Budget Control: Detail Guide

Introduction

We use Budget Check to ensure there is an available budget to cover the given expense/transaction. In this training document, you'll learn about this feature and how to manage activities related to when Budget Check Errors occur.

Budget exceptions can fall into two categories: warnings and errors.

- **Warnings** are exceptions that do not conform to the rules of the control budget, but have been passed along and update the Commitment Control ledgers nonetheless.
- **Errors** are exceptions that have failed budget checking because they do not conform to the rules established for that control budget. Transactions with errors are not allowed by the system to update the Commitment Control budget ledgers.

**Budget Exception Reasons**

Budget exceptions are the result of transactions that have failed the budget checking process for one of the following reasons:

- **Exceeds Control Budget** means there isn’t sufficient funding to allow a transaction to post to commitment control.
- **No Budget Exists** means errors occur when the cost center does not exist in commitment control.
- **Exceeds Non-Control Budget** means that there was insufficient budget for the given Chart Field combination.
- **Budget Date is Out of Bounds** occurs when a budget is still open, but the budget date is outside of the ending date of the budget attributes or the ledger control Chart Field definition.
- **Exceeds Budget Tolerance** means the transaction exceeds the remaining available budget.
Budget Control Exception Solutions

The following outlines the steps you may follow when resolving a Budget Control Exception

<table>
<thead>
<tr>
<th>Error</th>
<th>IDT Journal</th>
<th>GL Journal</th>
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**Notifications**

The Department Reviewer receives notices of any Exceptions. Please follow the directions provided in this Email when clearing an Exceptions.

Finance and Procurement  

![Arrow from Finance and Procurement to Department Reviewer]

Department Reviewer

OneCard, Travel, AP Vouchers and Service Center Billing
Timeframe to clear Budget Exceptions

The timelines associated with Budget Exceptions are based on two things: online transactions and month-end close. Online transactions are those you create in IDT Journals, Budget Journals, and eProcurement Requisitions.

- If you don’t handle it within the 3 days timeframe, it will post to your Division/School’s Clearing Cost Center.

At Month-End Close, make sure to transfer the Exception from that Clearing Cost Center within the 10 business days.

**Immediate**

- **3 business days to clear** (after receiving Notification)
- Defaults to Division/School Clearing Cost Center if not cleared within 3 days

**Month-End**

- **10 business days** to transfer from Clearing Cost Center

Clearing Budget Exceptions

Remember that the Exceptions are not deducted for a particular Budget Account (A6300, A5500, etc) but taken at the Cost Center Level. That means, if there’s an overall available balance, the funds are taken.
Summary

Budget Check (in Commitment Control) is a process used to ensure that an available budget exists for an expense.

Common Budget Exceptions can include:

- Exceeds Control Budget
- No Budget Exists
- Exceeds Non-Control Budget
- Budget Date is Out of Bounds
- Exceeds Budget Tolerance

A Departmental Reviewer is sent an email notification for any Exceptions for their Cost Center.

The Budget Control looks at the **Cost Center level** rather than the Account (A6300 or A5050) level when determining the available balance.

There are timelines associated to clearing an Exception:

- **3 business days**: from notice clear up Exception to avoid a charge against the Division/School Clearing Cost Center

**Month-end close**: If at Month-end a Cost Center has a Budget Exception(s) and it is not cleared by the requested date, the transaction automatically posts to the Division/School Cost Center.

**Budget Control Exception Correction Steps**

The following outlines the steps you may follow when resolving a Budget Control Exception

**Step 1: Review Error**

You may receive an email such as this:

```
Email sent from Finance:
```

This may take more than the requested 2 days to clear. If this is the case, transaction clears against the Dean's Default Cost Center.
Greetings,
The following errors occurred while processing the attached transactions. Find the cost centers associated with your User ID on the attached file. Please provide a correction within the next 3 business days but no later than the departmental month-end close deadline, the 2nd business day of the following month.

If a correction cannot be provided within the specified time frame, the transaction will be posted to the School/Division Head’s central cost center for future correction. Any transactions recorded to the central cost center must be transferred to an appropriate cost center within 10 business days of the month-end close.

If you have any questions about the attached errors, please reply to this email and we will assist in any way possible. Your immediate attention is appreciated and thank you in advance!

Step 2: Check Budgets Overview or Available Fund Balance

Budgets Overview

The budget balance compares planned activity (the budget) to actual activity.

<table>
<thead>
<tr>
<th>Inquiry Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ledger Totals (6 Rows)</strong></td>
</tr>
<tr>
<td><strong>Budget</strong></td>
</tr>
<tr>
<td><strong>Expense</strong></td>
</tr>
<tr>
<td><strong>Encumbrance</strong></td>
</tr>
<tr>
<td><strong>Pre-Encumbrance</strong></td>
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<tr>
<td><strong>Budget Balance</strong></td>
</tr>
<tr>
<td><strong>Revenue Estimate</strong></td>
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<tr>
<td><strong>Recognized Revenue</strong></td>
</tr>
<tr>
<td><strong>Available Budget</strong></td>
</tr>
<tr>
<td><strong>Collected Revenue</strong></td>
</tr>
<tr>
<td><strong>Uncollected Revenue (Rec-Coll)</strong></td>
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Available Fund Balance Overview

The fund balance represents the real net funding in a cost center.
Step 3: Correct Funding (using Appropriate Action) or provide new Cost Center

**Review Budget**  ➔  **Adjust Funding**  ➔  **Process Journal 2nd time**  ➔  **Submit to Workflow**

### Correcting an IDT Journal Exception

Review LinesPage

After selected Edit Journal, Click Process. If there’s an error, Click E from Budget Status.
Notice the error – Exceeds Budget Tolerance.

Click Budget Chartfields to see the Cost Center.

Click Line Exceptions Tab. Open new set of tabs: Line Values, Line ChartFields and Line Amount. Use this tab to determine the amounts and Cost Center to correct.

Need to View all details, click Expand All icon.
Correcting Journal

Change the Cost Center. Re-submit the journal.

Correcting a Budget Journal Budget Exception

Introduction

Click Error. Review messages on Budget Exception page.
Step 4: Resubmit journal or copy cart and inform AP

### Re-Process for Journals

<table>
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<th>Journals</th>
<th>Process Options</th>
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<tr>
<td>Budget Journals</td>
<td>Select Pre-Budget Check from Process options. Click Process.</td>
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<tr>
<td>Budget Transfer or Adjustment</td>
<td>Select Edit Journal from Process options. Click Process.</td>
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<td>IDT Journal</td>
<td>Provide new Cost Center to Finance.</td>
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### Requisition in eProcurement

1. Change the Cost Center or Add funds to existing Cost Center.
2. Copy to NewCart. Click Available Actions. Click Copy to NewCart.

### IDT Journal

1. Change the Cost Center or Add Budget to existing Cost Center.
2. Process again.
If you’re using a Cost Center from another department, coordinate with them to clear the deficit.

## Budget Journal

1. **Reduce the Budget Transfer amount,** Change the Cost Center or Add Budget to existing Cost Center.
2. Process again.

## Spreadsheet Journal

1. **Review Email Notifications from Finance.**
2. **Make appropriate Budget changes.**
3. **Send Notices to the Service Center.**

Watch for an e-mail with the subject:

**Erroneous transaction requiring your attention:**

Greetings,

The following errors occurred while processing the attached transactions. Find the costcenters associated with your User ID on the attached file. Please provide a correction within the next 3 business days but no later than the departmental month-end close deadline, the 2nd business day of the following month.

If a correction cannot be provided within the specified time frame, the transaction will be posted to the School/Division Head’s central cost center for future correction. Any transactions recorded to the central cost center must be transferred to an appropriate cost center within 10 business days of the month-end close.
Summary

- Budget Check is a part of Commitment Control. It’s a process that ensures available budget exists for a given expense/transaction.
- There are two types of Budget Exceptions: Warnings and Errors.
- The Errors are:
  - Exceeds Budget Control Budget
  - No Budget Exists
  - Exceeds Non-Control Budget
  - Budget is Closed – Date out of Bounds
- Budget Exception Handling begins November 1, 2013 for all Operating Expense Cost Center.
  - This does not include Grants/Projects.
  - This excludes Payroll and Campus Solutions transactions as well.
- Notifications of exceptions are delivered to a designated Departmental Reviewer. That person notifies the originator of the transaction.
- You have 3 business days to clear an Exception error. If it’s not cleared in that timeframe, the transaction clears against your Division/School Clearing Cost Center.
- At Month-end, you need to ensure all transactions currently posted to the Clearing Cost Center are appropriately posted to another cost center.

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### Contacts

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