

College of Liberal Arts

FISCAL YEAR-END LAPSING POLICY

14 and 20 accounts

Funds will generally carry forward to the next fiscal year, subject to the exceptions noted below.

Exceptions include:

- instructional funds (i.e. – faculty salaries and TA/AI funds, unless generated via Signature Courses);
- allocations that include an “expiration” date (e.g. - start-up funds, research awards, etc.);
- Special Research grants administered by the Vice President for Research;
- ARP/ATP accounts (14-97xx-xx);
- allocations for a specific purpose that are not fully expended (e.g. – Special Funding Requests);
- dormant balances (e.g.- balances in accounts with little or no activity for 2 years or more); and,
- budget group balances in excess of \$15,000 (after subtracting one-time/special allocations).

19 accounts (centrally funded fee accounts – IR Fee, IT Fee, Advising Fee, etc.)

Funds will generally carry forward to the next fiscal year, subject to the exceptions noted below.

Exceptions include:

- allocations that include an “expiration” date (e.g. - start-up funds, research awards, etc.);
- allocations for a specific purpose that are not fully expended (e.g. – Special Funding Requests);
- dormant balances (e.g.- balances in accounts with little or no activity for 2 years or more); and,
- budget group balances in excess of \$15,000 for centrally funded fee accounts.

30 accounts (endowment accounts only; does not apply to VD/VP accounts)

The maximum amount that may be carried forward in each account shall be equal to the prior 2 years’ budget allocation for that account (less the amount paid out as a supplement or summer salary and associated fringe benefits during those 2 years). Accumulations in excess of that amount will revert to the dean’s office subaccount. For example, if someone receives a payout of \$50,000 per year, and they receive \$25,000 during the summer (plus \$5,000 in fringes), then any balance, as of 8/31, in excess of \$40,000 will be lapsed. This is calculated as follows: $(\$50,000 \text{ payout} * 2 \text{ years}) - ((\$25,000 \text{ summer salary} + 5,000 \text{ fringe benefits}) * 2 \text{ years}) = \$40,000$.

As always, the eventual use of these funds will be consistent with the donor-specified purpose of the endowment.

If funds are lapsed to the dean under this policy, those affected (holders of endowments, as well as departments, centers, and programs that receive budgeted endowment payout) may request that a portion of the lapsed funds be returned after depleting the current year’s allocation and any carryover funds from prior years. These requests should be made via the Special Funding Request (SFR) system and will be evaluated on a case-by-case basis.