

UNC Carryforward Process Job Aid

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Instructions

This document is intended to be a job aid used by the University of North Carolina (UNC) system, including the North Carolina School of Science and Mathematics during the carryforward process. State agencies should reference the [Agency Carryforward Process Job Aid](#) found on the Office of State Budget and Management (OSBM)'s website.

Universities should submit their carryforward estimates and final requests in the appropriate, attached template to OSBM no later than the dates outlined in OSBM's annual year-end closeout memorandum. OSBM requires that UNC campuses provide a carryforward estimate in June in addition to their final carryforward requests in July.

Carryforward requests should provide appropriate documentation of authority and justification of need. Backup documentation should be submitted to OSBM with all requests.

Carryforward Authority

OSBM will review and approve funds requested to be carried forward from one fiscal year to the next, in compliance with G.S. 143C and other General Statutes. Carryforward is defined in G.S. 143C-1-1 modified by S.L. 2023-134 as:

(6a) Carryforward. – The balance of a General Fund operating budget appropriation which would otherwise revert at the close of the fiscal year but instead is made available in the succeeding fiscal year as is specified in law or to liquidate an encumbrance of the prior fiscal year. Funds may not be carried forward for any other purpose.

Encumbrance is defined in G.S. 143C1-1 modified by S.L. 2023-134 as:

(12) Encumbrance. – A financial obligation created by a purchase order, contract, ~~salary commitment,~~ unearned or prepaid collections for services provided by the State, or other legally binding agreement.

Carryforward funds shall follow the guidelines set forth in G.S. 143C-6-4.1 modified by S.L. 2023-134:

"§ 143C-6-4.1. Carryforward of funds.

(a) Unless otherwise specified by law, funds carried forward at the end of the fiscal year may only be spent in the succeeding fiscal year for the purpose for which they were carried forward. Carryforward funds that have not been liquidated in the year in which they were carried forward shall revert at the end of the fiscal year.

(b) Unless otherwise specified by law, funds carried forward under this authorization may not be transferred, or otherwise moved, out of the General Fund. This subsection does not apply to The University of North Carolina System.

(c) Funds carried forward to support encumbrances are subject to cash availability. If there is insufficient cash to support all allowable carryforward, the Director of the Budget shall prioritize funds specified in law over funds necessary to liquidate an encumbrance."

G.S. 116-30.3 also outlines UNC's management flex authority, not to exceed 2.5% of General Fund appropriation in that budget code:

§ 116-30.3. Reversions.

(a) Of the General Fund current operations appropriations credit balance remaining at the end of each fiscal year in each of the budget codes listed in this subsection, any amount of the General Fund appropriation for that budget code for that fiscal year (i) may be carried forward to the next fiscal year in that budget code, (ii) is appropriated in that budget code, and (iii) may be used for the purposes set out in subsection (f) of this section. However, the amount carried forward in each budget code under this subsection shall not exceed two and one-half percent (2.5%) of the General Fund appropriation in that budget code. The Director of the Budget, under the authority set forth in G.S. 143C-6-2, shall establish the General Fund current operations credit balance remaining in each budget code.

The budget codes that may carry forward a General Fund current operations appropriations credit balance remaining at the end of each fiscal year pursuant to this section are the budget codes for each of the following:

- (1) Each special responsibility constituent institution.
- (2) The Area Health Education Centers of the University of North Carolina at Chapel Hill.
- (3) University of North Carolina System Office Budget Code 16010.
- (b) Repealed by Session Laws 1998-212, s. 11(b).
- (c) Repealed by Session Laws 1998-212, s. 11(a).
- (d) Repealed by Session Laws 1998-212, s. 11(b).
- (e) Repealed by Session Laws 2014-100, s. 11.17(a), effective July 1, 2014.
- (f) Funds carried forward pursuant to subsection (a) of this section may be used for one-time expenditures; provided, however, expenditures authorized by this subsection shall not impose additional financial obligations on the State and shall not be used to support positions.

Completing the UNC Carryforward Template

How to complete the Excel Carryforward Template:

1. Choose the appropriate carryforward template tab. For UNC, this is the "UNC Budget Code" tab.
2. Throughout the process, only enter data into the cells that are highlighted.
3. Enter your university contact information in the highlighted cells in the header.
4. Choose your budget code from the drop-down box (Column A "Budget Code"). Your university budget code name will automatically populate in Column D "University Budget Code Name."
NOTE: Only one budget code can be entered per sheet. If you have multiple budget codes, you will need to copy the worksheet. See instructions below – DO NOT just copy and paste the format.
5. Skip over Column B, "Budget Fund". This column is not needed for universities.

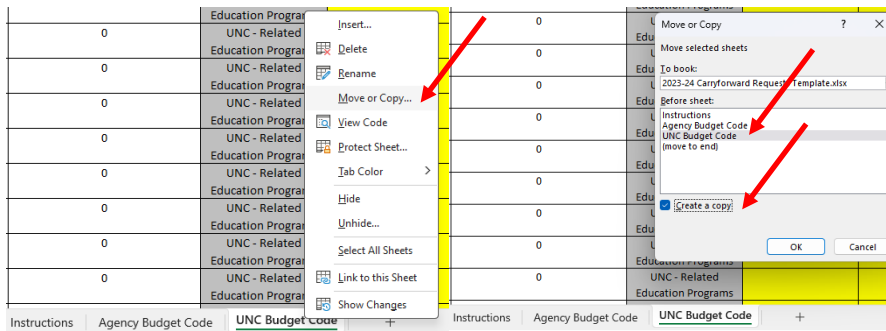
6. Choose the request category from the drop-down box in Column E “Request Category.” Here are the allowable carryforward categories:
 - a. Category A: Required by General Statute
 - b. Category B: Unearned Revenue
 - c. Category B2: Liability Accounts Unearned Revenue
 - d. Category C: Documented Encumbrances – This category is atypical for UNC campuses. See Page 4 of this job aid for exceptions.
7. For Column F, choose the applicable drop down that describes the item that the university is requesting to carry forward.
 - a. If the item is a Category A Statutory Carryforward, you must enter the legislative citation in Column G.
 - b. If the item you are requesting to carry forward is not in the dropdown for “Item Description”, select “Other - Enter item description in Column H”. For these items, Column H must be filled in with a description.
8. Enter the amount of the carryforward in Column I “Amount of Request.”
9. If additional lines are needed, right click and insert a new row somewhere in the middle of the range. The Worksheet will not apply formatting or formulas consistently if you insert at the top or bottom of the table.

Summary of University Carryforward Requests For Fiscal Year 2023-24							
<i>Note: Only enter data in the highlighted cells.</i>							
Name:							
Email:							
Telephone:							
Budget Code	Carry-Forward Request						
16012	Budget Fund	University Budget Code Name	Request Category	Item Description	Statutory/Sp. Prov. Citation Required for Category A (include the statute title)	Notes /Comments or Adequate Justification	Amount of Request
	0	UNC - Related Education Programs	Category A: Required by General Statute	A: Management Flex - max 2.5%	G.S. 116-30.3		
	0	UNC - Related Education Programs					
	0	UNC - Related Education Programs					
	0	UNC - Related Education Programs					

Figure 1. Sample of the UNC Budget Code tab of carryforward template

How to copy a worksheet:

1. Right click on the tab of the sheet you want to copy.
2. Select Move or Copy.
3. Click the “Create a copy” checkbox.
4. Select where you want to place the copy from the list.
5. Click OK.
6. You have created a copy of the worksheet with the same formatting and formulas as the original. The duplicated worksheet will have the same name on the tab, plus a (2), (3), etc.
7. Please DO NOT insert a new worksheet then copy and paste from the template; this will not produce a correct copy.
8. Contact your OSBM execution analyst with questions.



Carryforward Categories:

Category A: Required by General Statute – Required by General Statutes or session law (funds are designated as non-reverting), including monies owed to the Civil Penalty and Forfeiture Fund and carryforward special provisions enacted or proposed by the General Assembly.

Category B: Unearned Revenue – Unearned revenue received in the current fiscal year for goods or services that will be provided in the following fiscal year, such as summer school tuition receipts.

Category B2: Liability Accounts Unearned Revenue – Unearned revenue received in the current fiscal year and deposited into a liability account. Universities should separate liability clearing carryforward requests from regular unearned revenue in Category B2 on the carryforward template. OSC has requested that we track these two categories of unearned revenue separately due to ACFR purposes. For these funds, no budget revision is required in the new year that re-establishes the carryforward funds in the new fiscal year.

Category C: Documented Encumbrances – This category is uncommon for UNC institutions, as the 2.5% statutory carryforward is typically inclusive of all encumbrances. However, if a UNC institution has encumbrances that exceed the 2.5% statutory carryforward, they may submit a request as an exception. For an exception to be considered, the institution shall submit encumbrances totaling to the 2.5% amount and, separately, the encumbrances that exceed the 2.5% being requested as an exception with the required documentation outlined below.

Funds to support encumbrances made on or before the encumbrance date set in OSBM’s annual year-end closeout memorandum (June 7, 2024). **Encumbered funds may be requested to be carried forward only when funds are not sufficient in next year’s budget to liquidate the prior year encumbrance.**

- It is OSBM’s expectation that encumbrances for which funds were carried forward from FY 2022-23 have been liquidated and therefore may not be included in your FY 2023-24 carryforward request.
- Do not submit requests for purchase orders that are less than \$5,000.
- Purchase orders over \$5,000 should be listed as separate items on the template.

Carryforward requests should provide appropriate documentation of authority and justification of need. Backup documentation should be submitted to OSBM with all requests. Please submit the UNC ERP equivalent of this NCFR Report: NC PO Balance by Various COA Elements Report (RPT0001) via email when submitting the carryforward request template.

Common Carryforward Request Categories:

Energy Conservation Savings

Campuses may request the carryforward of savings from energy conservation measures, pursuant to G.S. 116-30.3B. These savings should be documented, certified by the State Energy Office, and included in the campus' carryforward estimate and final request.

Crossover Requests

Crossover receipts are defined as receipts collected as payment for courses/sessions that commence in 2023-24 but conclude in 2024-25, which are to be used toward the portion of associated expenses payable in 2024-25. Examples of common crossover requests include Summer Session, Extension Education, Community Service, and Dual Employment receipts. Any crossover request must have a fully adequate justification for the request to be approved by OSBM.

Posting Carryforward Unearned Tuition Revenue Entries into the State Accounting System (NCFS)

To provide greater transparency for carryforward, campuses should no longer record carryforward entries for unearned tuition revenue against 45810000 Resident Tuition and 45820000 Nonresident Tuition accounts. Instead, the amount of unearned tuition revenue to be carried forward should be recorded as negative revenue in accounts 45814000 CF Unearned Resident Tuition or 45824000 CF Unearned Nonresident Tuition.

This process will allow accounts 45810000 and 45820000 to reflect the total actual tuition revenue collected during the fiscal year. By showing the carryforward as a negative revenue in accounts 45814000 and 45824000, anyone reviewing the BD 701 report can easily determine the amount that was allowed for carryforward. The net revenue amount of all tuition accounts will reflect the actual tuition supporting the current fiscal year requirements.

Universities may need to validate new NCFS chart of account combinations using these accounts with the [Agency Account Combination Template](#) if the combination has never been used since the transition to NCFS. IBIS receives nightly updates of valid NCFS chart of account strings, so please validate any account combinations needed before creating budget revisions in IBIS.

Final University Carryforward Process

Campuses must have a cash balance in the NCFS system to support the amount of the carryforward request. Once OSBM makes the carryforward decision, each campus will be notified of its final approved amount. The campus will process a check to themselves to move the money to the new fiscal year and enter a requisition in NCFS for the approved amount. The check and requisition in NCFS must match the carryforward amount approved by OSBM to the penny.

2023-24 Year-End Carryforward Revision

Summary: Year-End Budget Revision NCFS Accounts		
Requested Item	Realigned on Year-End Budget Revision?	NCFS Account
Category A: Required/Allowed by General Statute		
Energy Savings	Yes	58930000
Other Legislative Carryforward	Yes	5899A000
Management Flex (2.5%)	No - Justification Section Only	N/A
Category B: Unearned Revenue		
Extension Education Crossover (103) and FY 2023-24 Receipts	Yes	58920000
Community Service Crossover	Yes	58920000
Sports Wagering Receipts	Yes	58920000
Other unearned revenue or nonrecurring fees	Yes	58920000
Dual Employment Crossover	No - Justification Section Only	N/A
1102 Summer School Crossover Tuition	No - Justification Section Only	N/A
Summer School Session 2 Tuition	No - Justification Section Only	N/A
1990 Tuition Collected for the Fall 2024 Semester (includes Distance Education)	No - Justification Section Only	N/A

Each campus will prepare one Year Ending Type 11 budget revision that budgets the carryforward amounts in the requirements and receipts sections for:

- **Category A: Required by General Statute**
 - Energy Savings Carryforward should be budgeted in NCFS account 58930000
 - Other legislatively supported carryforward – e.g. non-reverting Collaboratory funds – should be budgeted in NCFS account 5899A000.
- **Category B: Unearned Revenue**
 - All unearned revenue should be realigned to NCFS account 58920000.
 - Extension Education Crossover (103) and FY 2023-24 Receipts: The receipts are considered unearned revenue and are realigned to NCFS account 58920000.
 - Sports Wagering Receipts: Receipts received from sports wagering in FY 2023-24 can be requested for carryforward as unearned revenue and should be realigned to NCFS account 58920000.
 - Community Service Crossover: This is subject to OSBM approval pending sufficient justification to include:
 1. how revenues were generated,
 2. the programs and activities to be provided with revenues, and
 3. when programs and activities will occur.
 - Other unearned revenue or nonrecurring fees collected in 2023-24 for activities occurring in 2024-25 that would need to be budgeted in 2024-25 to be expended are subject to OSBM approval pending sufficient justification. The required justification includes:
 1. how revenues were generated,
 2. the programs and activities to be provided with revenues, and
 3. when programs and activities will occur.

The following carryforward amounts are not budgeted in the requirements and receipts section of the budget revision. Instead, the carryforward amounts should be identified only in the justification field on the budget revision:

- Management Flex (2.5%)
- 1102 Summer School Crossover Tuition and Summer School Session 2 Tuition
- 1990 Tuition Collected for the Fall 2024 Semester (includes Distance Education)
- Dual Employment Crossover (if applicable)

It is very important that carryforward amounts reflect General Fund revenue only. Other fees (e.g. student housing fees) that pass through the General Fund should be transferred into the appropriate institutional trust fund before year end and should not be included in the carryforward amount. If applicable, campuses will also need to prepare and submit an accompanying June allotment revision request for OSBM to approve.

Management Flexibility (2.5%) Carryforward Guidelines

G.S. 116-30.3 allows each constituent institution to carry forward 2.5% of their General Fund appropriation in each budget code at the end of each fiscal year and allows carryforward to be used for any nonrecurring purpose. The budget for Management Flex funds should not be realigned as part of the year-end budget revision. Instead, the carryforward is left unspent in the requirements in June's BD 701 reports.

COVID Relief Funding Carryforward Guidelines

If your university received COVID-19 relief funding in a 1-type General Fund budget code, and the federal deadline to expend these funds is after state fiscal year 2023-24, then those funds may be eligible to be carried forward into the next fiscal year. If approved for carryforward, the relief funds must continue to be spent for the same purposes outlined by the General Assembly. Any carryforward request must cite the statute that appropriated such funds. If your university has COVID-19 relief funds that will not be carried forward, it is important that these funds revert to the designated CRF reserve with OSC and DO NOT revert to the state's General Fund. Universities should inform the NC Pandemic Recovery Office (NC PRO) in writing if they plan to revert any COVID-19 funds.

FY 2024-25 Beginning Year Carryforward Revisions

Once the year-end budget revisions and allotment requests are approved, each university will prepare one Type-11 revision to budget the amounts approved for carryforward in the new fiscal year. Dual employment crossover must be budgeted on a Type-12 revision in the new fiscal year.

Refer to the year-end budget revision when budgeting carryforward funds in the new year. If receipts were budgeted in the year-end revision, the new year revision should budget those funds in the same account lines. Please attach a copy of the year-end budget revision to the new year revision.

FY 2023-24 Management Flex receipts should be recorded in NCFS Account 58910000 Budget Flexibility on the FY 2024-25 budget revision. The actual expenditures for NCFS account 58910000 should reflect the actual amount carried forward from FY 2023-24 to FY 2024-25, including pennies.

Requirements can be distributed on this original Type-11 revision where the university intends to ultimately expend the funds. Any budget revisions that request to realign requirements or receipts after this initial Type-11 carryforward revision shall follow normal budget revision guidelines.

Carryforward funds should not be budgeted into a transfer account to move the funds to capital budget codes until specific capital projects are authorized by the Board of Governors pursuant to G.S. 143C-8-12. Please include a list of the capital projects funded by these carryforward funds and their associated capital budget funds in the revision's justification box.