# Treasurer’s Direction (mandatory)

| Purpose | To establish a framework for agency carryover requests including eligibility criteria and processes for seeking a carryover |
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| **Last reviewed** | Not applicable |
| **Operative date** | 3 November 2022 |
| **References** | * Frequently asked questions – Carryovers * Treasurer’s Direction – Income * Treasurer’s Direction – Organisational performance and accountability * Treasurer’s Direction – Standard Classification Codes * Treasurer’s Direction – Treasurer’s Advance * *Financial Management Act 1995* |

# Scope

1. This Treasurer’s Direction outlines the eligibility criteria and process for seeking a carryover.
2. This Treasurer’s Direction is only applicable to agencies excluding government business divisions.

# Definitions

1. **Agency final budget outcome** is the end of financial year actual operating result compared to budgeted operating result, after:
2. excluding variations for:
3. gain or loss on disposal of assets in the operating statement
4. interest expense, depreciation and amortisation expense and other administrative expenses in the operating statement
5. waivers as specified in the Treasurer’s Direction – Standard Classification Codes: Appendix A
6. any further variations for non-cash items and other economic flows as specified in Treasurer’s Direction – Standard Classification Codes: Appendix A, not already captured in (i to iii) above
7. expenses eligible for a Treasurer’s Advance in accordance with Treasurer’s Direction – Treasurer’s Advance that have been absorbed from within existing resources.
8. including variations for:
9. purchases of assets in the cash flow statement
10. advances and investing payments in the cash flow statement, where deemed applicable by Department of Treasury and Finance
11. lease payments recorded as financing payments in the cash flow statement
12. service concession liability payments in the cash flow statement.
13. Pursuant to paragraph 3b.(i), variations relating to Territory Government funded capital works projects within the Department of Infrastructure, Planning and Logistics are excluded from the agency’s final budget outcome and will be addressed separately in the budget development process.
14. Pursuant to paragraph 3, other items may be included or excluded in an agency’s final budget outcome on a case-by-case basis as determined by the Department of Treasury and Finance.
15. **Carryover** is a funding amount not fully expended in a financial year that is carried over for use for the same purpose in future financial years from agency cash balances with no corresponding revenue adjustment.
16. **Reward carryover** is any portion of an agency’s residual improvement that is carried over for use for a different or similar purpose in future years, funded from agency cash balances. Refer to Treasurer’s Direction - Organisational performance and accountability for information on the reward carryover process.

# Eligibility for carryover

1. An accountable officer may request a carryover when all the following criteria are demonstrated:
2. a surplus final budget outcome relative to the carryover amount requested
3. sufficient agency cash balances relative to the carryover amount requested.
4. Pursuant to paragraph 8, an accountable officer may request a carryover for:
5. funding approved by Cabinet for one‑off initiatives
6. external funds
7. approved Treasurer’s Advances not fully utilised
8. funds quarantined by legislation.
9. Notwithstanding paragraph 9, an accountable officer must not request a carryover for non-cash items.

# Requesting a carryover

1. A carryover request must:
2. be submitted in the format and by the due date set by the Department of Treasury and Finance
3. include ministerial endorsement and, pursuant to paragraphs 16 and 17, any other information relevant to the carryover.

# Approving a carryover

1. The Treasurer has absolute discretion to approve or not approve a carryover request.
2. Under no circumstance is the Treasurer’s approval regarding carryovers to be presumed, as each request will be assessed on its merit and in the interests of government as a whole.

# Reward carryover

1. An agency may be eligible for consideration of a reward carryover, equal to or less than the agency’s residual improvement, subject to other conditions being met in accordance with the Treasurer’s Direction – Organisational performance and accountability.

# Recordkeeping

1. An accountable officer must:
2. keep appropriate documentation to support the request for a carryover including financial estimates of unexpended amounts used in the request and operating results
3. retain such documents for the specified minimum period, in accordance with the agency’s records disposal schedule.

# Reporting

1. The Department of Treasury and Finance issues annual Treasury Circulars, which include instructions to guide agencies on the carryover process.
2. Upon request, an accountable officer must provide the Department of Treasury and Finance with relevant information necessary to support the carryover request in a timely manner.

# Change history

| Version | Date | Author | Change details |
| --- | --- | --- | --- |
| 1.0 | July 2021 | DTF Financial Policy | Initial version |
| 2.0 | November 2022 | DTF Financial Policy | Updated to align with content in the new Treasurer’s Direction on Organisational performance and accountability including:   * updates to the definition of agency final budget outcome * defining a reward carryover and including references to the new Treasurer’s Direction – Organisational performance and accountability. |