

## **Carryforward of Under and Over Spends**

### **Approved scheme**

**Executive Board has approved the following:**

**A maximum 2% of controllable costs carryforward from for each Business Unit (subject to the minimum level of balances being maintained)**

**Project underspends will be the first call on carryforward funds**

As part of the budget process for the last 2 years, Executive Board agreed an automatic carry forward of underspends of 2% of controllable budget (subject to the level of balances remaining at or above the minimum).

Business Managers have an appraisal target to be within 1% of the final spending projected in the 3<sup>rd</sup> quarter monitoring.

Project underspends should be flagged by Business Managers in the quarterly monitoring and for approval by Executive Board prior to the calculation of any general under or over spends.

Previously an exemption has been given that resulted in carry forward only of underspends. However it was decided last year that there was a need to implement a carryforward of overspends to be consistent with the treatment of underspends and Executive Board agreed this should be effective from 2005/6.