



Operating Budget Carry Forward Policy

Administrative Authority:	Vice-President, Finance & Administration
Approval Authority:	Board of Governors
Approval Date:	October 20, 2023
Next Review:	October 2026
Review History:	

1. Purpose

1.1. The purpose of this budget policy is to allow units receiving approved operating budget allocations to carry forward unspent balances at the end of the fiscal year. Providing a carry forward option will provide budget units with flexibility in managing operating expenditures over fiscal years, in support of the University's strategic, academic, and budget priorities.

2. Scope

2.1. This policy applies to all units approved operating budget allocations except for central administration expenses. This policy is limited to budget allocations under the operating budget only and does not apply to ancillaries or restricted funds such as capital and research.

3. Policy Statement

3.1. Carry Forward Funds:

3.1.1. Budget units may carry forward unused funds from one fiscal year to the next, subject to the limits described below.

3.1.2. Carry forward funds may be used to cover expenditures that are temporary in nature and aligned with the academic, strategic, and budget priorities of the University.

3.1.3. Carry-forward surpluses may not be used for recurring expenditures, such as base salaries and benefits. Such expenses will be managed through the regular annual budget process and subject to financial covenants of the University's Ministry of Colleges and University (MCU) loan.

3.2. Budget Unit Deficits:

3.2.1. In the case of budget overspending in a given year, the deficit will be carried forward to the following year and will be the first charge against any current or future year's budget surplus. Managing ongoing operating budget deficits will be addressed in the annual budget planning process.

3.3. Limit on Accumulated Surplus Carry Forward:

3.3.1. The limit on the funds that can be carried forward annually cannot exceed 20 percent of a unit's operating budget. This ensures that units have the resources needed to fund short-term multi-year initiatives but do not become excessive.

3.3.2. Surpluses of more than 20% of a unit's budget approved allocation will be moved to a central reserve fund. Under exceptional circumstances, the Vice-President, Finance and Administration may approve budget surplus carry forward above the 20% limit. Exceptions will be considered only for specific committed projects that align with the University's strategic, academic, and budget priorities.

3.4. Reports on Use of Funds:

3.4.1. Budget units are required to report at the end of the fiscal year on the use of carry forward funds. These funds will be part of future year's budget plans. The report should detail how the funds will support short-term initiatives tied to Laurentian's strategic, academic, and budget priorities.

3.5. Approval and Accountability:

3.5.1. The Vice-President, Finance & Administration is responsible for approving carry forward funds. Sign-off by the Vice-President, Finance and Administration will serve to confirm that the carry forward funds align with academic and strategic priorities and budgetary considerations.

3.5.2. Carry forward funds will be accounted as internally restricted funds subject to review by the Board of Governors.

3.6. Policy Review:

3.6.1. This policy will be reviewed every three years to assess its effectiveness and make necessary updates or revisions.