TO: Executive Area Budget Managers  
FROM: Diane Singh, Assistant Vice-President, Office of Financial Planning  
DATE: June 29, 2021  
SUBJECT: Fiscal Year 2021-22 E&G Carry Forward Budget Allocations

The determination of the FY 2021-22 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 2020-21 and which are for furniture, fixtures, and equipment (FF&E). Please see the Fiscal Year 2021-22 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 2020-21.

- **E&G carry forward retention request**: units request an allocation in excess of 50% of the net available balance.

- **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 for this year to meet several university-wide commitments. All other processes will remain in effect as described above and below.

We anticipate the budget authority for approved open purchase order extension requests, 50% of departmental Net Available Balances, and commitments granted 100% authority, will be established in Commitment Control by **Friday, August 13, 2021**.

If you have any questions or need additional information, please feel free to contact me at dsingh@fiu.edu Ext. 7-0255, Janet Medina at Ext. 7-1390, or Collette O’Meally at Ext. 7-7092.

**Calculation of Departmental 50% Allocation**

After the fiscal year-end close process is complete, all available balances in the FY 2020-21 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 offset potential state budget reductions and 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 and FIUnique.
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, 2021
- less Purchase Order extensions that have been approved by OFP
- less Budget Authority Amendment requests granted during FY 2020-21

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 2021-22 by the amount overspent in FY 2020-21.

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. F.S. 1011.45 also restricts the use of carry forward to non-recurring operating expenses. Please refer to Appendix A for the definition and examples of non-recurring expenses.

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 are 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.
Appendix A

Definition of Non-Recurring Expense Items

Vetted by CAFA as of 8/13/2019

Senate Bill 190 details specific items that would be expected in the newly-required Carryforward Spending Plans that must be submitted for approval.

The annual Legislative Budget Request Instruction Manual glossary indicates that non-recurring means “expenditures or revenues that are not expected to be needed or available after the current year”.

An E&G non-recurring expenditure is defined as an expenditure that is not expected to be needed or available after the current fiscal year. Non-recurring expenditures have distinct elements:

- Time-limited in nature, where an end date to a given contract or activity is known
- There is no promise or guarantee of future funding
- May cross multiple years, but the above two provisions apply
- May address financial challenges resulting from external factors (examples could include federal government shutdown, drop in state revenue resulting in a mid-year reduction)

The following is a list of non-recurring expenditure examples vetted by the Council for Administrative and Financial Affairs (CAFA) group, to be updated as new items are identified: A unified understanding of non-recurring expenditures will be critical for the planning process and consistency of operations or all of the institutions. Some examples of non-recurring expenditures include, but are not limited to:

1. Summer Appointments
2. OPS Appointments
3. Adjunct Faculty Appointments
4. Visiting Faculty Appointments
5. Limited/Time Specific Employment
6. DROP Employees:
   - If there is an overlap for cross-training. Focus on the position. For example, if a CFO enters DROP or announces his/her retirement, that should not make the position non-recurring as someone will replace him or her (or the university could reorganize)
   - If the position (position responsibilities) is being eliminated or reassigned
7. Start-Up Funds
8. Repairs and Maintenance
9. Equipment Purchases
10. Student Financial Aid Payments
11. Travel
12. Office Supplies
13. Bonus/Temporary Payments
14. Utilities Expense (such as a mid-year, unexpected increase, that wasn’t built into the original budget)
15. Consultant Fees
16. One-Time/Annual Contracts (case-by-case determination by each university)
17. Rentals (short-term)
18. Transportation (such as transportation costs for site visits, additional buses required on a short-term basis, etc.)
19. ERP Updates
20. Demolition
21. Leases (case-by-case determination by each university)