



Effective: February 2, 2021
Last Revised: April 25, 2025

Responsible University Office:
Finance Office

Responsible University Administrator:
Vice Chancellor for Business and Finance

Policy Contact:
Karen Labenz
Assistant Director of Accounting & Finance
labenzk@unk.edu, (308) 865-8785

Policy on Carrying Forward Departmental State-Aided Non-Revolving Budgets

POLICY CONTENTS

Scope
Policy Statement
Reason for Policy
Procedures
Definitions
Additional Contacts
Forms
Related Information
History

Scope

This policy applies to all departments of the University of Nebraska at Kearney.

The purpose of this policy is to provide guidance to departments across the UNK campus that have the need to reserve and/or carry forward state-aided non-revolving funds at the end of a biennium.

Policy Statement

Budget remaining in state-aided non-revolving fund centers (those that begin with 51xxxxxxx) will carry forward automatically between fiscal years except for benefits (social security, retirement, life, and health insurance) which are budgeted centrally. The Deans and Vice Chancellors have the option to adopt a policy that is more restrictive than this for carrying forward budget within their College or Division and consequently should be consulted for any exceptions to this policy.

While unexpended budget balances will carry forward, they should not remain unnecessarily idle. The Administration understands carrying forward these funds between fiscal years is an important mechanism allowing departments and colleges to save funds for either emergencies or major one-time expenditures. The Administration views such carry forward as necessary to promote effective management of funds. However, the Administration may, due to revenue shortfalls, amend the carry forward balance allowed or suspend the carry forward provision altogether in any fiscal year it is warranted due to economic or other conditions. Any considerations related to an amended reallocation of carry forward balances will be communicated as part of the campus budget process prior to being acted upon.

Mechanisms for earmarking carry forward balances for specific purchases or projects include encumbrances (commitments) and plant fund transfers. An encumbrance involves a purchase order in SAP, which identifies the goods or services, expected delivery date, and cost. A plant fund transfer involves a specific renovation project to be coordinated through UNK Facilities Management & Planning or UN Facilities Planning & Construction and approved by the Vice Chancellor for Business & Finance.

Departments awarded Nebraska Research Institute grants and Rural Futures Institute grants should work closely with the Institutes and the UNK Office of Sponsored Programs to understand carryforward allowances and spending deadlines for each grant.

Reason for Policy

Carrying forward departmental state-aided non-revolving budget provides greater management flexibility by expanding the timeframe for a department to use funds responsibly and to facilitate the planning process.

Procedures

PURCHASE ORDER ENCUMBRANCES

The following are factors to consider when encumbering:

- 1) There must be adequate funding in the cost center to equal or exceed the encumbrance.
 - a. A purchase order must be entered into Ariba no later than June 23, 2025 to allow for Procurement processing. Orders with catalog suppliers can be created up to June 30, 2025 but must complete all approvals by 1:00 pm to be in FY25.
 - b. The purchase order must include a description of the product or services, a vendor, and amount.
 - c. The purchase order cannot be a blanket order; it must be for a specific single purchase.
 - d. To encumber FY2025 funds, you must enter a need by date in Ariba that is no later than June 30, 2025.
- 2) The purchasing policy of the Board of Regents regarding bidding must be followed.
- 3) The product or service must be received by October 31, 2025.

PLANT FUND TRANSFER

To accomplish a plant fund transfer, complete a *UNK Cost Center or WBS Information Sheet-Construction Projects* form that includes:

1. A description of the renovation project. (Project completion cannot exceed five years).

2. A Space Alteration and Change in Room Use Form if the project involves existing space.
3. Cost projections coordinated with UNK Facilities Management & Planning or UN Facilities Planning and Construction.
4. The amount of the transfer.
5. The cost center where the funds will be transferred from (cost center must start with 51xxxxxxx). The ability to transfer is contingent on the availability of funds in the cost center; benefit savings are not available for transfer.
6. The Dean and Senior Vice Chancellor of Academic Affairs signatures of approval.
7. The Director of Facilities signature of approval.
8. The Vice Chancellor of Business & Finance signature of approval.

Deliver the completed form to the Finance Office no later than May 15 of the current fiscal year.

Definitions

Biennium: A biennium represents a budget cycle that covers two fiscal years.

Cost Center: Cost Centers are used to plan, gather and track costs for a University unit or department for state-aided non-revolving funds (cost centers that begin with 51), state-aided revolving funds (cost centers that begin with 52) and auxiliary funds (cost centers that begin with 53). Cost centers are 10 digit numbers. Within a department, multiple cost centers may be set up to further break down expenses by project or activity.

Encumbrance: An encumbrance involves a purchase order, issued by University of Nebraska Procure to Pay, which identifies the goods or services, anticipated delivery date and cost.

Fiscal Year: The 12-month period for which budgetary authority is granted and for which external financial statements are prepared. The University of Nebraska operates on the same fiscal year as the State of Nebraska: July 1 through June 30.

Plant Funds: Plant funds are used to purchase, construct or renovate long-life assets such as land, land improvements, buildings and equipment.

Plant Fund Transfer: A plant fund transfer involves a specific renovation project to be coordinated through UNK Facilities Management & Planning or UN Facilities Planning and Construction and approved by the Vice Chancellor for Business & Finance.

State aided non-revolving funds: State aided non-revolving funds represent annually budgeted funds supported primarily by tax appropriations and tuition and fee revenue. State aided non-revolving cost centers begin with “51”.

WBS Element: WBS Elements are used to plan, gather and track costs for a grant or contract, agency or plant project. A project can have one or many WBS elements depending on the degree of segregation or breakdown desired. WBS elements are 13 digit numbers and begin with 54, 55, 56, 57 or 59.

Additional Contacts

Subject	Contact	Phone	Email
Procurement	Kim Christensen	308-865-8525	kim.christensen@nebraska.edu
Procurement	Maria Sorick	402-554-2386	maria.sorick@nebraska.edu
Budget Office	Chris Moran	308-865-8202	morancl@unk.edu
Finance Office	Jill Purdy	308-865-8421	purdyj@unk.edu

Forms

[Cost Center or WBS Information Sheet-Construction Projects](#)

[Space Alteration and Change in Room Use Form](#)

Related Information

[Board of Regents Policy 6.2.1: Purchasing Policy](#)

History

This policy replaces current policy located at Business and Finance Policy and Procedures.