Overview:
The Board of Governors has recognized the need for each university to report its carry forward balance and line-item obligations of any balance. The report will serve as a useful tool to determine the amount of carry forward funds restricted/contractually obligated and committed.

Universities establish reserve fund accounts using carry forward dollars from the previous year to support the following:

- Statutory requirements and legislative intent;
- Unanticipated or uninsured catastrophic events;
- Contractual obligations;
- Positive bond ratings;
- Facility infrastructure and technology enhancements;
- Unforeseen contingencies, state budget shortfalls, or university revenue shortfalls;
- Rising operational costs;
- Purchase of non-recurring investments (ex. large equipment, special repairs, etc.).

Definitions:
In collaboration with the university Budget Officers, the Council for Administrative and Financial Affairs, and Board staff a reporting template separated into four specific sections has been developed. These sections include: university’s beginning fund balance; encumbrances; restricted/contractual obligations; and committed funds. Each section of the template is defined as follows:

- **Beginning Fund Balance before Encumbrances:** this amount represents the beginning carry forward balance from previous years.
- **Encumbrances:** a reservation of fund balance for items related to unfilled contracts for goods or services which will require a disbursement of funds in a future accounting period.
- **Restricted/Contractual Funds:** funds earmarked for the specific purposes stipulated by constitution, enabling legislation, university contractual agreements, or an external resource provider.
- **Committed Funds:** funds earmarked for the specific purposes determined by a formal action of university administrators of decision-making authority.

The following defines specific line item issues that could fall under the Restricted/Contractual and/or Committed Funds section:

- **5% Statutory Reserve Requirement:** in compliance with 1011.40(2), Florida Statutes, each institution shall provide a written notification to the Board of Governors if, at any time, the unencumbered balance in the education and general fund of the university board of trustees
approved operating budget goes below 5 percent. As a result, each university reserves an amount equal to 5 percent of its unencumbered balance in the education and general fund.

**University Board of Trustees Reserve Requirement:** the amount of unrestricted funds set aside by the University Board of Trustees to address critical, unforeseen, or non-discretionary items that require immediate funding.

**Pass-Through Funds:** funds that have been designated by the Legislature or another entity to be provided to an external source.

**Legislatively Earmarked Funds:** funds appropriated by the Legislature for a specific purpose as identified by law or through legislative work papers.

**Enterprise Resource Planning System (ERP):** the support of on-going costs associated with the maintenance and upgrades of each university’s ERP system.

**Campus Security – Safety Issues:** the support of campus security and/or safety issues, such as the recruitment of police officers, vehicles, and equipment.

**Information Technology Issues:** supporting opportunities to improve operational productivity, educational improvements, and technological innovation that occur outside the typical planning cycle.

**Building Maintenance and Repairs:** funds set aside to support the maintenance of university building infrastructures. Such costs may include the following: preventive maintenance, replacement of parts, systems or components; and other activities needed to preserve or maintain the asset.

**Utility Costs:** the support of utility costs throughout the university.

**Institutes and Centers:** entities that are generally established by a university to coordinate institutional research, services, and/or training activities that further enhance existing instruction, research, and services at each university.

**Faculty/Start-Up Costs:** funds set aside to maintain current faculty or recruit new faculty. Start-up packages for new faculty range from several thousand dollars to several million dollars and are generally expended over a multi-year period.

**Leave Payout Reserve:** funds set aside to pay compensated leave to out-going employees.

**Tuition Differential:** funds to support undergraduate education and provide financial aid to students with demonstrated financial need.
UNIVERSITY NAME
Education and General Carry Forward Balance
as of xxxx

| A. Beginning Fund Balance Before Encumbrances: | $ - |
| B. Expenditures to Date:                     | $ - |
| C. Encumbrances to Date:                     | $ - |
| D. Restricted/Contractual:                   |     |
| 5% Statutory Reserve Requirement             | $ - |
| Issues (add lines and titles as needed)      | $ - |
| Total Restricted/Contractural:               | $ - |
| E. Commitments:                              |     |
| Issues (add lines and titles as needed)      | $ - |
| Total Commitments:                           | $ - |
| F. Available Balance:                        | $ - |

Disclosure Notes: