



**Functional Series [600](#)
Budget and Finance**

INTERIM UPDATE 07-11

SUBJECT: Guidance - ADS 621 Series - Modified Carryover Process

NEW MATERIAL: The purpose of this notice is to provide Agency-wide guidance related to the Modified Carryover Process which was approved by the Acting Deputy Administrator on August 3, 2007. The modified carryover process applies to most multi-year program funds. The process does not apply to no-year funds and annual funds such as the Agency Operating Expense fund.

EFFECTIVE DATE: August 14, 2007

ATTACHMENTS: [M/CFO/CAR Internal Procedural Document, Modified Carryover Process FY 2008](#)

[Carryover Fund Account Structure](#)

POLICY

USAID/General Notice
M/CFO/FPS AND M/CFO/CAR
08/15/2007

Subject: Guidance - ADS 621 Series - Modified Carryover Process

The policy contained in this notice will be incorporated into the ADS.

The purpose of this notice is to provide Agency-wide guidance related to the Modified Carryover Process which was approved by the Acting Deputy Administrator on August 3, 2007. The modified carryover process applies to most multi-year program funds. The process does not apply to no-year funds and annual funds such as the Agency Operating Expense fund.

Historically, funds not obligated by the end of the fiscal year were automatically withdrawn to the Phoenix appropriation level and not redistributed to the Bureaus and Operating Units until accounts were reconciled and reapportionment was obtained from OMB.

Under the modified carryover process, funds related to most but not all program accounts that are not obligated by the end of the fiscal year will be "locked" at the existing Phoenix budget level. For example, funds existing at the Operating Unit level will remain with the Operating Unit; funds existing at the Bureau level will remain with the Bureau; and so forth. These funds will remain "locked" for approximately two weeks after fiscal year end and no obligations can be made. Upon reapportionment by OMB, the funds will become immediately available for obligation. M/CFO/CAR will issue an Agency-wide informational bulletin notifying Operating Units the effective date the funds are "unlocked." This is anticipated to occur by mid-October of the new fiscal year.

The attachment contains a list all program fund accounts that this policy is applicable to as of July 31, 2007. M/CFO/CAR will issue an updated list should there be significant changes between now and end of fiscal year 2007. Annually, M/CFO/CAR will distribute an official list of applicable accounts to which this process applies.

Point of Contact: Any questions concerning this Notice may be directed to Shawn Barrett, M/CFO/FPS, (202) 712-0519, or Tom Clarkson, M/CFO/CAR, (202) 712-5951.

Notice 0850

File Name	Notice Date	Effective Date	Editorial Revision Date	ADS CD No.	Remarks
IU6_0711_081507_cd49	08/15/2007	08/14/2007		ADS CD 49	This IU will be incorporated into ADS Series 600.

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