

Mechanics of Sweep

What?

“Sweep” is the term used to describe the annual transfer of available balances in the General Fund (including its subfunds) to the Constitutional Budget Reserve Fund (CBR).

“Reverse sweep” describes the appropriated transfers back from the CBR to the subfunds of the General Fund from where they came.

Who?

Division of Finance calculates the available balances for transfer as the final step in completing the Comprehensive Annual Financial Report (CAFR).

When?

The calculations are finalized following all audit adjustments to the CAFR in early December. The sweep amounts are calculated **as of June 30** of the prior fiscal year. The reverse sweep transfers the subfund amounts back **as of July 1** of the current fiscal year.

Why?

Article IX, section 17(d) of the Alaska Constitution requires that all appropriations from the CBR be repaid with General Fund available for appropriation at the end of each succeeding fiscal year.

How?

Calculating “available for appropriation” is the key to sweep. The potential universe includes all funds under the general fund 11000 (fund 11100 and all subfunds).¹

Within this universe, only **available balances** are swept. Encumbered amounts and amounts for continuing and specific appropriations of the subsequent year are set aside by reserving them before calculating the available balance amount. Finally either of the following two criteria are used to determine which subfunds of the General Fund are swept:

1. Whether it meets the meaning of the term “general fund available for appropriation” as determined by an evaluation of the examples used in the Supreme Court of Alaska Case Nos. S-6294, S-6304, May 27, 1994.
2. Whether it is legally restricted to a specific purpose by an outside entity, such as federal law.

¹ All funds under 11000 are swept to repay the CBR as of June 30. All those except 11100 are restored as of July 1 by the reverse sweep. After reverse sweep, only the available balance from 11100 remains in the CBR to repay previous borrowing.

Available Balance in Constitutional Budget Reserve Fund *in thousands*

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Beginning balance as of July 1	\$3,110,104	\$2,466,918	\$2,093,556	\$2,155,078	\$2,235,693	\$2,423,695	\$3,015,179	\$8,062,989
Cash flow (borrowing) and repayment:								
	8/00	7/02	7/03	8/12	8/12	8/12		
	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	-	-
	8/15	8/12	8/12	8/12	8/12	8/12		
	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)		
	11/13	9/17	9/17	9/17	9/17	9/17		
	(100,000)	(50,000)	(100,000)	100,000	100,000	100,000		
	12/10	10/11	10/11	10/11	10/11	10/11		
	(100,000)	(100,000)	(100,000)	100,000	100,000	100,000		
	12/13	11/14	11/14	1/6	4/12	6/28		
	(100,000)	(100,000)	(100,000)	100,000	100,000	100,000		
	1/25	2/18	2/18	6/28	6/28	6/28		
	(100,000)	(100,000)	(100,000)	100,000	100,000	100,000		
	2/15							
	(100,000)							
	5/13							
	(100,000)							
Net cash flow borrowing	50,000	85,000	0	0	0	0	0	0
	(750,000)	(415,000)						
Additional (deficit borrowing) or repayment	(134,312)	(83,120)	(10,785)	(34,923)	-	-	582,159	See Note
Subfunds swept per Article IX, section 17(d)	130,695	88,755	94,627	85,514	156,697	416,165	1,466,159	See Note
Subfund balances appropriated back	(101,947)	(130,695)	(88,755)	(94,627)	(85,514)	(156,697)	(416,165)	(1,466,159)
Designated fund balance	-	-	-	-	-	(524)	(117)	See Note
Direct appropriations:								
Treasury operations	(125)	(121)	(109)	(126)	(191)	(118)	(467)	See Note
New revenues less expenditures	212,503	166,819	61,627	124,777	117,010	282,658	416,241	See Note
Appropriated fund transfer from GF			4,917			50,000	3,000,000	See Note
Ending balance as of June 30 (audited)	\$2,466,918	\$2,093,556	\$2,155,078	\$2,235,693	\$2,423,695	\$3,015,179	\$8,062,989	See Note

Please direct any questions about this information to Lisa Pusich, State Accountant at (907) 465-5616.

Note: Amounts are not known until year end.