Budget Journal Approval Process

Major Changes to policy
- ❖ Long Description field starts with a 12-digit description number (refer to Procedures before approving a budget journal)
- ❖ Line description field starts with a 6-digit description number (refer to Procedures before approving a budget journal)
- ❖ Reports for supporting documentation cannot be older than 48 hours

Guidelines
1. Budget Journals are to be approved by Planning & Budget within 24-48 hours from the time they are entered into the workflow unless the budget entry is denied.
2. DBA/CBAs should not exceed the max allotted threshold for budget entries.
   - Threshold limit: 8 budget journals per month
3. Combine all budget adjustments as applicable on one budget journal entry instead of doing multiple budget journals.
4. Backup documentation should not be older than 48 hours when the budget entry is pushed into workflow and landed on Planning & Budget's workflow list.

Procedures before approving a budget journal
Check the following items before approving a budget journal into the workflow:
1. Budget Header tab
   - Check the Date, Fiscal Year, and Period. Make sure the date is within the current month (i.e., not a back-dated budget journal unless approval is granted from Planning & Budget).
   - Check the Ledger Group.
   - Check Budget Entry Type – Original or Adjustment.
     - ○ Original (Base) entries are made mainly for permanent position changes. In rare instances, other base changes are made but must be approved by Planning & Budget first.
   - Check the Long Description
     - ○ A 12-digit unique description number (ex. **C0103B230112**) is used at the beginning of the budget header description field. Consists of the following:
       - ▪ Division or Unit Department Code (**C0103)**
       - ▪ BYY stands for Budget year (**B23)**
       - ▪ Date format MMDD (**0112)**
       - ▪ After the unique description number, provide an explanation of what is occurring in the budget journal
2. Budget Lines tab
   - Budget journals must balance.
     - ○ If revenue is increased, the expense must be increased or revenue decreased.

- o The Debits and credits should equal each other (debits = credits) on an ORG or between a matching REVEST/ORG budget journal entry.
- Budget cannot be transferred across funds. Exceptions to this rule are those funds transferred from Ledger 1 to Ledger 7 and vice-versa, and possible transfers across Ledger 4 cost centers.
- Budget Accounts (nodes) with "B5xxx" can be used only with the ORG or PROJ_GRT ledger groups.
- Budget Accounts (nodes) with "B4xxx" can be used only with the REVEST ledger group.
- Speed Types should be used instead of inputting the Fund, Department ID, Program, and Project/Grant ID manually.
  - o Will prevent invalid Chartfield combinations or the budget being placed on an inactive cost center which will cause fund reconciling issues.
- A 6-digit unique reference number (ex. 011201) is used at the beginning of the line description field. The unique reference number consists of MMDDSS (Month, Day, Sequence #).
  - o The unique reference number will relate to the transfer of budget between nodes or cost centers.
    - ▪ The sequence number will start over each day so departments, units, or divisions should not need to keep a log.
  - o An explanation after the unique reference number should explain what is happening with the budget transaction.
  - o Some common shortened words:
    - ▪ Transfer = TFR
    - ▪ Fund Equity = FE
    - ▪ Example = **011201 TFR to B5039; 011201 TFR to ST 17158**
- "Original" (base) budget journals must be in whole dollars the amounts.
- For State and 2064 funds, cannot move S&W funds to M&O without approval from Planning & Budget.
- For Fringe on 2064, cannot move to any other node without approval from Planning & Budget.

3. Documents tab
- There must be enough budget in the budget account (node) on the cost center to transfer from. This entry must be supported by the 1063.2 or 1074.1 reports.
- There must be proof of income for increasing the revenue budget.
- Check to make sure there is enough BBA on the backup documentation to cover the transactions.

- Backup Documentation:
    - Should not be older than 24-48 hours from the time they are pushed into workflow and land on Planning & Budget's workflow list.
    - Reports are run through the current period/year.
    - ORG – 1074.1 or 1063 for the cost center decrease; 1033A if budgeting Fund Equity.
    - REVEST (non B4035) – 1074.1 showing the received revenue.
    - REVEST (B4035) – 1033A (Unbudgeted Fund Equity with Expense/Revenue Budget). Refer to the Unbudgeted fund equity column.
    - ORG and/or REVEST (new) – Documentation showing funds are forthcoming and/or a copy of the check.
    - PROJ_GRT – 1074.1 for the cost center decrease; 1033A when budgeting Fund Equity.
    - Anticipated revenue maybe be budgeted, if the department includes a justification.
    - For original budget journals, make sure there is enough "Base" budget for the transaction, not just enough BBA.
4. Approval tab
    - If the journal(s) meet the above criteria then it can be approved and then posted.
    - If the journal(s) do not meet the above criteria, then deny the journal and enter a comment as to why it is being denied.

Procedures to approve or deny a budget journal (Planning and Budget Steps)
If a proper review of the budget journal has been done from the steps above, then the budget entry may be approved. There is a 2-step process to approve a budget journal.
1. From the Approval 2 tab, select "Approve" and then click "Apply" to approve the budget journal.
    - To deny, select "Deny" and then click "Apply" to deny the budget entry. Do not follow the next steps if the budget entry is denied.
2. PS will automatically take you to the Budget Lines tab. Next to Process, click the drop-down arrow, and select "Post Journal."
    - If the budget journal processes, the Budget Header Status will change from "none" to "Posted." This means the budget journal has posted to the general ledger.
    - If the budget journal fails posting it will return a status of "V". A status of "V" indicates there is not sufficient BBA to process the budget journal. Print the budget journal and resolve amount-based error with the department.

3. Enter and submit a GL journal entry for budget journals that transfers budget between cost centers. See "GL Journals for Budget Journal Transfers across Cost Centers" for details.

o All budget journals that transfer funds between cost centers require a GL Journal Entry. (Exceptions: All 1XXX – except 1008, & 2064).