

Procedure: Fund Carry Forward Analysis	Policy: Grant Budgeting	Number: GP0200.2
	() Complete Revision (X) Partial Revision () New	Supersedes: 2/25/16

Overview of Procedure

Twelve month grant budgeting is a method by which grant resources are budgeted and managed on the same 12-month basis as Operating funds in order to allow management to more easily understand their total resource picture and to make better informed resource allocation decisions. Many grants are already on a 12 month basis and therefore do not present management challenges beyond good resource budgeting and administration. However, many grants, including federal Title I funds, are multi-year awards used for schools and central office administrative operations which requires detailed personnel and non-personnel (contracted services, supplies, etc.) planning on a 12 month basis concurrent with the SDP fiscal year (FY). In addition, at a specific ABC code budget level, expenditures and encumbrances must be monitored and a periodic re-estimation of need made for the FY with appropriate changes made to the budget in the Advantage Financial and HR systems (if applicable). At a macro fund level, a carry forward analysis (CFA) and new award estimate must be periodically made in order to determine the resources likely to be consumed in the current FY and the resources likely to be available for management decision-making in the following year. The methods and timing by which these activities occur requires a formalized process with specific outcomes concurrent with the District’s overall budget development and decision making process.

Scope of Analysis and Process

All grant funds (excluding expiring grants) are budgeted on a 12-month basis concurrent with the SDP fiscal year in both the Budget Formulation and Management system (BFM) and Advantage Financial/HR. **[Note: See the definitions in GP0200.1].** As indicated, many grant funds are already 12 month awards running concurrently with the District’s FY. However, many grant funds are multi-year awards and therefore require a series of interactions between the Office of Grant Fiscal Services (GFS) staff and grant program staff to determine the personnel and non-personnel costs to be budgeted and likely to be expended in the current and future FYs. All grants will utilize a similar 12 month budget reporting format, regardless if they are multi-year or not, for consistency and ease of analysis.

Multi-Year Award – Fund Level Analysis

The following details the logic of calculating the resources available from multi-year grant awards on a 12 month District FY basis for both the current year estimated budget (CY) and the following request year (RY). The analysis would be done after the end of the FY Financial Close process for the period ending June 30th (the Close is completed after Advantage is in “Period 14” and for grants by approximately September 30th), and after encumbrances have been cancelled per ***GP0900: Encumbrance of Grant Funds*** policy. The analytical CFA on a Fund basis is identical in nature to the 12 Month Closing analysis completed on an Award basis as contained on the Annual Financial Statement Worksheet used for the annual District’s Financial Close process. In fact, the Worksheet Line 5 (Current Grant Award), Line 27 (Cumulative Disbursements), Line 29 (Purchase Commitments or open encumbrances) and Line 46 (Available Fund Balance) are key data points to be used in any type of CFA calculation that is done.

For all multi-year awards, the fund carry forward analytical construct on a fund and 12-month budget FY basis is as follows:

- 1) **a CFA of funds available for budgeting in the CY 12-month budget from the prior year (PY) award,**
 - a) the PY award including PSERS and FICA reimbursements if applicable, **LESS** the amount expended in the prior budget FY from Advantage Financial **LESS**
 - b) any open encumbrances from the PY awards **PLUS** encumbrances from the PY awards to be cancelled in the CY

PLUS
- 2) **the CY award amount including estimated PSERS and FICA reimbursements if applicable**

EQUALS
- 3) **total available funds to be spent in the CY budget**

LESS
- 4) **an estimate of spending in the CY 12-month budget against the total available to spend in the CY budget**
 - a) the estimates in tasks #2 and #3 requires interaction with the Grant Program Manager (GPM) to create a projection of spending in the CY 12-month budget of on-board and vacant personnel that will be filled in the CY, including an estimate of Supplemental Pay and Non-Personnel Services (NPS) expenditures to occur in the CY 12-month budget **PLUS**
 - b) an estimate of open encumbrances likely to remain at the end of completing the financial records of the CY Close (generally September 30th) which are likely to be liquidated prior to the end of the award liquidation period

EQUALS
- 5) **the funds from the CY to be carried forward into the RY 12-month budget,**

PLUS
- 6) **an estimate of the RY's award amount including PSERS and FICA reimbursements if applicable,**

LESS
- 7) **an estimate of a reasonable carry forward amount into the RY's 12-month budget**

EQUALS
- 8) **an estimate of the amount available for budgeting in the RY, and finally,**
- 9) **it is advisable, where applicable to perform a three year trend analysis in the out-years using the RY budgeting, an analysis of historic spend combined with programmatic plans, and awards as a basis.**

Procedure Details

A standard format will be used to display the results of the fund level analysis modified for whether the grant is a multi-year or 12-month award with a FY different from the District’s. Other modifications may be made to the standard format to provide grant specific information.

RESPONSIBLE POSITION	Step	ACTION TAKEN
MULTI-YEAR AWARDS – Fund Level Analysis		
Grant Budget Analysts (GBA)	1	By the end of September after the yearly Financial Close through Period 14, and after the Financial Close Worksheet for the fund Awards have been completed, perform a CFA analysis using the logic and criteria described in the “Multi-Year – Fund Level Analysis” section above.
GFS Mgmt.	2	Review the CFA analysis. Assess the estimates of CY and RY expenditures, Award amounts, and out-year data. This review should be completed prior to the Thanksgiving break.
GBA	3	After the Advantage HR download into BOSS post the ABC Code Correction process, begin the process of updating position and NPS data by ABC Code for the CY and RY budgets. The CY and RY process and budget results will be a coordinated effort between the GBA and GFS managers. The results of that effort will be an agreed CY and RY budget that carries forward the CY services into the RY. Using the new BOSS / BFM CY and RY budgets updated with GPMs, update the fund CFA worksheets as appropriate for GFS management review. This entire process shall be completed by the end of December.
Deputy, OGDC	4	Review the CY and RY budgets with senior staff for budget decisions / allocations. Decisions to be entered into the BOSS / BFM system for CY and RY and potentially impact the school budget process for RY.

Policy

- [GP0200: Grant Budgeting](#)
- [GP0900: Encumbrance of Grant Funds](#)

Definitions

Carry Forward Analysis (CFA) – The model and process used to determine, on a SDP 12-month fiscal year basis, the amount of dollars available to program. Essentially, the process requires an analysis of the amount of the prior year award available to be carried over and utilized in the current year, the amount of the likely award in the current year, the amount of the funds likely to be spent in the current year, and the amount of resources likely to be carried into the following year.

Contacts

- [Grant Fiscal Services\(GFS\)](#)
- [Office of Management and Budget \(OMB\)](#)
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- [Grant Accounting Unit \(Accounting Office\)](#)

Frequently Asked Questions

Related Information

History

Amended:

- Amended on 2/6/14 to update the CFA example.
- Amended on 2/25/16 to update the CFA example.
- Amended on 5/16/18 for technical updates.

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