

INDIANA UNIVERSITY



FINANCIAL INFORMATION SYSTEM

Transaction Processing

Budget Adjustment

Financial Management Services Department

June, 2000

TABLE OF CONTENTS

| | |
|--|-----------|
| SECTION A. Basic Information | 1 |
| 1. WHAT IS IT? | 1 |
| 2. WHY IS IT USED? | 1 |
| 3. WHO USES IT? | 1 |
| 4. WHEN IS IT USED/NOT USED? | 2 |
| 5. HOW IS IT USED? | 2 |
| 7. ROUTING/APPROVAL? | 14 |
| 8. WHAT EFFECTS DOES ITS USE HAVE? | 14 |
| 9. GENERIC PROBLEMS THAT MIGHT BE ENCOUNTERED? | 15 |
| SECTION B: Additional Information | 15 |
| 1. Helpful Hints | 15 |
| 2. Special Features | 17 |
| SECTION C: Special Conditions | 17 |
| 3. Other Restrictions | 18 |
| APPENDIX A | 20 |
| Fund Group Definitions | 20 |

The Budget Adjustment Document

SECTION A. Basic Information

The Budget Adjustment document is a financial planning tool that allows an organization to adjust the current and/or base budget figures for a given account as circumstances may change throughout the fiscal year. It may be used to create a budget for a new account established after the beginning of a new fiscal year, and it may also be used to transfer funds between general fund accounts belonging to the same chart of accounts.

PLEASE NOTE: *Adjustments to the base budget should not be made without first contacting the University Budget Office, or campus business office.*

1. WHAT IS IT?

The Budget Adjustment transaction in the FIS is used to establish or adjust the current and/or base budget figures for a given account when circumstances change during the fiscal year. It is also the primary method of moving funds between general fund accounts existing within the same chart of accounts.

2. WHY IS IT USED?

- For reallocation of the current budget as necessary throughout the fiscal year
- For transferring funds from one general fund account to another
- For establishing budget lines in new accounts created after the fiscal year begins
- For long-term adjustments to the base budget (***Remember that adjustments to the base budget should not be made without first contacting the University Budget Office, or campus business office.***)

3. WHO USES IT?

Account managers and their delegates, support, department, and campus administration staff are typical users of the budget adjustment. The approval of each account manager or delegate is required. The document will then route according to the governing conditions (see Routing and Approval section on page 14). Additional approvals may be established within the review hierarchy as deemed appropriate.

4. WHEN IS IT USED/NOT USED?

- If funds are to be transferred from one general fund account to another account(s) within the same general fund sub-fund group, the transaction generally will be carried out on a budget adjustment document rather than a transfer of funds.
- All budget adjustments for non-general fund accounts must occur within the same parent account. With respect to budget adjustments, each non-general fund account is considered to be a separate entity. The movement of funds between non-general fund accounts will generally be accomplished with a transfer of funds document.
- Only accounts that have the recording level attribute of “Budget” will accept budget adjustment transactions. The budget adjustment document cannot be used on a cash control (non-budgeted) account. (Cash control accounts are defined as such when the account is established. The FIS system will not allow routing of a budget adjustment document if cash control accounts are involved in the transaction.)

5. HOW IS IT USED?

The budget adjustment provides a means of planning for expenditures and receipt of income for a budgeted account. It can be used to change or increase income and/or expense lines either on a base budget to indicate an anticipated permanent change in the budget construction process for the following year, or on a current budget to indicate anticipated activity in the current year, or both.

PLEASE NOTE: *Adjustments to the base budget should not be made without first contacting the University Budget Office, or campus business office.*

A budget reflects the planned use of resources. A new budget may be created when a new account has been established during the operating year, or when an existing account that did not have a July 1 budget is receiving funding from another source. Budget adjustments are made to adjust the base budget when a change in income or expense is anticipated to be ongoing, or to adjust the current budget when a change in income or expense is anticipated to be for the current operating year, or both.

The budget adjustment is located in the “Financial Documents” group, and appears as follows:

Budget Adjustment

Budget Adjustment
 Document#: 01-P09165800 Status: ?
 Initiator: COHENOU
 Created: 02/21/2000
 Amount: 0.00
 Description: [Yellow Highlighted Field]

Departmental Information
 Org Ref #: [Field]
 Fiscal year: 2000 Curr FY
 Justification: [Field]

From/Decrease

| COA | Account | Object | Curr Changed Amt | Base Changed Amt |
|--------------------------|---------|---------|------------------|------------------|
| <input type="checkbox"/> | [Field] | [Field] | [Field] | [Field] |

Insert Line Delete Line

To/Increase

| COA | Account | Object | Curr Changed Amt | Base Changed Amt |
|--------------------------|---------|---------|------------------|------------------|
| <input type="checkbox"/> | [Field] | [Field] | [Field] | [Field] |

Insert Line Delete Line

OK
 CANCEL
 ROUTE
 BALANCE
 NOTES
 Month
 Sub Acct

The budget adjustment document comprises three zones:

The Document Information Zone

Budget Adjustment

Budget Adjustment
 Document#: 01-P09165800 Status: ?
 Initiator: COHENOU
 Created: 02/21/2000
 Amount: 0.00
 Description: [Yellow Highlighted Field]

Departmental Information
 Org Ref #: [Field]
 Fiscal year: 2000 Curr FY
 Justification: [Field]

This zone is composed of two sections. The information in the left-hand section is identical to that of other TP financial documents. Provided here is the document number, document status, user id of the document initiator, the creation date of the document, and the total amount of the document. (The total amount consists of a total of the base budget figures if the base budget is being adjusted. Otherwise the current budget figures are totaled to arrive at this figure.) These data are system-generated. The initiator of the document fills out the “Description” field, which appears on the standard reports.

The document initiator also completes the departmental information in the right-hand section. The “Org Ref #” field may be used by the organization initiating the document for its own record keeping purposes. **The “Fiscal Year” field should not be updated.** A detailed explanation of the transaction must be included in the “Justification” field.

The “From/Decrease” Zone

Use of this zone automatically decreases the budget associated with the account, sub-account, and object code combination entered. The current budget, base budget, or both may be affected.

The “To/Increase” Zone

Use of this zone automatically increases the budget associated with the account, sub-account, and object code combination entered. The current budget, base budget, or both may be affected.

PLEASE NOTE: *The “To” and “From” zones on the budget adjustment document must balance in order to route the document. The current changed amount(s) in each zone must also balance to one another, as must the base changed amount(s).*

Field Requirements

The following table provides a breakdown of field requirements specific to this document:

| <u>Field Name</u> | <u>Title & Description</u> | <u>Other Information</u> |
|--------------------------|---|---|
| Description | Description A brief description of the transaction should be entered into this field by the document initiator. The description provided here will appear on the monthly transaction listing. | Up to forty alphanumeric characters. Required |
| Org Ref # | Organization Reference Number This field may be used to provide an additional identifier for the organization initiating the document if desired. | Up to ten alphanumeric characters. Optional |

| <u>Field Name</u> | <u>Title & Description</u> | <u>Other Information</u> |
|-------------------------------|---|--|
| Justification | Justification This field allows for provision of a more detailed explanation than the information supplied in the "Description" field. It is important that a detailed justification for the transaction be given. | Up to four hundred characters. User may double-click on the field to bring up an expansion window that reveals a full view of the field. Required |
| COA | Financial COA Code The chart code identifies the chart of accounts in which an account can be found. | Two characters. The entry to this field is system-generated based on the account number used in the "Account" field. Required |
| Account | Account Number The account number is an identifier for a pool of funds assigned to a specific organization for one or more specific function(s). | Seven alphanumeric characters. Select the down arrow beside the field (or double-click on an empty field) for a look-up window. Double-click on the field when it contains an account number for more information about that account. Required |
| Object | Financial Object Code This field allows for entry of the specific classification identifier used in a particular transaction. | Four characters. Double-click on an empty field for a look-up window. Double-click on the field when it contains an account number for more information about that account. Required |
| Current Changed Amount | Current Changed Amount The amount by which the current budget is increased or decreased by this transaction. | Up to fifteen characters, plus two characters separated by a decimal point. Negative numbers are not allowed. Required |
| Base Changed Amount | Based Changed Amount The amount by which the base budget is increased or decreased by this transaction. PLEASE NOTE: <i>Adjustments to the base budget should not be made without first contacting the University Budget Office, or campus business office.</i> | Up to fifteen characters, plus two characters separated by a decimal point. Amounts must be stated in whole dollars. Negative numbers are not allowed. Required |

6. EXAMPLES OF ITS USE

Example 1: Adjustment to current budget

| Situation | Procedure | Steps and Results |
|--|--|--|
| <p>The account manager has determined that funds should be reallocated to the “Out of State Travel” line of account 1912610. Additional funds are available in the “Indianapolis Travel” line. This transaction will move a portion of the “Indianapolis Travel” budget to the “Out of State Travel” budget.</p> | <p>“From/Decrease” Zone: enter account number, object code, and total amount to be moved from the “Indianapolis Travel” budget line (object code 6000). Leave the Base Change Amount field blank since this transaction is meant to affect only the current budget.</p> <p>“To/Increase” Zone: enter account number, object code, and total amount to be move to the “Out of State Travel” budget line (object code 6100). Leave the Base Change Amount field blank since this transaction is meant to affect only the current budget.</p> | <p>Reduction of “Indianapolis Travel” line budget for the account.</p> <p>Increase of “Out of State Travel” line budget for the account.</p> <hr/> <p>There is no true debit or credit recorded in the general ledger; simply a reduction of one budget line and an increase of another.</p> |

Budget Adjustment

Budget Adjustment
 Document#: 01-ZK9209600 Status:P
 Initiator: COHENOU
 Created: 03/01/2000
 Amount: 750.00
 Description: Move portion of IUPU

Departmental-Information
 Org Ref #:
 Fiscal year: 2000 Curr FY
 Justification: To move a por

From/Decrease

| COA | Account | Object | Curr | Changed Amt | Base | Changed Amt |
|--------------------------|--------------------------------|--------|------|-------------|-----------|-------------|
| 1 | UA 1912610 | 6000 | | 750.00 | | 0.00 |
| <input type="checkbox"/> | GENFND FMOP FMS ADMINISTRATION | | | | INDY TRVL | N |

Insert Line Delete Line

To/Increase

| COA | Account | Object | Curr | Changed Amt | Base | Changed Amt |
|--------------------------|--------------------------------|--------|------|-------------|-----------|-------------|
| 1 | UA 1912610 | 6100 | | 750.00 | | 0.00 |
| <input type="checkbox"/> | GENFND FMOP FMS ADMINISTRATION | | | | OTST TRVL | N |

Insert Line Delete Line

OK
CANCEL
ROUTE
BALANCE
NOTES
Month
SubAcct

Results of the transaction in the pending ledger are as follows:

| Origin Code: 01 Document Nbr: ZK9209600 | | | | | | | |
|---|-------|---------|------|---------|---------|---------|-------|
| Seq # | Chart | Account | Obj | Bal Typ | Obj typ | Amount | DB/CR |
| 1 | UA | 1912610 | 6000 | CB | EX | -750.00 | |
| 2 | UA | 1912610 | 6100 | CB | EX | 750.00 | |

The illustration above reflects a reduction of \$750 to the current budget (Balance Type--CB) in the 6000 object line, and an increase of \$750 is reflected in the 6100 object line. In a transaction such as this one, the entire transaction takes place within a single account. Therefore, the document will be automatically approved immediately upon selection of the "OK" button to complete the document creation process, unless additional organizational hierarchy approvals are in place.

Example 2: Adjustments to current budget and base budget

| Situation | Procedure | Steps and Results |
|---|---|--|
| <p>A position in FMS has been reclassified to a higher rank. The current budget for account 1912610 must be increased by \$5,508 to cover future salary and benefits charges for the remainder of the fiscal year.</p> <p>The base budget must also be increased by \$5,966 to reflect the ongoing annual obligation for consideration in the subsequent budget construction process.</p> <p>There is enough money in the postage budget to cover the salary and benefits charges for the remainder of the fiscal year.</p> | <p>“From/Decrease” Zone: enter account number and object code of the budget line to be decreased (object code 4300). Enter \$5,508 in the “Curr Changed Amt” field, and \$5,966 in the “Base Changed Amt” field.</p> <p>“To/Increase” Zone: this zone must contain four transaction lines reflecting increases to account 1912610 as follows.</p> <p>Line 1: increase salary line for non-exempt staff (object code 2500); “Curr Changed Amt” is \$4,435; “Base Changed Amt” is \$4,805.</p> <p>Line 2: increase fringe benefit costs (object code 5625); “Curr Changed Amt” is \$376; “Base Changed Amt” is \$407.</p> <p>Line 3: increase FICA line (object code 5760); “Curr Changed Amt” is \$311; “Base Changed Amt” is \$336.</p> <p>Line 4: increase non-exempt retirement (object code 5773); “Curr Changed Amt” is \$386; “Base Changed Amt” is \$418.</p> | <p>Reduction of “Postage” line budget for the account.</p> <p>Increase of “Salary and Fringe Benefits” budgets for the account.</p> <hr/> <p>There is no true debit or credit recorded in the general ledger; simply a reduction of one budget line and an increase of the others.</p> |

Budget Adjustment

| | | | | | |
|--|--------------------------------|---|--------------|---|------------------|
| Budget Adjustment Document#: 01-XS9350800 Status:P Initiator: COHENOU Created: 04/06/2000 Amount: 5,966.00 Description: Position #0100AHX | | Departmental Information Org Ref #: FMS Fiscal year: 2000 <input type="checkbox"/> Curr FY Justification: To move base | | <input checked="" type="checkbox"/> OK <input type="checkbox"/> CANCEL | |
| From/Decrease | | | | | |
| | COA | Account | Object | Curr Changed Amt | Base Changed Amt |
| 1 | UA | 1912610 | 4300 | 5,508.00 | 5,966.00 |
| <input type="checkbox"/> | GENFND FMOP FMS ADMINISTRATION | | POSTAGE | N | |
| <input type="button" value="Insert Line"/> <input type="button" value="Delete Line"/> | | | | | |
| To/Increase | | | | | |
| | COA | Account | Object | Curr Changed Amt | Base Changed Amt |
| 1 | UA | 1912610 | 2500 | 4,435.00 | 4,805.00 |
| <input type="checkbox"/> | GENFND FMOP FMS ADMINISTRATION | | NON-EX STAFF | N | |
| 2 | UA | 1912610 | 5625 | 376.00 | 407.00 |
| <input type="checkbox"/> | GENFND FMOP FMS ADMINISTRATION | | FRNG BEN CST | N | |
| <input type="button" value="Insert Line"/> <input type="button" value="Delete Line"/> | | | | | |

By placing the cursor on one of the transaction lines in the “To/Increase” Zone, then selecting “Edit” and “Zoom” from the menu options, all entries in the “To/Increase” Zone may be viewed at one time as follows:

Zoom of Budget Adjustment "To"

| | | | | | |
|-----------------------------------|--------------------------------|---------|--------------|------------------|------------------|
| From/Decrease | | | | | |
| | COA | Account | Object | Curr Changed Amt | Base Changed Amt |
| 1 | UA | 1912610 | 2500 | 4,435.00 | 4,805.00 |
| | GENFND FMOP FMS ADMINISTRATION | | NON-EX STAFF | N | |
| 2 | UA | 1912610 | 5625 | 376.00 | 407.00 |
| | GENFND FMOP FMS ADMINISTRATION | | FRNG BEN CST | N | |
| 3 | UA | 1912610 | 5760 | 311.00 | 336.00 |
| | GENFND FMOP FMS ADMINISTRATION | | FICA | N | |
| 4 | UA | 1912610 | 5773 | 386.00 | 418.00 |
| | GENFND FMOP FMS ADMINISTRATION | | RETIRE NXMPT | N | |
| <input type="button" value="OK"/> | | | | | |

Results of the transaction in the pending ledger are as follows:

| Origin Code: 01 Document Nbr: XS9350800 | | | | | | | |
|---|-------|---------|------|---------|---------|-----------|-------|
| Seq # | Chart | Account | Obj | Bal Typ | Obj typ | Amount | DB/CR |
| 1 | UA | 1912610 | 4300 | BB | EX | -5,966.00 | |
| 2 | UA | 1912610 | 4300 | CB | EX | -5,508.00 | |
| 3 | UA | 1912610 | 2500 | BB | EX | 4,805.00 | |
| 4 | UA | 1912610 | 2500 | CB | EX | 4,435.00 | |
| 5 | UA | 1912610 | 5625 | BB | EX | 407.00 | |
| 6 | UA | 1912610 | 5625 | CB | EX | 376.00 | |
| 7 | UA | 1912610 | 5760 | BB | EX | 336.00 | |
| 8 | UA | 1912610 | 5760 | CB | EX | 311.00 | |
| 9 | UA | 1912610 | 5773 | BB | EX | 418.00 | |
| 10 | UA | 1912610 | 5773 | CB | EX | 386.00 | |

The preceding illustration reflects a reduction of \$5,508 to the current budget (Balance Type—CB) in the 4300 object line, and an increase of \$5,508 is reflected in the in the salaries and fringe benefits object lines (object codes 2500, 5625, 5760, and 5773). Also reflected is a reduction of \$5,966 to the base budget (Balance Type—BB) in the 4300 object line, and an increase of \$5,966 is reflected in the in the salaries and fringe benefits object lines (object codes 2500, 5625, 5760, and 5773).

Example 3: A Budget Adjustment Involving More Than One Account

| Situation | Procedure | Steps and Results |
|--|---|--|
| In order to prevent account 1912610 from exceeding its printing and duplicating budget, \$250 will be moved from the budget of account 1912631 to 1912610. | <p>“From/Decrease” Zone: enter the account number and object code of the budget line to be decreased (account 1912631, object code 4166). Enter \$250 in the “Curr changed Amt” field.</p> <p>“To/Increase” Zone: enter the account number and object code of the budget line to be increased (account 1912610, object code 4166). Enter \$250 in the “Curr changed Amt” field.</p> | <p>Reduction of “Printing and Duplicating” line for account 1912631.</p> <p>Increase of “Printing and Duplicating” line for account 1912631.</p> <p>There is no true debit or credit recorded in the general ledger; simply a reduction of one budget line and an increase of the other.</p> |

Budget Adjustment

| Budget Adjustment Document#: 01-KR9432000 Status:P Initiator: COHENOU Created: 05/04/2000 Amount: 250.00 Description: Change in Current Bu | | Departmental-Information Org Ref #: Fiscal year: 2000 <input type="checkbox"/> Curr FY Justification: Increase in C | | <input type="checkbox"/> OK <input checked="" type="checkbox"/> CANCEL | | | | | | | | | | | | | | | | | | | | | |
|---|------------|--|------|---|------|-------------|--------|------|-------------|------|-------------|---|------------|------|--|--------|--|------|--|--|--|--|--|--|--|
| From/Decrease <table border="1"> <thead> <tr> <th>COA</th> <th>Account</th> <th>Object</th> <th>Curr</th> <th>Changed Amt</th> <th>Base</th> <th>Changed Amt</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>UA 1912631</td> <td>4166</td> <td></td> <td>250.00</td> <td></td> <td>0.00</td> </tr> <tr> <td colspan="7"> <input type="checkbox"/> GENFND FMOP FMS CONT GRANT FIN ANALYS PRINT/DUP N </td> </tr> </tbody> </table> <input type="button" value="Insert Line"/> <input type="button" value="Delete Line"/> | | | | | COA | Account | Object | Curr | Changed Amt | Base | Changed Amt | 1 | UA 1912631 | 4166 | | 250.00 | | 0.00 | <input type="checkbox"/> GENFND FMOP FMS CONT GRANT FIN ANALYS PRINT/DUP N | | | | | | |
| COA | Account | Object | Curr | Changed Amt | Base | Changed Amt | | | | | | | | | | | | | | | | | | | |
| 1 | UA 1912631 | 4166 | | 250.00 | | 0.00 | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> GENFND FMOP FMS CONT GRANT FIN ANALYS PRINT/DUP N | | | | | | | | | | | | | | | | | | | | | | | | | |
| To/Increase <table border="1"> <thead> <tr> <th>COA</th> <th>Account</th> <th>Object</th> <th>Curr</th> <th>Changed Amt</th> <th>Base</th> <th>Changed Amt</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>UA 1912610</td> <td>4166</td> <td></td> <td>250.00</td> <td></td> <td>0.00</td> </tr> <tr> <td colspan="7"> <input type="checkbox"/> GENFND FMOP FMS ADMINISTRATION PRINT/DUP N </td> </tr> </tbody> </table> <input type="button" value="Insert Line"/> <input type="button" value="Delete Line"/> | | | | | COA | Account | Object | Curr | Changed Amt | Base | Changed Amt | 1 | UA 1912610 | 4166 | | 250.00 | | 0.00 | <input type="checkbox"/> GENFND FMOP FMS ADMINISTRATION PRINT/DUP N | | | | | | |
| COA | Account | Object | Curr | Changed Amt | Base | Changed Amt | | | | | | | | | | | | | | | | | | | |
| 1 | UA 1912610 | 4166 | | 250.00 | | 0.00 | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> GENFND FMOP FMS ADMINISTRATION PRINT/DUP N | | | | | | | | | | | | | | | | | | | | | | | | | |

Results of the transaction in the pending ledger are as follows:

| Origin Code: 01 Document Nbr: KR9432000 | | | | | | | | |
|---|-------|---------|------|-----|-----|---------|---------|-------|
| Seq # | Chart | Account | Obj | Bal | Typ | Obj typ | Amount | DB/CR |
| 1 | UA | 1912631 | 4166 | CB | | EX | -250.00 | |
| 2 | UA | 1912610 | 4166 | CB | | EX | 250.00 | |

The illustration above reflects a reduction of \$250 to the printing and duplicating current budget in account 1912631, and an increase of \$250 to the printing and duplicating current budget in account 1912610.

Example 4: Establishing a Current Budget for a New Account

| Situation | Procedure | Steps and Results |
|--|--|---|
| <p>A member of the Contract and Grant Administration staff must set up the current budget for a new account that was established after the beginning of the fiscal year.</p> <p>PLEASE NOTE: This type of transaction will generally be initiated at the responsibility center level. In the case of Contract and Grant accounts, budgets are established by Contract and Grant Administration staff.</p> | <p>“From/Decrease” Zone: no entries are recorded here since the budget is not being decreased in any way.</p> <p>“To/Increase” Zone: will contain the income object code, which will receive funds as they come into the university, and the expense object codes from which the funds will be expended. Since only the current budget is to be established with this transaction, all dollar amounts will be entered in the “Curr Changed Amt” field.</p> <p>Line 1: enter the account number for which the new budget is being established, the income object code that will receive the funds, and the total amount of the budget.</p> <p>Line 2: repeat the account number; enter the first expense object code to be budgeted, and the amount that should be budgeted for that object code.</p> <p>A separate transaction line should be created for each expense object code that must be budgeted for the account (follow instructions given for line 2 above).</p> <p>Upon completion of the transaction, the income amount must equal the total of the expense amounts.</p> | <p>The transaction results in an increase in the budget lines of the income codes and expense object codes included on the document. There is no true debit or credit recorded in the general ledger.</p> |

Budget Adjustment

| Budget Adjustment Document#: 01-IJ9433500 Status:P Initiator: COHENOU Created: 05/04/2000 Amount: 24,000.00 Description: enter budget for pro | | Departmental-Information Org Ref #: Fiscal year: 1999 <input type="checkbox"/> Curr FY Justification: enter award b | | <input type="checkbox"/> OK <input checked="" type="checkbox"/> CANCEL | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|------------|--|------------------|---|-----|---------|--------|------------------|------------------|--------------------------|------------|------|----------|--|--------------------------|------------|---------------------------|--|---------------|---|------------|------|----------|--|--------------------------|------------|---------------------------|--|------------|
| From/Decrease <table border="1"> <thead> <tr> <th>COA</th> <th>Account</th> <th>Object</th> <th>Curr Changed Amt</th> <th>Base Changed Amt</th> </tr> </thead> <tbody> <tr> <td><input type="checkbox"/></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | | | | | COA | Account | Object | Curr Changed Amt | Base Changed Amt | <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | |
| COA | Account | Object | Curr Changed Amt | Base Changed Amt | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| To/Increase <table border="1"> <thead> <tr> <th>COA</th> <th>Account</th> <th>Object</th> <th>Curr Changed Amt</th> <th>Base Changed Amt</th> </tr> </thead> <tbody> <tr> <td>7</td> <td>IN 4094721</td> <td>5500</td> <td>1,097.00</td> <td></td> </tr> <tr> <td><input type="checkbox"/></td> <td>HIEDUM PSY</td> <td>VIRGINIA COMMWLTH UNIV 52</td> <td></td> <td>IND CST SPN N</td> </tr> <tr> <td>8</td> <td>IN 4094721</td> <td>4061</td> <td>4,000.00</td> <td></td> </tr> <tr> <td><input type="checkbox"/></td> <td>HIEDUM PSY</td> <td>VIRGINIA COMMWLTH UNIV 52</td> <td></td> <td>SUBJ PMT N</td> </tr> </tbody> </table> | | | | | COA | Account | Object | Curr Changed Amt | Base Changed Amt | 7 | IN 4094721 | 5500 | 1,097.00 | | <input type="checkbox"/> | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | IND CST SPN N | 8 | IN 4094721 | 4061 | 4,000.00 | | <input type="checkbox"/> | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | SUBJ PMT N |
| COA | Account | Object | Curr Changed Amt | Base Changed Amt | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | IN 4094721 | 5500 | 1,097.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | IND CST SPN N | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | IN 4094721 | 4061 | 4,000.00 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <input type="checkbox"/> | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | SUBJ PMT N | | | | | | | | | | | | | | | | | | | | | | | | | |

By placing the cursor on one of the transaction lines in the "To/Increase" Zone, then selecting "Edit" and "Zoom" from the menu options, all entries in the "To/Increase" Zone may be viewed at one time as follows:

Zoom of Budget Adjustment "To"

| From/Decrease | COA | Account | Object | Curr Changed Amt | Base Changed Amt |
|---------------|-----|------------|---------------------------|------------------|------------------|
| 1 | IN | 4094721 | 1180 | 24,000.00 | 0.00 |
| | | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | C G INCOME N |
| 2 | IN | 4094721 | 2000 | 12,000.00 | 0.00 |
| | | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | ACAD SAL-NE N |
| 3 | IN | 4094721 | 5610 | 435.00 | 0.00 |
| | | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | GRAD HLTH IN N |
| 4 | IN | 4094721 | 4035 | 500.00 | 0.00 |
| | | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | LAB SUPPLIES N |
| 5 | IN | 4094721 | 4086 | 776.00 | 0.00 |
| | | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | TEL LONG DIS N |
| 6 | IN | 4094721 | 5400 | 5,192.00 | 0.00 |
| | | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | GRAD FEE REM N |
| 7 | IN | 4094721 | 5500 | 1,097.00 | 0.00 |
| | | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | IND CST SPN N |
| 8 | IN | 4094721 | 4061 | 4,000.00 | 0.00 |
| | | HIEDUM PSY | VIRGINIA COMMWLTH UNIV 52 | | SUBJ PMT N |

Results of the transaction in the pending ledger are as follows:

| Origin Code: 01 Document Nbr: IJ9433500 | | | | | | | |
|---|-------|---------|------|---------|---------|-----------|-------|
| Seq # | Chart | Account | Obj | Bal Typ | Obj typ | Amount | DB/CR |
| 1 | IN | 4094721 | 1180 | CB | IN | 24,000.00 | |
| 2 | IN | 4094721 | 2000 | CB | EX | 12,000.00 | |
| 3 | IN | 4094721 | 5610 | CB | EX | 435.00 | |
| 4 | IN | 4094721 | 4035 | CB | EX | 500.00 | |
| 5 | IN | 4094721 | 4086 | CB | EX | 776.00 | |
| 6 | IN | 4094721 | 5400 | CB | EX | 5,192.00 | |
| 7 | IN | 4094721 | 5500 | CB | EX | 1,097.00 | |
| 8 | IN | 4094721 | 4061 | CB | EX | 4,000.00 | |

The above entries reflect an increase in income (object code 1180) and an increase to the expense lines from which the account manager plans to make expenditures for the remainder of the fiscal year.

PLEASE NOTE: *The preceding example illustrates the establishment of a current budget. However, it is possible to set up a current and a base budget, a current budget only, or a base budget only. If, in the case of a new account, the activity will be permanent in nature, both a current and a base budget should be established. If the activity will be for the current fiscal year, then it would only be necessary to establish a current budget. In cases where only a current budget is established and a decision is made at a later date that the activity will be long term, then a base budget would be established. Only a base budget would be required because the current budget is already in place.*

7. ROUTING/APPROVAL?

The budget adjustment document routes to account managers or their primary delegates, then to the University Budget Office for final approval.

If Contract and Grant accounts are revised on the budget adjustment the document will route to the Contract and Grant area for final approval. Budget adjustments involving Contract and Grant accounts must occur within a single account.

8. WHAT EFFECTS DOES ITS USE HAVE?

- Reallocates current budget as necessary throughout the fiscal year.
- Establishes budget lines in new accounts created after the fiscal year begins.
- Establishes long-term adjustments to the base budget. (**Remember that adjustments to the base budget should not be made without first contacting the University Budget Office, or campus business office.**)

- Moves funding between general fund accounts. If a budget adjustment occurs between accounts belonging to different responsibility centers a system-generated transfer of funds also occurs, moving cash between the two accounts. In this case, both budget and actual balance types are impacted.

9. GENERIC PROBLEMS THAT MIGHT BE ENCOUNTERED?

- Confusion sometimes exists between the use of the budget adjustment and the transfer of funds document. The transfer of funds is normally used to move *cash* between non-general fund accounts. However, to move funding between general fund accounts, the budget adjustment is used to reduce the budget in one account and increase the budget in a different account.
- The budget adjustment document cannot be used to adjust budgets across sub-fund groups (e.g., non-general sub-fund to auxiliary sub-fund; general sub-fund to faculty research sub-fund, etc).
- The “To” and “From” zones on the budget adjustment document must balance in order to route the document. The current changed amount(s) in each zone must also balance to one another, as must the base changed amount(s).

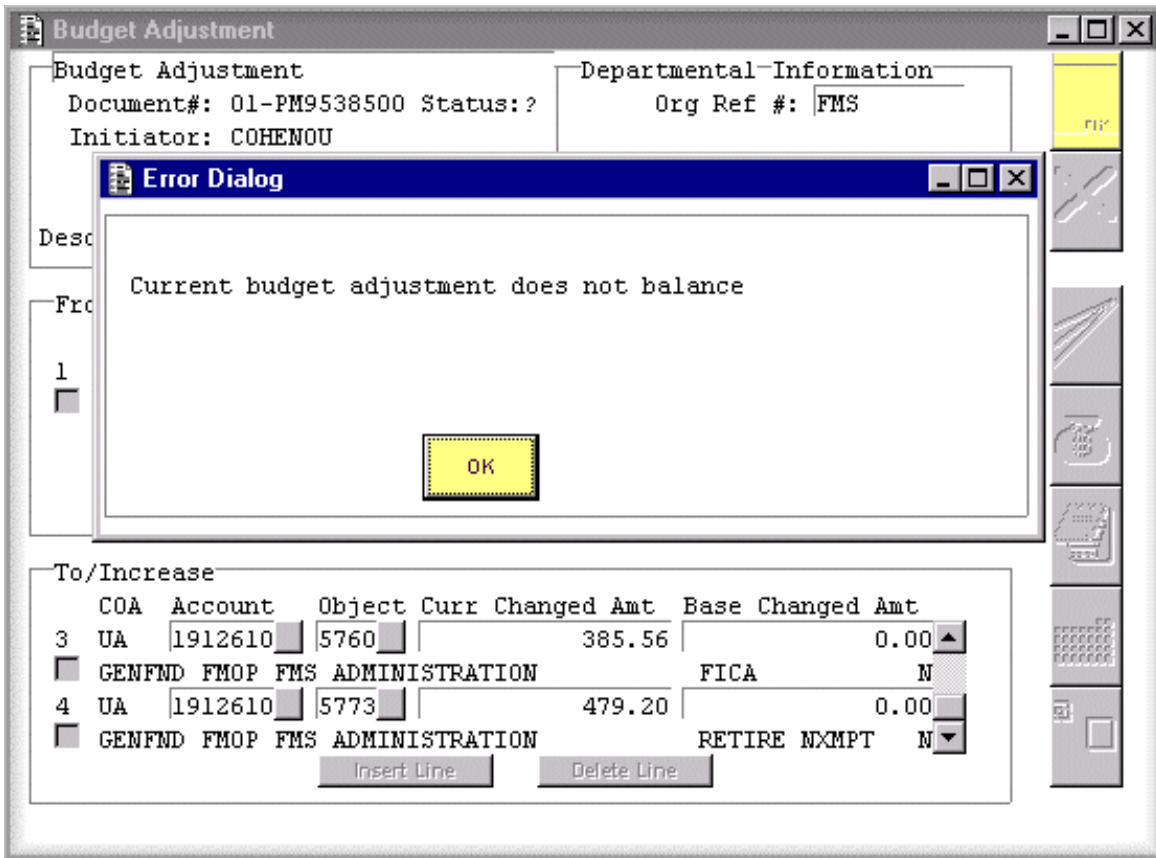
SECTION B: Additional Information

1. Helpful Hints



If the intent is to increase a budget line, whether increasing income or expense, the pertinent data will be entered in the “To/Increase” zone of the budget adjustment document. Example four (illustrated on page 13) is an example of increasing both income and expense in the establishment of a new budget. *If the intent is to decrease* a budget line, whether decreasing income or expense, the data will be entered in the “From/Decrease” zone of the document.

When labor object codes (i.e., salary, wages, etc.) are applied, the user is presented with the option of allowing the system to calculate the fringe benefits to complete the transaction. If the user chooses to utilize this option, the system-generated figures may cause the document to be out of balance. Manual changes must then be made to those figures to ensure the document is in balance; otherwise, it will not route. This problem can be seen in the following illustration:



Reports in the FDRS (Financial Data Retrieval System) on the FMS web site that will present current budget and base budget figures are those that will allow you to specify balance type codes you wish to view on your report. Specify CB in the "Balance Type Code" field (in some cases the field may be labeled "Financial Balance Type Code") if you wish to extract current budget figures, and BB if you wish to extract base budget figures. Some examples of reports allow specification of the balance type code are General Ledger Balance and Detail Transactions reports in DataDirect, as illustrated the following example.

| | | |
|---|-----------------------------------|---|
| FMS WEB | | INDIANA UNIVERSITY |
| Financial Management Services | | |
| Financial Data Retrieval System | | |
| DataDirect | | |
| General Ledger Balance | | |
| Last Refresh: Sunday June 11, 2000 3:58 AM | | |
| Selection Criteria: | | |
| <input type="checkbox"/> Distinct rows only | | |
| University Fiscal Years | <input type="text" value="2000"/> | <input type="button" value="Valid Values"/> |
| Chart of Accounts Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Account Numbers | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Organization Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Responsibility Center Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Fund Group Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Sub Fund Group Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Sub Account Numbers | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Financial Object Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Financial Sub Object Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Financial Balance Type Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Financial Object Type Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |
| Financial Higher Education Function Codes | <input type="text"/> | <input type="button" value="Valid Values"/> |

2. Special Features

- General fund account numbers having different income streams (or reporting to different responsibility centers), when used on the budget adjustment, will create a system-generated transfer of funds to affect the movement of cash that corresponds to the adjusted budget.
- Utilization of the “Month” button on the document allows the distribution of budget amounts by month throughout the fiscal year. For some accounts (e.g., auxiliary accounts) this may be a requirement.
- All sub-accounting features (sub-accounts, sub-object codes, projects) are available for use on the budget adjustment document.

SECTION C: Special Conditions

1. Special Use/Organizational Needs

- Contract and Grant Administration will generate a budget adjustment to establish salary lines for payroll processing on contract and grant accounts.

- Base budgets must be established for faculty endowment accounts before the accounts may be used to conduct financial business. Base budgets for these accounts are generally established by the appropriate responsibility center.
- SDC accounts (01-xxx-xx numbered accounts) may establish current budgets; however, the establishment of a base budget for SDC accounts is not allowed.

2. Contract and Grant Restrictions

The use of object codes having any of the following object sub-types are prohibited on Contract and Grant accounts:

| | | | |
|----|----------------------------|----|----------------------------|
| ST | State Appropriation | SS | Sales and Service |
| SF | Student fees | CI | Cost Recovery Income |
| AA | Alumni Activities | FD | Financing and Debt Service |
| BT | Board of Trustees Travel | PR | Purchases for Resale |
| VA | Valuations and Adjustments | SC | Student Scholarships |

3. Other Restrictions

- Current budget amounts may be entered in dollars and cents; however, base budget amounts must be entered in whole dollars.
- Balance sheet object codes (8xxx or higher) cannot be used on the budget adjustment document.

SECTION D: Glossary

| <u>Term</u> | <u>Definition</u> |
|-----------------------------------|--|
| Balance Sheet Object Codes | Object codes that directly affect figures reported on the university's balance sheet (object codes 8xxx or higher). |
| Base Budget | Base budget figures are generally those that are established during the budget construction process, and designate an ongoing fiscal commitment. |
| Chart of Accounts | A list of account numbers used to conduct the university's financial business. IU has ten charts of accounts comprised of BL (Bloomington), BA (Bloomington Auxiliaries), UA (University Administration), IN (Indianapolis), IA (Indianapolis Auxiliaries), EA (East), KO (Kokomo), NW (Northwest), SE (Southeast), and SB (South Bend). |
| Current Budget | Current budget figures designate the budget commitment for only the current fiscal year. |
| Fringe Benefits | Benefits charges assessed to an account such as fringe benefit costs, FICA, and retirement. |

| <u>Term</u> | <u>Definition</u> |
|-----------------------------------|--|
| Fund Group | A group of accounts classified into specific funds according to the activity or objectives of the accounts. (See Appendix A for a more detailed explanation.) |
| Income Stream Account | An account designated to receive any offsetting revenue entries for a given account in order to balance responsibility center activity. |
| Labor Object Codes | Object codes designating compensation expenditures. |
| Object Sub-type | A two-character code assigned to an object code in the FIS to assist in system monitoring, and special routing and approval. |
| Responsibility Center (RC) | An organization having fiscal responsibility for other organizations (e.g., the College of Arts and Sciences is the RC for schools such as Optometry, Criminal Justice Studies, Chemistry, etc). |
| Sub-fund Group | A further division of a fund group enabling more detailed reporting. |

APPENDIX A

Fund Group Definitions

The accounts of Indiana University are maintained in accordance with the principles of fund accounting. Resources for various purposes are classified into funds in accordance with the activities or objectives specified and separate accounts are maintained for each fund.

Current Funds

Funds that are available for current operations and include those for unrestricted as well as those for restricted purposes. Unrestricted Current Funds, supported primarily by state appropriations and student fees, are divided into two groups: General Funds, which provide funding for expenditures for current operating costs of the university as budgeted and appropriated by the Board of Trustees; and Designated funds, which are assigned by administrative action for support of specialized and continuing activities.

Restricted Current Funds

Funds of the university on which restrictions with respect to the nature of expenditures have been placed by the donor. Sources of funds are federal grants and contracts, state grants and special appropriations, and gifts and grants from private sources. Restricted funds are not earned until all of the terms of the agreement under which they were given to the university have been met.

Auxiliary Enterprises and Service Departments

Unrestricted Current Funds supported primarily by charges directly related to the cost of goods and services provided. They are combined for reporting purposes. Auxiliary Enterprises are activities for the benefit of students, the general public, faculty and staff. They include activities such as Halls of Residence, Hospitals, Bookstores and Athletics. Service Departments are activities that provide goods or services to departments of the university. They include operations such as Physical Plant Services, Central Stores, Communication Services and Printing and Duplicating Services.

Loan Funds

Funds that are held by the university specifically for making loans to students. These funds are derived from a number of sources, including private and governmental gifts and grants, federal borrowing and unrestricted allocations. Interest income, in most instances, is returned to this fund groups as an increase to the available fund balance.

Endowments and Funds Functioning as Endowments

Gifts to the university that have been restricted by donors to the extent that only income derived from the investment of gift principal may be expended and funds designated by administrative decision for similar use. Reporting as a part of this group are several Life Income Estates in which donors have reserved rights to occupancy or income for their and/or their beneficiaries' lifetime, after which any and all benefits revert to the university. Income from the Endowments is distributed to unrestricted or restricted fund groups according to the designation of the donor.

Plant Funds (Four Categories)

1. Construction and Major Remodeling Accounts established to record expenditures for capital improvements and major maintenance of the physical facilities of the university. Funds are provided primarily by issuance of bonds or notes, State of Indiana and federal appropriations or grants, allocations from Current Funds and gifts.
2. Retirement of Indebtedness Established for the payment of debt obligations resulting from financing of construction or acquisition of physical facilities. Funds for payment of annual debt service are provided through net earnings from housing, parking and hospital facilities operations; allocation of student fees; earnings from investments of funds on deposit with trustee banks; and federal interest subsidy grants.
3. Renewal and Replacement To provide funded reserves to cover the cost of major building repairs and equipment replacements in connection with Auxiliary Enterprise and Service Department operations. Periodic transfers from Auxiliary Enterprises and Service Departments operating accounts are the sources to provide the funded reserves.
4. Investment in Plant Assets are stated at cost or amounts assigned at date of gifts, less accumulated depreciation, computed on straight-line basis over the estimated useful lives of the assets. Fund Balance for Investment in Plant is the net asset value less the outstanding indebtedness of the capital assets. Equipment and related accumulated depreciation are removed from the record at the time of disposal.

Agency Funds

Funds held for others for which the University acts as custodian or fiscal agent on behalf of the payer.

Other Funds

Funds held by an outside agency for the Trustees of Indiana University for future tuition fees.

<http://www.fms.indiana.edu/fia/fgdefin.html>