

University of Rhode Island
Fund 100 Fund Balance Carryforward Process
Step by Step Guide

Carryforward funds, also referred to as fund balance, should be used for contingency and, if possible, one-time investments that support potentially transformational and/or critical new strategic initiatives. They should not be used to simply offset other funds and they are not meant for day-to-day needs. SBPC recommended, and the president approved, a process that dedicates a portion of the fund balance for a contingency against unexpected revenue decline/increased expenses and potentially a small portion for short-term transformational investments in initiatives critical to the university for the future. (Recommended by SBPC February 21, 2012 and approved by President)

1. Institutional Fund Balance, which includes contingency carry forward (and possibly funds from projects previously funded from fund balance) plus the immediate previous year annual surplus/deficit is finalized by approximately October 1-15 of each year.
2. In October, the Budget and Financial Planning Office presents a Fund Balance analysis. The Senior Team reviews the fund balance analysis and indicates what portion is to be reserved for contingency and what portion, if any, should be tentatively designated for specific strategic and transformational projects.
3. If a portion is to be dedicated for strategic projects, then requests for one-time strategic investments that support transformational goals are reviewed by President's team prior to or during the mid-year review budget process. At this time, both the fund balance and the projections for the current year are known.
4. The projects approved for funding by the President may then be forwarded to SBPC for their information, review, and commentary, which are shared with the President.
5. The President approves use of the fund balance for selected strategic one-time investments that support the Academic Plan and the President's Transformational Goals.
6. The budgets for the approved projects are reflected on the financial system to provide the mechanism to expend funds for the stated purpose.