



Date: November 19, 2021  
Current Meeting: December 02, 2021  
Board Meeting: December 09, 2021

**BOARD MEMORANDUM**

**TO:** Indianapolis Public Transportation Corporation (IPTC) Board of Directors  
**THROUGH:** President/CEO Inez P. Evans  
**FROM:** Deputy CFO Hardi Shah and Vice President of Finance/CFO Bart Brown  
**SUBJECT:** Consideration and approval of Resolution 2021-14 – carry forward of outstanding encumbrances for FY2021.

---

**ACTION ITEM A – 13**

**RECOMMENDATION:**

Authorize the approval of Resolution 2021-14 – carry forward of outstanding encumbrances for fiscal year 2021.

**BACKGROUND:**

With the opening of a new budget year and a new set of ledgers, it is advantageous to review the unpaid purchase orders and contracts which remain on the ledgers as “encumbered.” Whenever a valid appropriation has been lawfully encumbered by a contract or by the issuance of a purchase order, the appropriation to the extent of the encumbrance may be carried forward to the succeeding year and made available for payment of the obligation which encumbered it. Only so much of the appropriation as is lawfully encumbered may be carried forward.

**DISCUSSION:**

The State guidelines allow the Board to authorize Carry Forward of the outstanding purchase orders at year-end. These outstanding purchase orders were not paid prior to December 31, 2021. Therefore, it will be prudent and sound financial practice to carry them forward into the next fiscal year (2021) pending available cash balances at the close of the fiscal year 2021. The appropriation to cover the purchase orders, once expensed, will come from the 2021 budget.

**ALTERNATIVES:**

If the Board chooses not to approve this action, IPTC would not be able to use fiscal year 2021’s appropriations to pay for the outstanding purchase orders/contracts. As a result, the obligations will have to be charged against fiscal year 2022’s appropriations which can jeopardize fiscal year 2022’s planned projects subject to availability of funds.

**FISCAL IMPACT:**

There is no fiscal impact on fiscal year 2022 budget as appropriations were provided for the purchase orders in the fiscal year 2021 budget.

**DBE/XBE DECLARATION:**

N/A

**STANDING COMMITTEE DISCUSSION/RECOMMENDATION:**

This action will be reviewed by the Finance Committee on December 2, 2021.