



LOYOLA UNIVERSITY CHICAGO CARRY FORWARD POLICY: ACADEMIC AFFAIRS

Policy Administrator: Budgeting and Financial Analysis
Effective: April 1, 2009
Updated: July 1, 2009

Background

During Fiscal Year 2006, LUC adopted the practice of allowing a calculated amount of selected student fees (revenues) to be carried forward into future fiscal years. This will allow unspent fees to be accumulated to fund related operating and capital expenditures, including unforeseen outlays, critical to the instructional requirements of the various programs.

A carry forward balance was determined on June 30, 2008. This balance became the starting point in calculating the budgeted revenue and expense budgets for the current FY. All fees collected in the current FY will be recorded in the account together with all related expenses. Starting with FY10, the beginning carry forward balance is based on the amount carried forward from the previous fiscal year, adjusted for the difference between actual fees (revenues) and actual expenditures. Operating accounts starting with 670010 through 670013 have been established in the College of Arts and Sciences for the appropriate academic departments (3 lab science departments and one consolidated CAS account). Thus, the only Academic Affairs student fee accounts currently approved for carry forward status are the Biology, Chemistry, Physics, & A&S Labs.

Purpose of this Policy

1. To provide budget administrators with guidelines on the establishment, calculation, and the usage of annual carry forward funds.
2. To monitor and track carry forward compliance.

Who should know this Policy

President
Provost
Chief Finance Officers
Deans
Directors
Department Chairs
Budget Managers
Other Finance / Accounting Personnel



Definitions

Surplus: An annual accumulated excess of revenues over expenditures.

Deficit: An accumulated excess of annual expenditures over revenues (this will be allowed only to the extent of the beginning balance carry forward).

Capital Expenditure: Purchases of assets, where the transaction is recorded on the balance sheet, rather than as operating expenditure, for items having greater than one year life and a cost of \$5,000 or more.

Carry Forward: Funds retained or carried over from one fiscal year to subsequent fiscal years.

Policy

1. Only approved revenues and expenditures related to the fees are recorded in the carry forward accounts.
2. Under no circumstance will a carry forward account be allowed to be overdrawn (i.e., negative) at the end of the fiscal year.
3. Departmental carry forward accounts will be managed by the chairpersons (or the dean/s in the case of professional schools not organized into departments), in collaboration with the principal budget administrator/s in the Dean's Office. These accounts will be overseen by Academic Affairs and the Financial Planning and Budgeting Department (FPBD).
4. In general, cumulative carry forward balances should not exceed an amount which would reasonably cover future expenditures. (A high carry forward balance can possibly indicate the students are being overcharged and the carry forward is equivalent to additional tuition and will be treated as such.)
5. Only approved student fees may be carried forward. In order to establish a carry forward account the department, division, or school must submit an explanation as to why student fees must be assessed and/or carried over. After carry forward status is approved, only future years will be considered in the carry forward calculation.
6. All salary procedures related to position controls applies to carry forward accounts.



Procedures

The overall carry forward account balance on June 30th of the current fiscal year will be the basis for the amount to be carried into the next fiscal year. This amount is coordinated by the Dean's office with Academic Affairs and must be approved by the FPBD generally in September of the following fiscal year.

Each fiscal year, principal budget administrators are expected to submit annual spending plans that forecast the future use of these funds. Submissions will be reviewed and approved by the Dean's office, Academic Affairs, and FPBD.

All expenses and revenues should be booked in the 67xxxx accounting units, unless otherwise approved by the FPBD. Any carry forward expenditures not booked correctly will be charged back to the appropriate accounting unit, or closed out entirely.

Allowable expenses to be supported by student fees include the following: (*Other accounts can be approved*)

- 5025 - Non Tenure Track Part Time (Course/Lab-related sections)
- 5026 - Non Tenure Track Part Time Summer (Course/Lab-related sections)
- 5310 - Student Worker (Course/Lab-related sections)
- 5320 - Graduate Student Stipend (Course/Lab-related sections)
- 5801 - Benefit Expense – Faculty (Part Time)
- 6110 - Supplies Instruction / Program
- 6130 - Electronic Media
- 6200 - Printing
- 6400 - Equipment – Office Copier
- 6401 - Equipment- Maintenance service contracts (2 years or less)
- 6402 - Equipment Rental- Program
- 6403 - Equipment Purchased – Minor
- 6404 - Equipment Purchased Major
- 6405 - Equipment Purchases – Computer Hardware and Software
- 6406 - Technology & Telecommunications Infrastructure
- 6407 - Information Services Allocation – Repairs & Maintenance
- 6423 - Repairs and Maintenance
- 6424 - Building additions and improvement
- 6722 - Tuition Scholarship (Course/Lab-related sections)



Limits on Carry Forward Balances

Each administrative division may carry forward year-end student fee balances for the future support of lab related activities. Transfers to or from carry forward accounts require appropriate documentation, review, and approval by the FPBD.

Carry forward balances will increase or decrease over time. Expenditures related to the designated student fee are to be spent from the 67xxxx accounting unit, and all related payments must be made from the appropriate account. Carry forward balances in 67xxxx accounts should be spent in accordance with the approved expenditure plan.

Expenditures of carry forward funds which would create an ongoing funding obligation for the University are not permitted. For example, carry forward funds may not be used to create permanent positions.

Documentation supporting those funds carried forward under the provisions of the plan will be reviewed by the Dean's Office and Academic affairs prior to FPBD's approval.

For questions regarding this policy, please contact the Financial Planning and Budgeting Department.

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