

Policy Number: 704.1

Policy: Reverted Appropriations

Effective Date: July 1, 1999

Revision Date: April 4, 2013

Responsible Party: University Budget Director

PROCEDURE:

I. Calculation of reverted appropriation

- A. The calculation of the reverted appropriation for one fiscal year is performed at the end of the subsequent fiscal year. For example, the calculation of the FY 2011 reversion amount was prepared at the end of FY 2012. For purposes of the calculation, FY 2011 was considered the current year (CY), FY 2010 was considered the prior year (PY) and FY 2012 was considered the subsequent year (SY).
- B. Note CY revenue excludes PY revenue from total revenue recorded in the general operating fund
- C. Note CY expenditures and transfers exclude PY expenditures and transfers from total expenditures recorded in the general operating fund
- D. Calculate CY net revenue
- E. Note the ending balance in Banner for the CY and verify it against the beginning general operating fund balance for the SY
- F. Reconcile the difference between step D and E
 - 1. Account for the biennial audit appropriation carry over amounts received in even years and spent in odd years
 - 2. Account for one time only appropriations received in PY and spent in CY
 - 3. Account for PY reverted appropriations recorded in the CY
 - 4. Account for PY revenue and expenditure adjustments recorded in the CY
 - 5. Account for other items
- G. Adjust the CY ending balance for reservations
 - 1. Account for biennial audit appropriation carry forward amounts (received in even years to be spent in odd years)
 - 2. Account for one time only appropriations carry forward amounts to be spent in SY
 - 3. Account for PY adjustments recorded in SY
 - 4. Account for any amounts from the CY that have or will be spent in SY including reversions or PY adjustments or transfers to be processed before the SY is closed.
- H. Revert the remaining balance with a transfer to the approved deferred maintenance plant fund

II. Expenditure of reverted appropriation

- A. Consistent with the intent of MCA 17-7-304, the Facilities Services Director will prepare and submit to the Commissioner's Office a long-term plan for use of reverted appropriations. The Commissioner's Office will review the plan and submit it to the Board for approval.
- B. The Facilities Services Director may revise the long-term plan, with Board approval, to meet changing needs and priorities.

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- C. Prior to expenditure of funds from a reverted appropriation, the Facilities Services Director will submit an itemized expenditure list to the Commissioner of Higher Education.
- D. The Commissioner shall review and approve the list to insure that such planned expenditure is consistent with the long-term plan on file.
- E. The Budget Director shall submit upon request of the Commissioner a summary of expenditures from the reverted account.