

The University of Texas at Austin
Lapsing Policy for Fiscal year End Balances

Effective fiscal year ending August 31, 2009, there will be no institutional lapsing.

Under the previous lapsing policy, all fiscal year ending balances for the following fund types were lapsed.

- E&G (14 and 20) accounts - with some exceptions
- Centrally funded non-E&G (19, 29, and 30) accounts - excluding flat rate funded accounts
- Plant Funds (36 accounts) - per specific policies

Under the new policy,

- All E&G (including AUF) account free balances will come forward in the subaccount in which the balance ended.
 - Exception: Instructional and Instructional Reserve subaccounts will be lapsed to each Dean's office Dean's Excellence account.
 - Exception: Although included in the E&G accounts series, ARP/ATP accounts (14-97xx-xx) will continue to be governed by the Texas Education Code (TEC) and Texas Higher Education Coordinating Board (THECB) policies and guidelines. The TEC and THECB set the expiration, condition, and restrictions of these grants.
 - Exception: Special Research grants administered by the Vice President for Research will continue to follow their lapsing policies.
- All non-E&G account free balances will come forward into the income subaccount or into the expenditure account in which the balance ended, depending on the balance forward rule. Departments will be able to select the balance forward rule for each non-E&G budget group.
 - Exception: In accordance with Endowment Compliance rules, the Endowment Compliance fee accounts will continue to be lapsed manually by the Office of Accounting.
- All 36-fund Unexpended Plant project account free balances will come forward in the subaccount in which the balance ended. When the project is ready for closing, the funds will be returned to the original funding source
 - Exception: Due to legal restrictions, some construction projects may not be funded directly from the 14-fund group (state funds). If funds were exchanged to eliminate the use of state funding, the transaction to return the funds may be complex. Therefore, these will need to be handled by the Budget Office on a manual basis and will be subject to a \$1,000 minimum threshold.

The goal of this new policy is to promote strategic spending for priority needs and to give Dean/VP offices more control and responsibility. Each Dean or Vice President office may decide to institute a College or Vice President specific lapsing policy.