

Carryforwards Project: Frequently Asked Questions (FAQ) Document

TABLE OF CONTENTS

OVERARCHING	2
CARRYFORWARDS WORKING COMMITTEE RECOMMENDATIONS	4
NEW CARRYFORWARDS PROCEDURE	8
UPCOMING WORK AND CHANGES TO CARRYFORWARDS	10
<i>Oversight and Reporting</i>	<i>10</i>
<i>Fund 330 and Historical Carryforwards</i>	<i>10</i>
CONTACT INFORMATION	12

OVERARCHING

Q. What are carryforwards?

- A. Carryforwards are the cumulative balance of operating surpluses or deficits within a faculty/portfolio, moved forward from one fiscal year (FY) into the next. This applies to unrestricted surpluses and internally restricted accumulated surpluses only, and, currently, belong exclusively to the responsible faculty or portfolio that generated the surplus; they are not available for use at the institutional level.

Q. How are carryforwards created?

- A. Carryforwards originate from a variety of different sources: they may occur as result of a faculty/portfolio operating more efficiently and realizing cost savings, from unanticipated or increased revenues or even as the result of project delays. It is important to note that utilizing carryforwards results in deficit spending; they create an additional expense in the year they are utilized.

Q. Why are carryforwards important to the U of A?

- A. Carryforwards play a significant role in the university's finances. Rather than a budget owner rushing to fully expend in a given fiscal year, excess funds can be carried forward to support strategic initiatives in future years. However, as above, because accessing carryforwards reflects as deficit spending, the Minister of Advanced Education must approve the university submitting a deficit budget.

By way of example, in FY 2024-25, the Minister approved the university accessing \$46.4M in carryforward funds with a further \$32.61M being approved in FY 2025-26. This funding supported a number of strategic initiatives across the university, including:

Project Category	Examples
Academic Projects	• Supports one-time PhD minimum • Continued work on the Cree language course in the Faculty of Native Studies • Establish the School of Politics and Democracy • Project Phoenix Agricultural Hub scoping • Augustana co-op program
Facilities and Operations Projects	• Gates, cameras, card access and bike cages • Housekeeping and renewal projects

Project Category	Examples
Information Technology Projects	Projects to support the progress of several significant areas of need in wireless network technology infrastructure, support the core mission of teaching and research, and improve the student experience
Infrastructure Projects	Building demolition
Online and Continuing Education Projects	- Development of new online course-based master's programs - Human resources surge capacity - Curriculum software implementation
University-Wide Services Projects	- Enhancements to the field research safety program - Work to support the implementation of the People Strategy - Libraries collection funding - Indigenous awards - Increased fundraising capacity

Q. What should I keep in mind when I spend my carryforwards?

- A. Plans to access carryforwards require approval as using carryforwards results in deficit spending.

Q. Are there any limitations on accessing or spending carryforwards?

- A. The Government of Alberta mandates that carryforwards are only be used for one-time, short-term strategic initiatives and cannot be used for ongoing operations, capital expenditures or to cover the costs of salary settlements, existing shortfalls or deficits.

Further, the university mandates that carryforwards are used for priority institutional purposes, that the source of funding is identified and that the cost of the request should generally exceed \$100,000. Incomplete projects from the previous year are automatically carried forward for consideration in the subsequent year's access request.

Q. Is the U of A guaranteed access to carryforward funds?

- A. No. While the Government of Alberta has, in recent years, allowed Alberta universities to apply to access up to 15% of their available carryforwards, there is no guarantee this will always be the case.

CARRYFORWARDS WORKING COMMITTEE RECOMMENDATIONS

Q. Why was the carryforwards project initiated?

- A. In 2023, the review of the university's budget model highlighted the need to explore the university's treatment of carryforwards. The current fiscal environment has required the university to examine all options for increasing revenue and maximizing use of existing funds. It was also driven by a number of shortfalls within the university's historical approach to carryforwards which included, but was not limited to:
1. The university's approach was inconsistent with its [budget model's principles](#).
 2. It did not provide all faculties and portfolios with the opportunity to access or utilize carryforwards from an institutional pool for strategic priorities, projects and initiatives. Conditions now exist for a centralized pool to emerge that is available to all
 3. Data collection and tracking mechanisms did not provide the level of detail necessary to allow for a full understanding or transparency around these funds.
 4. The need for increased oversight, accountability and transparency over these funds has also been identified, which requires additional financial controls to be put in place.

Q. What was the Carryforwards Project intended to achieve?

- A. The work to re-evaluate policy and procedure relating to carryforwards was driven by the following objectives:
- ensure sufficient funding for strategic initiatives is available and accessible;
 - to ensure carryforwards are being spent and utilized to the greatest possible benefit of the university;
 - to ensure the appropriate accountability, oversight, guidance and controls are in place;
 - increase transparency and accountability in accessing and allocating carryforwards; and
 - build confidence in forward-planning processes.

Q. When did this project start? Who was involved?

- A. In fall 2025, the Carryforwards Working Committee was established to create a clear pathway for drawing down and maximizing carryforwards, over time.

Both the academy and university-wide services were represented. This committee was co-chaired by the Dean and Vice-Provost, College of Health Sciences and the Chief Financial Officer and Associate Vice-President of Finance, Procurement and Planning. Committee

members included the Dean of the Faculty of Engineering, the Dean of the Alberta School of Business, the university's Institutional Policy Lead, the Director of Academic Budget and Planning and the Director of Financial Reporting.

Q. What did the Carryforwards Working Committee recommend? Were their recommendations approved?

A. The committee made four recommendations (summarized below):

- 1. A new Carryforwards Procedure should be implemented that is clear, transparent, accessible and easy to understand. The new procedure should enable faculties and portfolios to maximize carryforwards in a timely fashion while providing the necessary flexibility to address evolving needs and opportunities across the institution.*
- 2. The process for requesting access to carryforwards should not change. The final approval authority for all Carryforwards Access Requests should be updated to PEC-S to foster accountability and transparency.*
- 3. Both faculty/portfolio-retained and institutionally-pooled carryforwards should be tracked, monitored and have additional financial controls in place to support effective financial stewardship, manage risk, build trust and increase confidence in forward planning processes. These funds should be reported on annually to support full transparency and accountability*
- 4. Create a phased roadmap to address historical carryforwards in the next two fiscal years. Implementation should also be phased.*

All recommendations of the Carryforwards Working Committee were approved by the Provost and Vice-President (Academic) and Vice-President (University Services, Operations and Finance), and all will be implemented. For additional details, please refer to the Carryforwards Working Committee Recommendations Report, which is posted [here](#).

Q. How and when will these recommendations be implemented?

All four recommendations will utilize a phased implementation approach. The new Carryforwards Procedure comes into effect on April 1, 2027 and applies starting in FY 2027-28. To assist leaders in preparing, the procedure will be posted on October 1, 2026. It addresses the treatment of carryforwards on a go-forward basis.

Work will commence in Fall 2026 to create unique and distinct accounts (chartfields) to support tracking as well as develop additional accountability mechanisms, financial controls and annual reporting. Finance, Procurement and Planning is targeting implementation of these deliverables in FY 2027-28.

We will use a two-year window to establish a governance structure and gather feedback to guide recommendations for Fund 330 and historical carryforwards.

Please see the Carryforwards Working Committee Report, Appendix J, for more details and related timelines and implementation roadmaps.

Q. What did consultation look like for this project? Who was involved?

- A. Extensive consultation was completed on the Carryforwards Project. The Governance and Consultation schedule is outlined in the table below.

Meeting Type	Meeting Schedule	Notes
President's Executive Committee - Strategic	September 4, 2025	Project direction approved.
Statutory Deans' Council	- September 10, 2025 - October 1, 2025 - October 29, 2025 - December 3, 2025 - January 7, 2026 - February 4, 2026 - March 4, 2026 - April 1, 2026 - May 6, 2026	Ongoing: Progress updates will be provided until project conclusion. May 6, 2026: The Carryforwards Working Committee Recommendations Report and draft Carryforwards Procedure was provided to the Statutory Deans' Council for discussion and feedback.
Chairs' Council	- October 14, 2025 - January 20, 2026 - May 19, 2026	Ongoing: Progress updates will be provided until project conclusion. May 19, 2026: The Carryforwards Working Committee Recommendations Report and draft Carryforwards Procedure was provided to Chairs' Council.
Working Committee Meetings	- September 4, 2025 - September 29, 2025 - October 17, 2025 - December 9, 2025 - January 30, 2026	Working Committee activities included: - reviewing cross-jurisdictional scanning on how peer universities approach carryforwards; - reviewing and providing advice on specific questions and issues relating to carryforwards;

Meeting Type	Meeting Schedule	Notes
		- providing feedback and recommendations on the draft Carryforwards Procedure; - exploring and providing recommendations on the treatment of historical carryforwards; and - providing recommendations on implementation.
Working Committee Co-Chair Meetings with Individual Deans	- August 1, 2025 - August 5, 2025 - September 22, 2025	August 1, 2025: Working committee co-chair meeting with the Dean of Business. August 5, 2025: Working committee co-chair meeting with the Dean of Engineering. September 22, 2025: Working committee co-chair/dean meeting with Native Studies, Campus St. Jean and Augustana.
College and Stand-alone Deans' Council	April 28, 2026	April 28, 2026: The Carryforwards Working Committee Recommendations Report and draft Carryforwards Procedure was provided to College and Stand Alone Deans' Council and discussed.
College of Health Sciences Deans' Council	June 18, 2026	June 18, 2026: The Carryforwards Working Committee Recommendations Report and draft Carryforwards Procedure was provided to CHS Deans' Council and discussed.
Finance Partners	June 24, 2026	June 24, 2026: Presentation to Finance Partners on upcoming changes to carryforwards

Q. What did the university community have to say about these changes?

A. Consultation with the university community highlighted several key themes:

- **Institutional opportunity:** There is an opportunity to create a dedicated pool of funding for overarching U of A priority initiatives that individual areas cannot accomplish alone.
- **Clarity and simplicity:** Guidance related to carryforwards needs to be transparent, simple, flexible and easy to understand.

- **Accountability and trust:** Clear accountability and transparency over carryforward funds are necessary to build incremental trust and confidence in forward planning.
- **Establishing confidence:** Confidence is key to incenting faculties and portfolios not to unnecessarily spend remaining funds at year-end (overspending).
- **Process alignment:** Carryforward procedures and processes must work in conjunction with the budget model process.

NEW CARRYFORWARDS PROCEDURE

Q. Who does the new carryforwards procedure apply to?

- A. The Carryforwards Procedure applies to the budget holders but is expected to be of greatest interest for deans, vice-presidents and finance partners.

Q. What is changing and why? What do I need to know?

- A. The new Carryforwards Procedure updates the university's approach to carryforwards on a go-forward basis. Highlights include:
- The procedure applies to Funds 100 (Central Institution) and 210 (Operating) only.
 - Faculties and portfolios will now retain 70% of their carryforwards annually; the remaining 30% will go to the new institutional carryforwards pool with the exception of specified revenue streams, small donations and non-credit tuition.
 - Faculty and portfolio-retained carryforwards are subject to a maximum cap of 10% of the overall operating budget for that budget year; any amount exceeding 10% of the overall operating budget will be allocated to the institutionally-pooled carryforwards fund unless a written exception is granted by PEC-S.
 - The approval authority for accessing carryforwards is now the President's Executive Committee - Strategic (PEC-S).
 - There are time limits for spending carryforward funds.
 - Updates will be made to the annual budgeting process, including to faculty and functional planning templates.
 - Annual reporting will be developed to promote transparency and accountability.
 - Additional accountability mechanisms and financial controls will be developed.
 - We will use a two-year window to establish a governance structure and gather feedback to guide recommendations for Fund 330 and historical carryforwards.

Q. What are the time-limits for spending carryforward funds? Why were these put in place? What if I need an exception?

- A. For faculty/portfolio-retained carryforwards, these funds must be used within three years. Any extensions to three-year time-limit must be approved by PEC-S; this approval will include a new timeline for utilization in the approval.

Q. What happens to my faculty-retained carryforwards if I don't spend them within the required time-limit, I don't obtain an exception from PEC-S or I don't meet the terms of an exception from PEC-S?

- A. Faculty/portfolio-retained carryforward funds that are not spent within this three-year time limit, or, do not meet terms of an approved extension are automatically transferred to the institutional carryforwards fund pool.

Q. How does the new 10% maximum cap on faculty/portfolio-retained carryforwards work? What does this mean? How likely is it that the maximum cap will be reached?

- A. This means faculties and portfolios are subject to a maximum cap of 10% of the overall operating budget for that budget year. Any amount exceeding 10% of the overall operating budget will be allocated to the institutionally-pooled carryforwards fund unless a written exception is provided by PEC-S.

Based on scenario modeling that was created from historical University of Alberta financial statements, it appears unlikely that faculties or portfolios will reach the 10% maximum cap, therefore, it may be revisited in future years.

Q. What is the new institutional carryforwards pool? Why was it created? Who oversees this pool? Are there any eligibility criteria I need to be aware of? What can funds from this pool be used for?

- A. The new institutional carryforwards pool will be established to support high-impact strategic priorities, initiatives and projects for both faculties and portfolios. Funds from this pool cannot be used by faculties/portfolios/units to supplement their budgets or add to base funding. This fund was specifically designed to pool funding over time for university-wide, strategic initiatives that

This pool will be overseen by PEC-S and does have eligibility criteria which is outlined in the new Carryforwards Procedure.

Faculties/portfolios are not eligible to draw from the institutional carryforwards pool until all of their faculty/portfolio-retained carryforward funds have been fully allocated unless an exception is granted from PEC-S.

Q. When will the new institutional carryforwards pool be established and ready to provide funding?

- A. This pool will be established in FY 2027-28. Faculties and portfolios may apply to access this pool starting with the FY 2028-29 annual budget process.

Q. Which revenue streams are exempt from the institutional carryforwards pool?

- A. Select unrestricted funds, including specific excluded revenue streams, faculty donations and non-credit tuition are retained solely by the responsible faculty/portfolio and are not subject to the institutional carryforwards pool.

Q. Where Can I Find More Information on the New Carryforwards Procedure?

- A. The Carryforwards Procedure Fact Sheet , Carryforwards Working Committee Report and Carryforwards Procedure are available on the Finance, Procurement and Planning Website. The Carryforwards Procedure is also available on [UAPPOL](#).

UPCOMING WORK AND CHANGES TO CARRYFORWARDS

Oversight and Reporting

Q. What changes are being made to oversight and reporting? Why are these changes being made?

- A. All carryforward funds to be reported on annually to deans and PEC-S. Additional financial controls to be put in place. Unique and distinct accounts (chartfields) will be created by Finance, Procurement and Planning, as required, to support tracking.

These measures are intended to support effective financial stewardship, manage risk, build trust and increase confidence in forward planning processes.

Fund 330 and Historical Carryforwards

Q. When will the working groups for Fund 330 (Research) and Historical Carryforwards be established?

- A. The university anticipates establishing these two distinct working groups in Fall 2026.

Q. What are the objectives of these working groups?

- A. Both working groups will be tasked with exploring, analyzing and making recommendations on how the Carryforwards Procedure could be updated to include these funds.

The Fund 330 Working Group will specifically look at unrestricted research funds, while the Historical Carryforwards Working Group will look at all historical carryforward funds.

Q. Who will be involved?

- A. The Fund 330 Working Group will be a larger working group with representation from researchers, principal investigators, Finance, Procurement and Planning, deans, chairs and the Office of the Provost and Vice-President (Academic).

The Historical Carryforwards Working Group will be composed mostly of deans and chairs. It will be supported by finance resources from the Office of the Provost and Vice-President (Academic) and Finance, Procurement and Planning.

Q. How will deans' and chairs' be supported during this work?

- A. Finance, Procurement and Planning will work collaboratively with faculties and portfolios to develop this overarching roadmap as well as individual proposals/plans for managing historical carryforwards over the next two fiscal years.

Q. How long will it take for the review and recommendations on Fund 330 and Historical Carryforwards to be completed?

- A. The university's goal is to update the Carryforwards Procedure to include Fund 330 within the next two fiscal years so that the requirements are in place for FY 2028-29.

Q. Where can I find additional information on this topic?

- A. For additional information, please see the Carryforwards Working Committee Report: specifically refer to recommendation #4, Appendix I for the proposed governance structure of Fund 330 and Historical Carryforwards working groups and Appendix J for the implementation roadmap and proposed working

CONTACT INFORMATION

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