

ADMINISTRATIVE PROCEDURE - College of Agriculture and Natural Resources

Sub-unit: College of Agriculture and Natural Resources

Subject: Fiscal Year End Surplus and Deficit Balances

Effective Date: July 1, 2005 Revised

A. Purpose

This policy describes the procedures that will be implemented on all unit accounts for general, federal formula and county accounts which end the fiscal year in a surplus or deficit cash balance.

B. Procedure

a. General Funds

1. **Surplus Balance** – Surplus balances in the Financial Record System at closing, June 30, 20xx, may be eligible to receive 50 percent of the surplus funds to be allocated to the new, July 1, 20xx fiscal year budget allocation. In order to be eligible to receive 50 percent of the surplus funds, the surplus balance must be in excess of \$1,000. The surplus funds will be returned to the account in which the surplus was generated, via a budget amendment, prior to September 30. The surplus funds must be expended in accordance to general fund guidelines.
2. **Deficit Balance** - Deficit balances in the Financial Record System at closing, June 30, 20xx, will be applied as a reduction to the new July 1, 20xx fiscal year budget allocation. This reduction will be applied in July of the new fiscal year as a soft budget amendment reduction thus reducing the available funds for the fiscal year beginning July 1, 20xx. Each unit affected will be expected to adjust their current fiscal year expenditures and commitments to accommodate the reduction of available budget.

b. Federal Formula Funds

1. **Surplus Balance** – Surplus balances in the Financial Record System at closing, June 30, 20xx, are not eligible to receive surplus funds in the new, July 1, 20xx fiscal year budget allocation.
2. **Deficit Balance** - Deficit balances in the Financial Record System at closing, June 30, 20xx will be applied as a reduction to the unit's general funds in the new July 1, 20xx fiscal year budget allocation. This reduction to the unit's general funds will be applied in July of the new fiscal year as a soft budget amendment reduction, thus reducing the available general funds for the fiscal year beginning July 1, 20xx.

c. County Funds

1. **Surplus Balance** – Surplus balances at closing, June 30, 20xx, in the Financial Record System, will automatically be applied to the budget allocation for the new, July 1, 20xx fiscal year. The surplus balance will be reflected in sub-code 3000 of the new fiscal year. To retain these funds, the county or city extension director may obtain written approval from the county or city government, however this is not mandatory unless county/city government mandated. A budget and description for intended use of the funds must be submitted to the Regional Extension Director. County/city government has the right to request the return of these funds, which would be done as a reduction of the semi-annual billing.
2. **Deficit Balance** – Deficit balances at closing, June 30, 20xx, in the Financial Record System, will automatically be applied to the budget allocation for the new, July 1, 20xx fiscal year. The deficit balance will be reflected in sub-code 3000 of the new fiscal year. Each unit affected will be expected to adjust their current fiscal year expenditures and commitments to accommodate the reduction of available budget.

It will be at the Dean's discretion to use surplus general funds to clear deficits in other non general fund accounts within the unit, including but not limited to revolving accounts.

C. Contact

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