Available Balance at the Executive Area rollup as of June 30, 2023
less Purchase Order extensions that have been approved by OFP
less Budget Authority Amendment requests granted during FY 2022-23*

If the net available balance is negative at the **executive area rollup**, OFP will reduce the executive area's E&G current year base budget for FY 2023-24 by the amount overspent in FY 2022-23.

Detailed Departmental Spending Plan

State University System of Florida Board of Governors (BOG) Regulation [9.007](#) and Florida Statute [1011.45](#) require the university to prepare a spending plan for E&G carry forward balances in excess of the 7 percent statutory reserve. The spending plan must be approved by the Board of Trustees (BOT) and the Board of Governors (BOG) and must include an estimated cost and timeline for completion of each expenditure.

We will reach out via a separate communication during the last week of July, to request further information on how departments will spend their allocations along with the expected completion timeline; we will provide preliminary departmental allocations along with the communication.

E&G Cost Share Projects Process

Departments can continue to use the same project number in fund 215 in the new fiscal year; this will avoid having to establish a new project in the cost share carry forward fund and move payroll to the new project. As such, OFP will establish budgetary authority in the amount of the net available balance of the cost share project in the E&G Cost Share fund (215) by transferring funds from the E&G current year base budget fund (210). OFP will reimburse the department for the use of their E&G current year base budget funds (210) by establishing carry forward budget authority in the amount of the net available

balance on the cost share project in the carry forward activity number (fund 211) of the department which originally provided funding for the cost share commitment. This amount is available to the department for departmental expenses and is subject to restrictions as set forth in [F. S. 1011.45](#).

Grant managers **will not** be required to submit a request and supporting documentation to re-establish the net available balance.