BUDGET MANAGEMENT

University Policy delegates to Budget managers the authority to approve various expenditures from their budget such as supplies, equipment, and travel. These responsibilities include transaction approval and review of all expenditures for accuracy and compliance with University Policy.

FOAP

FOAPs are the identifying account numbers of Banner budgets. They consist of four elements:

1. **F – Fund** This is your fund number. JSU's operating fund is 10000. Grant funds begin with a '2'. Auxiliary funds begin with a '3'. Agency funds begin with a '5'. Plant funds begin with a '9'. All funds have 5 digits.

2. **O – Organization** This is your department number and it is specific to only your department. No one can see your budget without permission to access your org. All orgs have 5 digits.

3. **A – Account** This is for the expenditure account codes that are general to the entire University that begin with a '7'. All expenditures are made from a '7' account code. All account codes have 5 digits.

4. **P – Program** These are generally universal codes that identify the purpose of the expenditure:

   - **10 – Education** – Instructional Departments

   - **20 – Research –** usually Grants/Contracts

   - **30 – Public Service** – usually provides services outside the University

   - **40 – Academic Support -** Deans

   - **50 – Student Services** – Athletics, Housing, etc.

   - **60 – Operation & Maintenance** – Physical Plant

   - **70 – Institutional Support** – Administrative offices

   - **80 – Scholarships**

   - **85 – Associations** – Fund '5'

   - **90 – Auxiliary** – Fund '3'

   - **99 – Revenue** – Deposits

BUDGET MANAGEMENT

POOLED BUDGETING

Banner budgets can be entered into six budget pools:

- Salaries and Wages Budget Pool   account code 61000
- Student Salaries Budget Pool   account code 62000
- Fringe Benefits Budget Pool   account code 65000
- Operating Expenditure Pool   account code 70000
- Scholarship Budget Pool   account code 74000
- Contingency Budget Pool   account code 75999

➢ With the exception of Restricted Grants/Contracts, JSU does not require line item budgeting.

➢ Fund 10000 budgets are automatically entered at the beginning of each fiscal year (October 1st) into the above pools.

➢ These beginning of the year budget entries will always show in the 'Adopted Budget' column of a budget query.

➢ Expenditures must be made at the line-item account code level. You cannot enter expenditures into one of the above pool account numbers.

➢ As long as the total pool has available balance at the pool level, you can continue to spend.

➢ With the exception of Restricted Grants/Contracts, you can move budget from each pool except 61000, and 65000.

➢ You can increase the scholarship pool 74000, but you cannot move excess budget out of 74000.

➢ Although not required, you can move budget from the 70000 pool to line item account numbers. **However, this will not keep Banner from overspending that line item. Banner will always look at the total pool for available budget.**

BUDGET MANAGEMENT

BUDGET QUERIES

1. Log into Self Service (through my.jsu.edu, click on 'Self Service' under Banner Links)

2. Select 'Finance' and then 'Budget Queries'.

3. Select what type of Query you want:

> ➢ Budget Quick Query – gives Adjusted Budget, Year to Date Expenditures, Commitments, and Available Balance with no drill down detail.
>
> ➢ Budget Status by Organizational Hierarchy – best for queries with multiple org (i.e. VP's, Deans) – gives a one line summary for each department under the main org with drill down capability for more detail.
>
> ➢ Budget Status by Account – RECOMMENDED – easiest to see the available budget remaining and transaction details.
>
> ➢ Payroll Expense Detail – gives the detail of personnel paid from the salary accounts of the budget. This will always be cumulative from the beginning of the fiscal year (October 1st).
>
> ➢ **NOTE – Any amount in blue can be clicked on for more transaction detail.**

4. Click on 'Create Query'.

5. Choose boxes of the parameters you want in your query. RECOMMENDED: Top 3 boxes in the left column and all boxes in the right column. Click on 'Continue".

6. Enter current fiscal year and fiscal period '14'.

7. Enter Chart 'J', your Fund and Org.

8. To see your Operating Budget to see the remaining available balance, enter 7% in the account field. If you want to exclude any scholarships, also enter your regular program number. This will give you all the detail of your budget, what's been paid (YTD), outstanding PO's (encumbrances), approved requisitions (Reservations) and your remaining available balance to spend. **Since this is pooled budgeting, your available balance is the amount in the lower right hand corner of the query.**

BUDGET MANAGEMENT

9. If your budget currently has any documents 'in process', click on the 'View Pending Documents' button in the upper right hand of the query screen. It will show you any documents that have not been completely processed but are still holding your budget pending completion. These could include completed but not approved requisitions, pending journal vouchers in the Controller's Office, or incomplete documents awaiting deletion.

10. **Column Descriptions:**

    Adopted Budget = Approved budget posted by the Administration at the beginning of the fiscal year. This is the generally the only thing that will ever show in this column. You can click for more detail.

    Budget Adjustments = Any internal transfers done throughout the year. You can click for more detail

    Adjusted Budget = The sum of Adopted budget and Budget Adjustments. This is the budget available to spend before any posted transactions.

    Year to Date = All paid invoices and all posted journal entries. You can click for more detail.

    Encumbrances = Outstanding (unpaid) PO's and Direct Vouchers. You can click for more detail.

    Reservations = Approved requisitions that have not had a PO assigned. More detail.

    Commitments = Total of Encumbrances and Reservations. More detail.

    Available Balance = Adjusted Budget less Year to Date less Commitments.

ADMINISTRATIVE BANNER

Various budget queries can be performed in Administrative Banner.

FGIBAVL – Available budget balance. Enter Chart 'J', fiscal year, and all four elements of your FOAP. In the Account field enter the highest number (i.e. 61000 or 70000) and it will display the available balances of every pool from that account code down.

FGIBDST – Budget Detail Status. Enter Chart 'J' and fiscal year. **Uncheck 'Include Revenue Accounts'.** Enter Organization and Fund then 'Next Block'. It will give you line item status for your entire budget. You can click on 'Options' in the top menu line and select additional detail for any line item:

- FGITRND – detail for the YTD column
- FGIOEND – detail for open encumbrances in the Commitment column.
- FGIBSUM – one line budget availability summary for each budget category.

FGIBDSR – Budget Executive Summary. Enter Chart 'J' and fiscal year. **Uncheck 'Include Revenue Accounts'.** Enter Organization and Fund and the highest level of account code you want to see, i.e., 70000. Nex t block. It only gives line item information and no available balance. You can click on 'Options' to see FGITRND detail for the YTD column.

BUDGET TRANSFERS

> ➢ Except for Restricted Funds, you may make transfers from 70000 to or from any '7' account code, 75999 – Contingency Pool or 62000 - Student Salary Pool.
>
> ➢ Transfers to or from the 74000 – Scholarship Pool must be written up on BA Form 4 <u>Request for Budget Change</u> and sent to the Controller's Office for completion. Once money is committed to the Scholarship Pool it cannot be returned to Operating.
>
> ➢ All Restricted Fund (fund 2xxxx) transfers must be written up on BA Form 4 and sent to the Restricted Funds Accountant for completion.

Single Line Transfer Procedures:

1. Select 'Budget Transfers' from the Self Service Finance menu.

2. For Fund 10000 transfers, enter journal type '**JBUD'.** For Fund 30000 or 50000 transfers, enter journal type **'OBUD'.**

3. Enter the amount to transfer.

4. Enter Chart 'J' and the FOAP you are moving money FROM.

5. Enter the FOAP you are moving money TO.

6. Enter a description – this is a required field and will show in the transaction detail. Use Budget Period '01'.

7. Click on Complete. If you have sufficient budget in the 70000 pool, you will get a 'Completed' message and a J document number.

<div align="center">**BUDGET TRANSFERS**</div>

Multiple Line Transfer Procedures:

1. Select 'Multiple Line Budget Transfer' from the Self Service Finance menu.

2. Select 'JBUD' or 'OBUD' journal type.

3. **Enter the total amount of all lines of the transfer.** Example: If you are transferring $500 to 71010 and $200 to 72010 from the 70000 pool, your document amount will be $1,400, which is $500 + $200 + $700 = $1,400. Banner does not care if the amounts or TO or FROM – it needs the document total to help you make sure you enter the correct amounts on each line. The TO and FROM amounts must always equal.

4. Enter chart 'J' and the FOAP of your first transfer.

5. Tab to the 'Amount' field and enter how much you want to transfer TO or FROM that FOAP. **NOTE: You can change the plus + or minus – sign at the end of the line if you want to do all of your plus FOAPs first.**

6. Enter a description – this is a required field and will show in the transaction detail. Use Budget Period '01'.

7. Click on Complete. If you have sufficient budget in the 70000 pool, you will get a 'Completed' message and a J document number.

PURCHASING

> ➢ **JSU's policies require that all purchases be made by Purchase Order**.

> ➢ Purchase Orders are obtained by entering a Requisition into the Banner Finance system.

> ➢ Requisitions must be approved by the Budget manager.

> ➢ A PO will not be created until all supporting documents are received by Purchasing.

> ➢ When a PO is issued, a copy will be mailed to the vendor unless otherwise specified and a gold receiving copy will be sent to the requesting office.

> ➢ **The only exceptions to PO purchases are: (1) Travel Reimbursements (2) Professional Services Contracts and (3) Approved purchases on a JSU purchasing card.**

> ➢ If a purchase is made without a purchase order, a direct voucher must be entered in FGAENCB with a written explanation of why the policy was not followed, signed by the Budget Manager, the applicable Vice President and sent to Purchasing for approval to pay.

Information related to specific purchasing topics, including forms, can be found on JSU's website under Purchasing:

http://www.jsu.edu/purchasing/index/html

PURCHASING

Vendors

If a vendor has never been used by JSU before, the Purchasing Department will have to create a vendor record for you to use before the purchase can be made. In order to set up a vendor, you will need to acquire a W-9 form (required by the IRS) and an E-Verify affidavit (required by the State of Alabama for corporations but not individuals). These forms can be found on the Purchasing website.

Vendor Queries

Vendor queries can be difficult in Banner because a company's legal name may not always be the name we are familiar with and Banner queries are specific and case sensitive. The most effective vendor query can be performed in Administrative Banner as follows:

1. Enter **FTMVEND** and hit enter.

2. Click the drop-down arrow by the Vendor box. This will take you to the **FTIIDEN** page.

3. Hit 'F7' to begin the query. Tab to the 'Last Name' field, and enter the first few letters of your vendor followed by a %. Hit 'F8' to complete the query.

4. The % is a wildcard in Banner and can be used before and/or after to widen your query results. For example – to look for Office Max, enter Offi%. This tells Banner to give you every vendor that begins with Offi.

5. Because vendor queries are so difficult, it is recommended that you maintain a list of vendor numbers for your most used vendors.

Create Requisitions Procedures

1. Select 'Requisition' from the Self Service Finance menu.

2. Enter 'Delivery Date' as one month after the transaction date. It does not matter if that is not the date you expect delivery – it needs to be one month out.

3. Enter the Vendor ID or use 'Code Lookup' at the bottom of the page if you have not already acquired your vendor ID with FTMVEND.

4. Click on 'Vendor Validate' and the vendor info will populate the form.

5. Your Org and Ship To info will default from your user setup. You can change the Ship To code if needed.

6. To add text to the req, click on the Document Text link. Type the additional information in the box that opens and click 'Save'. This is where you would enter information such as "DO NOT MAIL".

7. Enter Commodity Description (do not use the Commodity Code box), U/M, quantity and unit price. If you have more than 5 lines, enter a summary on the first line as "See Attached List" and provide Purchasing with a detailed list that matches this summary amount and references the requisition number. A PO will not be created without this list. It must be a list and not pictures. If sent by Campus Mail, send 2 copies. Email lists will be acceptable.

8. Click 'Commodity Validate' and the req total will be calculated.

9. Check the 'Dollars' box and enter chart 'J' and the FOAP the purchase will be charged to. Enter the amount to be charged to that FOAP in the Accounting field. Multiple FOAPs can be used, but the Accounting Totals must match the Commodity total.

10. Click 'Validate' to check for errors. Error messages will appear at the top of the page and can be corrected. Click 'Complete' to finish and send the document to Approvals. Click 'Save in Process' to save it uncompleted and come back to it later.

Make Changes to a Requisition

1. Changes can be made to any req that has not been approved even if it has been completed.

2. Go to 'Approve Documents' and enter the requisition number.

3. Select 'Documents for which you are next approver' and submit query.

4. Disapprove the requisition. You can disapprove any requisition you have created.

5. Disapproval puts your requisition in an 'In Process' status.

6. Go to 'Requisitions'.

7. Click on the 'Search in Process Requisitions' button at the top of the page.

8. Enter your user id and the Activity Month and Year and 'Execute Query'.

9. Click on the requisition number to pull up the requisition.

10. Make any changes you want to any area and re-validate and complete the requisition.

11. It will now go back into the approval process.

Approve Requisitions

1. Budget Managers are responsible for approving requisitions.

2. Select 'Approve Documents' from the Self Service Finance menu.

3. Click the box 'Documents for which you are the next approver' and 'Submit Query'.

4. A list of all documents requiring your approval will appear. You have the following options:
   - Click on Document of History to see the document.
   - Click on Approve to approve and send the document to Purchasing.
   - Click on Disapprove.

5. You must actually click on the 'Approve Document' or 'Disapprove Document' button to complete the approval process.

Check Requisition Status

1. Select 'View Documents' from the Self Service Finance menu.

2. Enter the 'R' number and click on 'View Document'. You can see if the req is completed.

3. Enter the 'R' number and click on 'Approval History'. You can see if the req has been approved and whose approval it needs.

ENCUMBRANCES

➢ Encumbrances are entered in Administrative Banner and used for transactions that do not require a PO. The following are all paid using an encumbrance:
   1. TRVL – travel reimbursements
   2. PSRV – professional services contracts
   3. PCSH – petty cash vouchers
   4. DVCH – direct vouchers

➢ **A direct voucher encumbrance is used for purchases not made by a PO using Journal Type DVCH.** Direct vouchers must be printed and signed by the budget manager. Direct vouchers for payment of non-PO purchases that should have been made with a requisition must also be signed by your Vice President with an explanation of why purchasing policy was not followed. Once signed, they should be forwarded **to Purchasing** along with the invoice and any other required documents for approval for payment. **Please note if JSU policy was not followed, payment may not be approved.**

➢ **Travel reimbursement encumbrances use journal type TRVL** and are entered after travel has been completed and charged to one of the travel expense accounts – 71010 thru 71235. Enter the completed 'E' number on the in-state or out-of-state travel document and forward **to Internal Audit**. After review, it will be forwarded to Accounts Payable for payment. A copy of the encumbrance is not required.

➢ **Professional Services Contracts encumbrances use journal type PSRV** and are entered when payment is due. Both pages of the contract (BA Form 20) must have been completed and signed by the Budget Manger, Dean and Vice President. Enter the completed 'E' number at the top of the second page of the Professional Service Contract and forward **to the Controller's office** for approval. A copy of the encumbrance is not required.

➢ **Print encumbrances** by going to Self Service 'View Document', select document type 'Encumbrance' and enter the encumbrance number. Click on 'View Document' and print.

ENCUMBRANCES

CREATE A NEW ENCUMBRANCE

1. Click on Administrative Banner under Banner links.

2. Type **FGAENCB** and hit enter.

3. Type NEXT in the Encumbrance number field and hit 'Next Block'.

4. Enter the Encumbrance title (this will show in your transaction history), document total, and vendor ID. These are all required fields.

5. **To add Document Text:** Click on 'Options' in the menu across the top and select 'DOCUMENT TEXT'. Enter text as needed and check the 'PRINT' box at the end of each line you have used. Hit 'F10' to save. Click on the black '**X**' to close the box and return to the encumbrance.

6. Next Block.

7. Tab to the Journal Type field and enter:
   - **TRVL** for travel
   - **PSRV** for a profession services contract
   - **PSCH** for a petty cash voucher
   - **DVCH** for a direct voucher

8. Tab to the FOAP fields and enter your FOAP.

9. Tab to the Amount field and enter the same amount in entered on the first screen. These amounts must match or the encumbrance will not complete.

10. Next Block.

11. Click on the green **'Complete'** checkmark – you must actually click on it to complete the transaction. Look in the lower left hand corner of the screen for a successfully completed message and the 'E' number of the document.

12. Go to Self Service, View Document to print your encumbrance. Select document type 'Encumbrance'; enter the 'E' number in the 'Document Number' box, and click on 'View Document'.

ENCUMBRANCES

MAKING CHANGES TO A POSTED ENCUMBRANCE

1. Type **FGAENCB** and hit enter.

2. Enter the current posted encumbrance number and 'Next Block'.

3. If you are changing the amount:

- Tab to the document total field and enter **the amount of the change**, **not the new document amount.** Example: To change the amount from $100 to $30, enter -70.00. To change the amount from $100 to $125, enter 25.00.
- Tab to the Encumbrance Change field and enter the last 5 digits of the encumbrance number and add – 1. Example: For E0042504, enter 42504-1. This indicates the first change to an existing encumbrance. **Required field**.
- Tab to the Title field and enter an explanation of what you are changing. **Required field.**
- Next Block.
- Tab to the Journal Type field and enter **EADJ**.
- Tab to the amount field under the FOAP line and enter the **same change amount** you entered on the first page.
- Next Block and Complete.

4. If you are changing the vendor:

- Tab to the document total field **and enter 0.00 – because you are not changing the dollar amount.**
- Tab to the vendor ID field and enter the correct vendor number.
- Tab to the Encumbrance Change field and enter the last 5 digits of the encumbrance number and add – 1. Required field.
- Tab to the Title field and enter an explanation of what you are changing. Required field.
- Next Block.
- Tab to the Journal Type field and enter **EADJ.**
- Tab to the amount field under the FOAP line and enter 0.00.
- Next Block and Complete.

ENCUMBRANCES

5. If you are changing the FOAP:

- Tab to the document total and enter 0.00. This is the <u>net change</u> to the encumbrance. You are decreasing one FOAP and increasing another FOAP, so the net effect of the amount on the first screen is 0.00
- Tab to the Encumbrance Change field and enter the last 5 digits of the encumbrance number and add '-1', -2, etc. – whichever change this is to the encumbrance. **Required field.**
- Tab to the title field and enter an explanation of what you are changing. **Required field.**
- Next Block
- Tab to the Journal Type field and enter **EADJ.**
- **Tab to the amount field and enter the original encumbrance amount as a MINUS because you are changing the amount charged to this FOAP to $0. For example, if the original encumbrance was made for $100, you will enter -100.00 on this screen to change the amount charged to this FOAP to $0.**
- **Hit the down arrow ↓   This will create a new blank screen (record) for you to enter the correct FOAP info.**
- Tab to the Journal Type field and enter TRVL or DVCH – whichever was the original journal type.
- Tab to the FOAP line and enter the correct FOAP.
- Tab to the amount field and enter the original amount of the encumbrance.
- Next Block and Complete.

ENCUMBRANCES

DELETE A POSTED ENCUMBRANCE

1. Type **FGAENCB** and hit enter.

2. Enter the current posted encumbrance number of the encumbrance you want to delete and Next Block. This will only work if the encumbrance has already posted.

3. Tab to the Encumbrance Change field and enter CL and the last 5 digits of the encumbrance number. Example: If the encumbrance number is E0042504, enter CL42504. **Required field.**

4. Tab to the Title field and enter that the encumbrance is being closed. **Required field.**

5. Next Block.

6. Tab to the Journal Type field and enter **CANC.**

7. Tab to the amount field and make sure the amount matches the current encumbrance amount and the amount in the top right hand corner.

8. Next Block and Complete.

PURCHASING CARD

- ➤ Purchasing cards are issued by the Purchasing Department at their discretion.

- ➤ All Vice Presidents and have a purchasing card for departmental use. Permission must be requested and granted by your VP.

- ➤ Monthly statements for each issued card are received by email and are set up by the Purchasing Department.

- ➤ Original receipts and/or invoices must be kept for all Purchasing card transactions.

- ➤ A reconciliation form is on the Purchasing website and must be attached to the monthly statement along with the original receipts. You must assign a FOAP to each charge on the monthly statement.

- ➤ Send the reconciliation form, statement and original receipts to Accounts Payable. After paying the purchasing card bill, it will be forwarded to the Controller's office for the recapped charges to be posted to your budget.

- ➤ **Please note that Internal Audit regularly audits purchasing card charges for allowability and correctness.**

ACCOUNTS PAYABLE

➢ When invoices are received for purchased goods, the Budget Manager must sign the receiving copy of the PO and it should be sent with the invoice to Accounts Payable for payment.

➢ If you receive an invoice for only a part of your order, you must complete BA Form 13 – Partial Shipment Form. The Budget Manager must sign the form and send it with the invoice to Accounts Payable.

➢ When the order is received in full, mark the receiving copy as 'FINAL PAYMENT' so that Accounts Payable will know to close the PO and release any remaining encumbered budget.

➢ If your purchase is $5,000 or more, you must send a completed State of Alabama Disclosure Form to Accounts Payable. Payment will not be made to the vendor without the completed Disclosure Form.

➢ If you are making a non-PO payment by Direct Voucher, a copy of the encumbrance signed by the Budget Manager, your Vice President with an explanation of noncompliance with Purchasing policy and the invoice should be sent to Purchasing first for approval by the Purchasing Director.

➢ If you are sending a travel reimbursement encumbrance, all completed and approved travel documents and receipts should be attached and sent to Internal Audit first for approval.

➢ If you are sending a Professional Service Contract encumbrance, the completed contract should be attached and sent to the Controller's Office first for approval.

FORMS

All forms approved for use in the University Policy and Procedures Manual can be found at the following link on JSU's website:

http://www.jsu.edu/busaffairs/busprocman/index.html

Or follow these clicks:

1. www.jsu.edu
2. Click on A – Z at the top of the page.
3. Administrative and Business Affairs
4. Forms for Use with Designated Manual Policies

Additional forms not on this list can be found at specific department websites as follows:

Purchasing - http://www.jsu.edu/purchasing/forms

> ➢ Paper Requisition form – for fiscal year end purchases
> ➢ Capital Equipment Transaction – for moving equipment > $5,000
> ➢ Alabama Disclosure form – for purchases > $5,000
> ➢ IRS Form W-9 – for new vendor set up

Payroll - http://www.jsu.edu/payroll/index.html

> ➢ Blank Biweekly Timesheet
> ➢ Blank Student Timesheet