
EX.030.013 – BUDGET CHECKING EXPENSE TRANSACTION OVERVIEW

<p>Purpose</p>	<ul style="list-style-type: none"> • To define Budget Checking • To define Commitment Control • To define Encumbrance Accounting • To identify which expense transactions are budget checked • To identify how budget checking is performed • To identify the status of a transaction that has passed budget checking • To define Budget Check Exceptions. • To identify the differences between a budget check warning and error • To identify the reasons transactions may fail budget checking
<p>Description</p>	<p>This topic provides a basic overview of the Budget Checking functionality used in the Expenses Module. Budget Checking is the comparison of a pending transaction amount against the budget it is set to be charged to.</p>
<p>Security Role</p>	<p>BOR_EX_PROCESSING</p>
<p>Dependencies/ Constraints</p>	<p>None</p>
<p>Additional Information</p>	<p>None</p>

Procedure

For this topic, we are going to cover some fundamentals concerning Budget Checking and Expense Transactions.

Step	Action
1.	<p>In this topic, we will answer the following questions:</p> <ul style="list-style-type: none"> - When submitting an expense transaction, how do you know if there are enough funds available for the transaction? - What is Budget Checking? - What is Commitment Control? - What is encumbrance accounting? - What transactions get budget checked? - How is Budget Checking done? - How do you know if your transaction has passed budget checking? - What's the difference between a Warning and an Error? - Why would an expense transaction fail budget checking? - When is an expense transaction eligible for Budget Checking? - How do I review Budget Check Exceptions? <p>Press [Enter].</p>
2.	<p>As an Expense Transaction (either a Travel Authorization or Expense Report) goes through the approval process, one of the first tests is the Budget Checking Process.</p> <p>This enables you and the institution to know whether there are enough funds to pay for the expense.</p> <p>Press [Enter].</p>

Step	Action
3.	<p>Budget Checking is the comparison of a pending transaction amount against the budget it is set to be charged to.</p> <p>This ensures that a budget has been adequately setup and that there are sufficient funds to post the pending transaction before the transaction is actually posted. Press [Enter].</p>
4.	<p>Budget Checking is a part of Commitment Control, which enables your institution to control expenditures against predefined budgets.</p> <p>Commitment Control helps institutions avoid overspending by providing budget checking and commitment accounting functionality. Press [Enter].</p>
5.	<p>Budget Checking records encumbrances (or the reservation of funds) in the Commitment Control Budget and then reverses the encumbrances when actual expenses are recorded. Press [Enter].</p>
6.	<p>Budget Checking checks for spending availability and validates transactions to ensure adherence to budgeting guidelines.</p> <p>Both Expense Reports and Travel Authorizations are budget checked, but cash advances are not. Press [Enter].</p>

Step	Action
7.	<p>When Travel Authorizations and Expense Reports are first submitted for approval, they must be budget checked. GeorgiaFIRST requires these transactions to be budget checked prior to their initial approval.</p> <p>This means that before the Department Manager 1 can approve any travel authorization or expense report, it must have a budget status of Valid. Press [Enter].</p>
8.	<p>Budget checking can be done either online or through a batch process. Individual approvers can run budget checking online if required. However, Expense Administrators run a night batch process to budget check all transactions that require it. Press [Enter].</p>
9.	<p>After a transaction is budget checked, the budget checking Status will show Valid or a Budget Checking Exception will appear. Press [Enter].</p>
10.	<p>If an expense transaction fails budget checking, or if warning conditions exist for an expense transaction, the budget processor marks the transaction as an error or warning exception.</p> <p>You can view these exceptions and override some error exceptions (with proper authority) on the budget exception pages. Press [Enter].</p>
11.	<p>These are the possible causes of budget checking exceptions. Check your institutional policies to see who is responsible for correcting budget checking errors. Press [Enter].</p>
12.	<p>When any of these transactions are eligible for budget checking, Expenses sets the budget status to N to indicate that the transaction requires budget checking.</p> <p>In addition to newly submitted expense transactions, transactions are eligible for budget checking if they meet any of these conditions listed here. Press [Enter].</p>
13.	<p>Follow the appropriate business process to review budget checking exceptions for Travel Authorizations and Expense Reports. Remember, a transaction must have a budget checking status of “Valid” before it can be approved. Press [Enter].</p>
14.	<p>Press [Enter] to continue.</p>