

# Calculating County Fund Carryforward

7/22/2014

The goal of this job aid is to help Extension County Offices to calculate operating carryforward for the current calendar year.

\*This calculation is only an estimate and will not accurately reflect the exact operating carryforward. It omits many assumptions including salary and benefit increases and large fluctuations in expenditures due to seasonal projects. This is meant as a quick tool for planning and budget purposes.

If you need a specific operating carryforward amount mid-year you will need to review your eReports carefully and know the trends for your unit. The Business Office can help with this if needed but for normal budgeting purposes this job aid will be enough.

## Pull the current balance from the 3OS-61 Report

- eReports Quick Access Guide: <http://cfaesfinance.osu.edu/training>
- This example pulls the report as of AUGUST. This means we are 2 months into the Fiscal Year (July-Jun)

Business Unit: UNIV		THE OHIO STATE UNIVERSITY					Page No. 63			
Fiscal Year: 2013		FUND GROUP SUMMARY OF ASSETS, LIABILITIES, AND EQUITY					Run Date: 09/10/2012			
Accounting Period: 02							Run Time: 23:51:32			
Month Ending: 08/31/2012							Report ID: GLU003OS-61			
College 1: OSU_EXTENSION		OSU Extension								
Org:		County								
Fund Group/Code	Fund Code	Fund Description	Fund Equity 07/01/2012 3XXXX	Year To Date Additions 4XXXX	Deductions 6XXXX	Current Fund Equity 3XXXX	Liabilities 2XXXX	Non (Ex)	cum/ances	Equity With Pre-Encum/Encumbrances
Fund 1: PRIVATE_GRTS_CONTRS		Private Grants and Contra								
500	Co Commissione		-108,126.05	-73,611.68	53,096.01	-128,641.72	0.00		,859.09	32,217.37



Take the **CURRENT FUND EQUITY** and multiply by a negative 1 to reverse the sign.

The current balance in this example as of **8/31/2012 was \$128,642**

## Estimate remaining expenses for the Year

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Month	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Divide By	1	2	3	4	5	6	7	8	9	10	11	12



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COLLEGE OF FOOD, AGRICULTURAL,  
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Next take the **YEAR TO DATE DEDUCTIONS** and divide that number by the number of months that have elapsed in the fiscal year to get an average monthly expense.

The average monthly expense in this example as of **8/31/2012 was \$26,548**

Month	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Multiply By	5	4	3	2	1	Use the current balance	11	10	9	8	7	6



Last, multiply that amount by the remaining months in the calendar year to estimate how much you will spend for the rest of the year. \*

The estimated remaining expense in this example ( $\$26,548 \times 4$ ) as of **8/31/2012 is \$106,192**

## Identify remaining Appropriations to be received



Take the remaining amount not yet paid by your commissioners or levy. Ask the Business Office or see old 91 reports.

The remaining appropriation in this example as of **8/31/2012 was \$30,000**

## Calculate the estimated Carryforward



**CURRENT BALANCE** \$128,642



**MINUS REMAINING EXPENSES** -\$106,192



**PLUS REMAINING REVENUE** + \$30,000

**EQUALS ESTIMATED CARRYFORWARD = \$52,450**

## Compare that to the estimated yearly expenses. Operating carryforward should equal or exceed 25% of the estimated yearly expenses.

Take your average monthly expense and multiply by 12.

● Estimated yearly expenses  $\$26,548 \times 12 = \mathbf{\$318,576}$

Take your **ESTIMATED YEARLY EXPENSES** and divide by 4 (25%).

● Required Carryforward  $\$318,576 / 4 = \mathbf{\$79,644}$

Do they match? If you are noticeably over or under the needed carryforward, talk with your Regional Director.

In this example the county is estimated to have operating carryforward lower than recommended. They should be planning to build in some reserve to their budget request. As stated before, talk with your Regional Director.