

UNC Carryforward Process Job Aid

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Instructions

This job aid is for the University of North Carolina (UNC) system, including the North Carolina School of Science and Mathematics, to use 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 required carryforward template to OSBM no later than the dates outlined in OSBM's annual year-end closeout memorandum.

Carryforward requests should provide appropriate documentation of authority and justification of need. Any required backup documentation should be submitted to OSBM with those 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(d)(6a):

- (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.

Carryforward funds shall follow the guidelines set forth in G.S. 143C-6-4.1:

- § 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. (2023-134, s. 5.7(b).)

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 generally not permitted for UNC campuses. See Page 5 of this job aid for more information.
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.

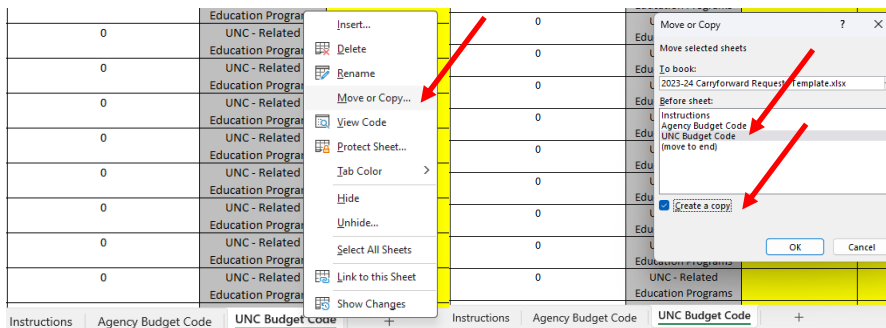
- b. If the item you are requesting to carry forward is not in the dropdown for “Item Description”, select “Other - Enter item description in Column H”.
8. Enter an item description and justification for each carryforward request in Column H “Justification/Comments”.
9. Enter the amount of the carryforward in Column I “Amount of Request.”
10. The template is formatted to accommodate up to 50 individual carryforward requests. 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 2024-25							
Note: Only enter data in the highlighted cells.							
Name:							
Email:							
Telephone:							
Budget Code	Budget Fund	Budget Code Description	Category of Request	Item Description	Statutory/Sp. Prov. Citation Required for Category A	Justification/Comments	Amount of Request
16010	0	UNC - System Office	Category A: Required by	A: Management Flex - max 2.5%	G.S. 116-30.3		
16012	0	UNC - Related Education Programs				Justification Required Please enter the justification and any additional comments about the carryforward request	
16012	0	UNC - Related Education Programs					
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16012	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.

Common UNC examples include:

- **Management Flex Carryforward (G.S. 116-30.3):** UNC has statutory management flex authority, not to exceed 2.5% of General Fund appropriation in that budget code. Funds may be used for one-time expenditures, shall not impose additional financial obligations on the state, and shall not be used to support positions.
- **Energy Conservation Savings (G.S. 116-30.3B):** 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.

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. For example, a student pays for a Summer School Session 2 course in May that doesn't begin until July after the new fiscal year.

Common UNC Examples include:

- **Crossover Receipts:** Crossover receipts are defined as receipts collected as payment for courses/sessions that commence in FY 2025-26 but conclude in FY 2026-27, which are to be used toward the portion of associated expenses payable in FY 2026-27.

Examples of common crossover requests include Summer School Crossover, Extension Education Crossover, and Community Service Crossover. For example, a course begins in June but ends in July.

Any crossover request 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.

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 – Encumbrance is defined in G.S. 143C-1-1 as "A financial obligation created by a purchase order, contract, unearned or prepaid collections for services provided by the State, or other legally binding agreement." **This category is generally not permitted for UNC institutions, as the 2.5% statutory carryforward is intended to be inclusive of all encumbrances.** However, if a UNC institution has encumbrances that exceed the 2.5% statutory carryforward, they may submit a request for 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 5, 2026). **Encumbered funds may only be requested to be carried forward when funds are not sufficient in next year’s budget to liquidate the prior year encumbrance and are subject to cash availability.**

- Funds carried forward from FY 2024-25 may not be included in the FY 2025-26 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 NCFs Report: NC PO Balance by Various COA Elements Report (RPTPO001) via email when submitting the carryforward request template.

 **NC PO Balance by Various COA Elements Report (RPTPO001)** | Last Modified 10/4/23 11:53 PM | Owner Batch User
 NC PO Balance by Various COA Elements Report (RPTPO001)
 /Shared Folders/Custom/FBR Custom/Report/Procurement/NC PO Balance by Various COA Elements Report (RPTPO001)

Final University Carryforward Process

Campuses must have sufficient cash balance in the NCFs system to support the amount of the carryforward request. It is very important that carryforward request amounts reflect General Fund revenue only. Student 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.

Once OSBM makes the carryforward decisions, each campus will be notified of its final approved amount. The campus should prepare the budget revision in IBIS for approval based on the approved carryforward request. If applicable, campuses will also need to prepare and submit an accompanying June allotment revision request for OSBM to approve.

2025-26 Year-End Carryforward Revision

Summary: Year-End Carryforward Budget Revision		
Requested Item	Realigned on Year-End Revision?	NCFs Account
Category A: Required 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)	Yes	58920000
Community Service Crossover (142)	Yes	58920000
Sports Wagering (May receipts received in late June and June receipts received in July only)	Yes	58920000
Other Unearned Revenue	Yes	58920000
Dual Employment Crossover	No - Justification Section Only	N/A
Summer School Crossover and Session 2 Tuition	No - Justification Section Only	N/A
Tuition Collected for the Fall 2026 Semester (includes Distance Education) (990)	No - Justification Section Only	N/A

Each campus will prepare one year-end Type 11 budget revision. These carryforward items should be included in the revision's justification and realigned into the required carryforward accounts for both requirements and receipts:

- Category A: Required by General Statute
 - Energy Savings Carryforward should be budgeted in NCFS account 58930000
 - All 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.
 - This includes crossover receipts, such as Community Service Crossover (142) and Extension Education Crossover (103)

The following carryforward items should not be realigned as part of the year-end budget revision. In addition, these items should not be included in the requirements and receipts section of the year-end budget revision. Instead, the carryforward amounts should be identified only in the justification field on the budget revision:

- Management Flex (2.5%) – Management Flex carryforward is left unspent in the requirements in June's BD 701 reports
- Summer School Crossover Tuition and Summer School Session 2 Tuition
- 990 Tuition Collected for the Fall 2026 Semester (includes Distance Education)
- Dual Employment Crossover (if applicable)

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. IBIS receives nightly updates of valid NCFS chart of account strings, so please validate any account combinations needed before creating budget revisions in IBIS.

Carryforward Check Process

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.

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

To provide greater transparency for carryforward, campuses should **not** 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.

FY 2026-27 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, except dual employment 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 2025-26 Management Flex receipts should be recorded in NCFS Account 48910000 Budget Flexibility on the FY 2026-27 budget revision. The actual receipts for NCFS account 48910000 should reflect the actual amount carried forward from FY 2025-26 to FY 2026-27, including pennies.

Requirements can be distributed on this original Type-11 revision where the university intends to ultimately expend the funds. Any budget revision that requests 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.