

Finance Topic: Budget Balances and Errors

ConnectCarolina User Group

March 20, 2015



Topic	Presenter	Time
Welcome	Becky Arnold or Janet Kelly- Scholle	5 minutes
Budget Balances – Why They Go Up and Down during the Month	Susan McDonough	20 minutes
Working with Budget Errors	Nicole Šebik	15 minutes
Understanding Associated Revenue	Nicole Šebik	10 minutes
Other Resources		5 minutes
Q & A	All	10 minutes

What are the user group meetings?

- “Deep dives” into hot topics
- A chance to ask questions
- Open to anyone who uses ConnectCarolina
- Find topics, dates and times on ccinfo.unc.edu, User Groups tab
- Please encourage your coworkers to come



Remember: Getting Help

- The Help Desk is the best way to ensure your question or issue doesn't get lost
- Include specific examples and screenshots if possible
- It's okay to put in a help ticket to ask, "How do I..."
- It's a way to request enhancements
- Two key ways:
 - 919-962-HELP
 - help.unc.edu



Budget Balances – Why They Go Up and Down during the Month

Susan McDonough

Change Management Analyst

Budget	Pre-Encumbered	Encumbered	Actuals YTD	Available Balance
37,500.00	0.00	0.00	0.00	
0.00	0.00	24,859.92	12,646.50	
0.00	0.00	8,904.09	18,270.18	
37,500.00	0.00	33,764.01	30,916.68	-27,180.69

Before diving into budget balances in InfoPorte, let's make sure we're all clear on where ConnectCarolina stores budget information ...



How ConnectCarolina Tracks Budget Info

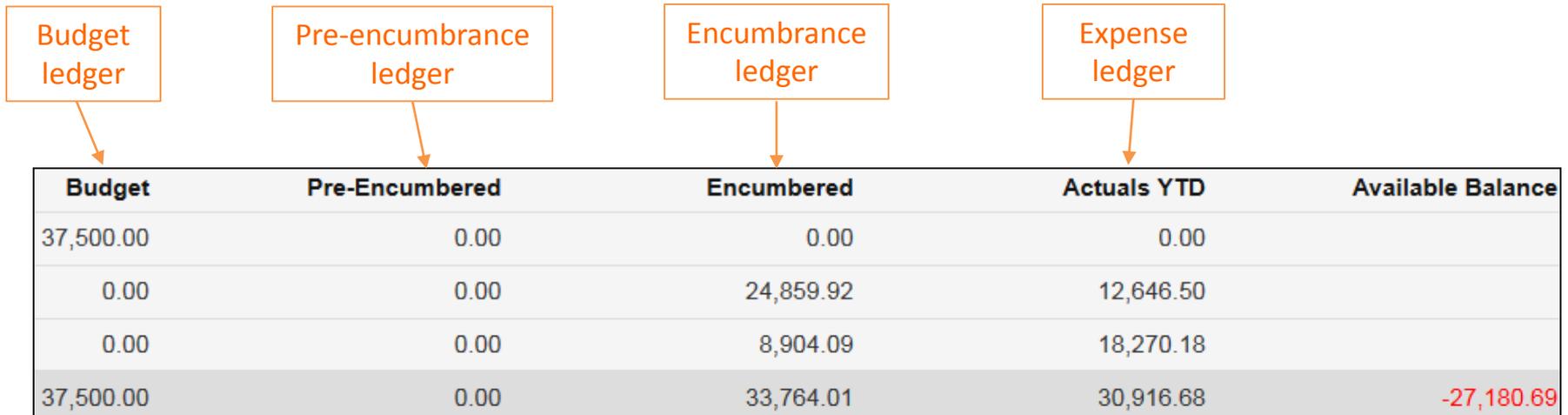
- The part of the system that tracks budget information is called “Commitment Control”
- The information is tracked in seven ledgers (think of them as checkbooks)—these are called the “Commitment Control ledgers” or sometimes the “KK ledgers”

Four ledgers track expenses (money going out):

- 1 Budget** – this ledger shows the amount budgeted for your expenses
- 2 Pre-Encumbrance** – this ledger tracks the amount “held” for purchase requisitions, including ePro vendor catalog orders
- 3 Encumbrance** – this ledger tracks the amount “held” for purchase orders and payroll (personnel expenses)
- 4 Expense** – this ledger tracks the amounts for vouchers, GL journals, and personnel transactions

**Next let's talk about where you see
budget balances ...**

- You see your available balances in InfoPorte on one of these screens:
 - Ledger Rollup** – shows Trust, F&A, State Fund balances
 - OSR Ledger Rollup** – shows Contract and Grant balances
- The Ledger Rollup screens show the expense and revenue amounts recorded to date in the Commitment Control ledgers, and your resulting available budget:



Budget	Pre-Encumbered	Encumbered	Actuals YTD	Available Balance
37,500.00	0.00	0.00	0.00	
0.00	0.00	24,859.92	12,646.50	
0.00	0.00	8,904.09	18,270.18	
37,500.00	0.00	33,764.01	30,916.68	-27,180.69

So why do my balances go up and down during the month?

Budget	Pre-Encumbered	Encumbered	Actuals YTD	Available Balance
37,500.00	0.00	0.00	0.00	
0.00	0.00	24,859.92	12,646.50	
0.00	0.00	8,904.09	18,270.18	
37,500.00	0.00	33,764.01	30,916.68	-27,180.69

Balances in InfoPorte fluctuate more than in FRS because of two reasons:

- 1** the budget checking process
- 2** the University's shift to accrual accounting

Let's look at those in more detail.

- With accrual accounting, we now start recording expenses at the time of **budget checking** instead of payment.
- Every finance transaction goes through the following steps:
 1. Create the transaction
 2. Budget check the transaction
 3. Approve the transaction
 4. Post the transaction



Payment happens at some point after posting, usually depending on vendor terms. For example, 30 days after receipt of invoice.

- That means more opportunity for changes that affect your balances.
- For purchases on a requisition, here's what could change:
 - A chartfield
 - A purchase quantity or dollar amount
 - A requisition or purchase order may be deleted, and the encumbered amount is restored to the budget.

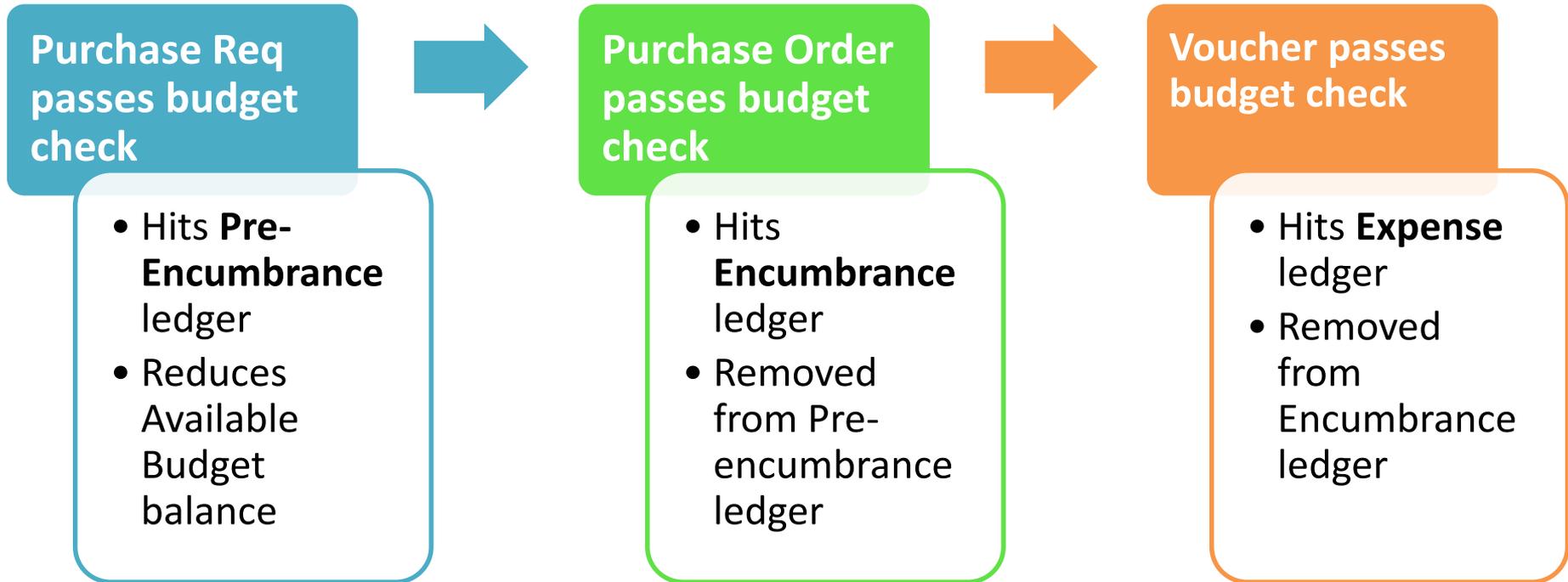


Budget Checking Moves Expenses through Commitment Control Ledgers

- Each time a transaction is budget checked in ConnectCarolina, it:
 - hits one of your expense Commitment Control ledgers
 - shows in that ledger and your available budget balance the next day in InfoPorte
- As a purchase evolves from a requisition to a voucher and is budget checked at each stage, the expense amount moves from one ledger to another, as shown in the next diagram.



Budget Checking Moves Expenses through Commitment Control Ledgers



Budget Checking Moves Expenses through Commitment Control Ledgers

- Not all transactions go through all the Commitment Control ledgers
- For example, campus vouchers skip the Pre-Encumbrance and Encumbrance ledgers and go directly to the Expense ledger
- **Why is this?** Think of it this way:
 - When you enter a campus voucher, you have an invoice in hand. That means you have the goods or services in hand, and you are now required to pay for them.
 - You don't need to encumber (that is, put a hold on) the funds in case the purchase goes through. The purchase is completed, so you can go straight to expense (which is to say, the money has been spent).



Example of Purchase Req Budget Check

Changing a Balance in InfoPorte

Let's look at how budget checking affects your balance:

- You have a \$500 budget to start. The ledger balances and available budget look like this:

Budget	\$500
— Pre-Encumbrance	0
— Encumbrance	0
— Expense (“Actuals YTD” in InfoPorte)	0
Available Budget	\$500

Example of Purchase Req Budget Check

Changing a Balance in InfoPorte

- Jason orders \$50 in office supplies through the ePro Vendor Catalog, which creates a purchase req. It passes budget checking. It hasn't been approved or posted.
- When the purchase req passes budget checking, it increases the Pre-Encumbrance balance by \$50.
- Your budget balance now looks like this:

Budget	\$500
— Pre-Encumbrance	\$50
— Encumbrance	0
— Expense (“Actuals YTD” in InfoPorte)	0
Available Budget	\$450

When Will My Balances Be Frozen?

- We're still working on getting your available balances on the ledger rollups frozen – permanently – when Accounting Services closes the month
- What is frozen at month close is the **Budget** and **Actuals YTD** (Expense) column in InfoPorte
- But, as of now, these columns are not frozen because of the way purchases are handled in Commitment Control:
 - Pre-Encumbrance
 - Encumbrance
 - Available Balance

Let's look at an example of why on the next slide.

- Let's say you have a Purchase Order for **\$50** that was encumbered – but not posted – in the current month.
- Your Budget is \$500 and the Expense (Actuals YTD) is \$150.
- Your Available Balance at month close looks like this in InfoPorte:

Budget	\$500
— Pre-Encumbrance	\$0
— Encumbrance	\$50
— Expense (“Actuals YTD” in InfoPorte)	\$150
Available Balance	\$300

- Next month, the voucher is processed to pay the **\$50** Purchase Order.
- The voucher payment relieves the Encumbrance from the prior month, and the expense is recorded in the next month.
- Your Available Balance for the prior month increases after the Encumbrance is relieved and looks like this:

Budget	\$500
— Pre-Encumbrance	\$0
— Encumbrance	\$0
— Expense (“Actuals YTD” in InfoPorte)	\$150
Available Balance	\$350

Budget	Pre-Encumbered	Encumbered	Actuals YTD	Available Balance
37,500.00	0.00	0.00	0.00	
0.00	0.00	24,859.92	12,646.50	
0.00	0.00	8,904.09	18,270.18	
37,500.00	0.00	33,764.01	30,916.68	-27,180.69

- Our new accrual accounting system plays a role in available balance fluctuations. Expenses are recorded at the time of budget checking instead of payment, creating a longer time period where changes may occur.
- Individual ledger amounts also change as transactions are budget checked – as a requisition, then a purchase order, and then a voucher.
 - The balances move to a new ledger with each budget check.
- Balances in InfoPorte aren't frozen when Accounting Services closes the month, only the Budget and Actuals YTD (Expenses) are frozen at this time.



Working with Budget Errors

Nicole Šebik

Change Management Analyst

- Under Commitment Control, transactions that fail budget check generate budget errors.
- You can't proceed until the error is corrected.
- Transactions that generate budget errors are:
 - Purchase requisitions
 - Purchase orders
 - Vouchers
 - GL journals
 - Budget adjustments (budget transfers and budget journals)

- The best way to resolve a budget error varies by the error and the situation
- Here are the most common solutions:
 - Change the chartfield string to one with enough budget
 - Reduce the dollar amount of the transaction
 - Add or transfer budget to the chartfield string:
 - If requesting budget for a State, F&A or Trust fund, work with your Finance team.
 - If requesting budget for a contract or grant, work with OSR.

- In rare cases, you can request an override to a budget error.
 - Example: At year end, you may need to push through some State expenses
- Only Central Office can override errors.
- If your error needs an override, e-mail one of these:
 - The Budget Office for State, F&A, and Trust fund errors.
 - OSR for contracts and grants errors

Note: Not all budget errors can be overridden. The table on the next slides highlight in orange which ones can be along with common errors and solutions.

Most Common Budget Errors in Commitment Control

Error Code	Description	Details	Possible Solutions
E1*	Exceeds Budget and is over tolerance	The remaining budget on the chartfield string isn't enough to cover the transaction.	<ul style="list-style-type: none"> • Reduce the transaction's dollar amount to meet the available budget • Use a chartfield string that has enough budget • Add or transfer budget to the chartfield string
E2	No Budget Exists	No budget was set up for the chartfield string – not even a \$0 budget.	<ul style="list-style-type: none"> • Enter a budget • Use a chartfield string that has enough budget

* Can override error

Error Code	Description	Details	Possible Solutions
E3	Budget is Closed	The effective date (accounting date) of the transaction is in a closed budget period.	Enter a different chartfield string that has an open budget.
E6*	Budget Date is Out of Bounds	The effective date of the transaction is not within the valid range of the project. Note: Occurs only with OSR projects	Enter a different chartfield string that has an open budget.

* Can override error

For more information and details on less common budget errors, see the [Commitment Control Budget Errors Quick Reference Card](#).

- You need to resolve budget errors before the transaction can proceed.
- Resolve budget errors in one of these ways:
 - Change the chartfield string
 - Reduce the dollar amount
 - Work with the appropriate department to add or transfer budget to the chartfield
 - In rare cases, request an override from Central Office



Understanding Associated Revenue

Nicole Šebik

Change Management Analyst

Defines a relationship between revenue and expense.

- Purpose is to increase spending authority automatically.
- Similar to Automatic Budget Create in FRS; however, Associated Revenue increases spending authority but doesn't create budget.
- Applies to Trust funds only.

Expense Ledger	Amount
Budget	\$0
Pre-Encumbrance	\$0
Encumbrance	\$0
Expense	\$1000
Budget Balance	-\$1000
Associated Revenue	\$3000
Available Budget	\$2000

Revenue Ledger	Amount
Revenue Estimate	\$0
Recognized	\$3000
Collected	\$0

On applicable trusts, the greater of revenue estimate or recognized revenue is applied to the Associated Revenue line.

Available Budget is also referred to as the spending authority.

How do I know if my trust is associated?

- Look up the source in the Associated Budgets table

Navigation: Favorites ▾ Main Menu ▾ > Finance Menu ▾ > Commitment Control ▾ > Define Control Budgets ▾ > Associated Budgets

Associated Budgets

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value

Search Criteria

Business Unit: = ▾ UNCCH 🔍

Ledger Group: = ▾ TRUST_REV 🔍

Search Clear Basic Search Save Search Criteria

If the trust is associated, it's in the table.

Commitment Control Associated Budgets

Business Unit: UNCCH Ledger Group: TRUST_REV Associated Expenditure Budget:

Budget Mapping

Personalize | Find | View 100 |  | 

Revenue | Expenditure 

Revenue	Fund	Source	Account
TRUST_REV	28200	71426	
TRUST_REV	29100	15116	
TRUST_REV	29200	51803	
TRUST_REV	29200	52286	

The page at <https://ccfs.unc.edu> says:

Enter search string:

50651|

OK

Cancel

Enter the source you want to search for.

If the source is found, you'll see it on the first line.

Commitment Control Associated Budgets

Business Unit: UNCCH **Ledger Group:** TRUST_REV **Associate**

Budget Mapping Personalize |

Revenue Expenditure 

Revenue	Fund				Cost Code
TRUST_REV	29200				
TRUST_REV	29200				
TRUST_REV	29200				

Message

Search string not found. (126,40)

The specified value was not found in any visible field of any row of the current scroll.

You'll get this message if the source is not associated.

The association is based on the combination of Fund—Source—Dept—Program (if used) listed in the table

- Account, Cost Code 1, and Cost Code 3 don't affect association

Commitment Control Associated Budgets

Business Unit: UNCCH Ledger Group: TRUST_REV Associated Expenditure E

Budget Mapping

Personalize | Find | View 100

Revenue

Expenditure



Revenue	Fund	Source	Account	Dept	Program	Cost Code 1	Cost Code 3
TRUST_REV	28200	71426		200100			
TRUST_REV	29100	15116		200100	10001		

Which revenue transactions are associated?

Budget Mapping

Revenue		Expenditure			
Revenue	Fund	Source	Account	Dept	Program
TRUST_REV	28200	71426		200100	

Chartfields used	Associated?
28200-71426-4XXXXX-200100	Yes
28200-71426-4XXXXX-200100-10001	No
28200-71426-4XXXXX-200300	No

Which transactions are associated?

Budget Mapping					
Revenue	Expenditure				
Revenue	Fund	Source	Account	Dept	Program
TRUST_REV	29100	15116		200100	10001

Chartfields used	Associated?
29100-15116-4XXXXX-200100	No
29100-15116-4XXXXX-200100-10001	Yes
29100-15116-4XXXXX-200300-10001	No

How do I see associated revenue in my budget?

- Use the Budgets Overview inquiry in ConnectCarolina.

Favorites ▾ Main Menu ▾ > Finance Menu ▾ > Commitment Control ▾ > Review Budget Activities ▾ > Budgets Overview

Budgets Overview

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value

Add a New Value

▽ Search Criteria

Inquiry Name: begins with ▾

Search

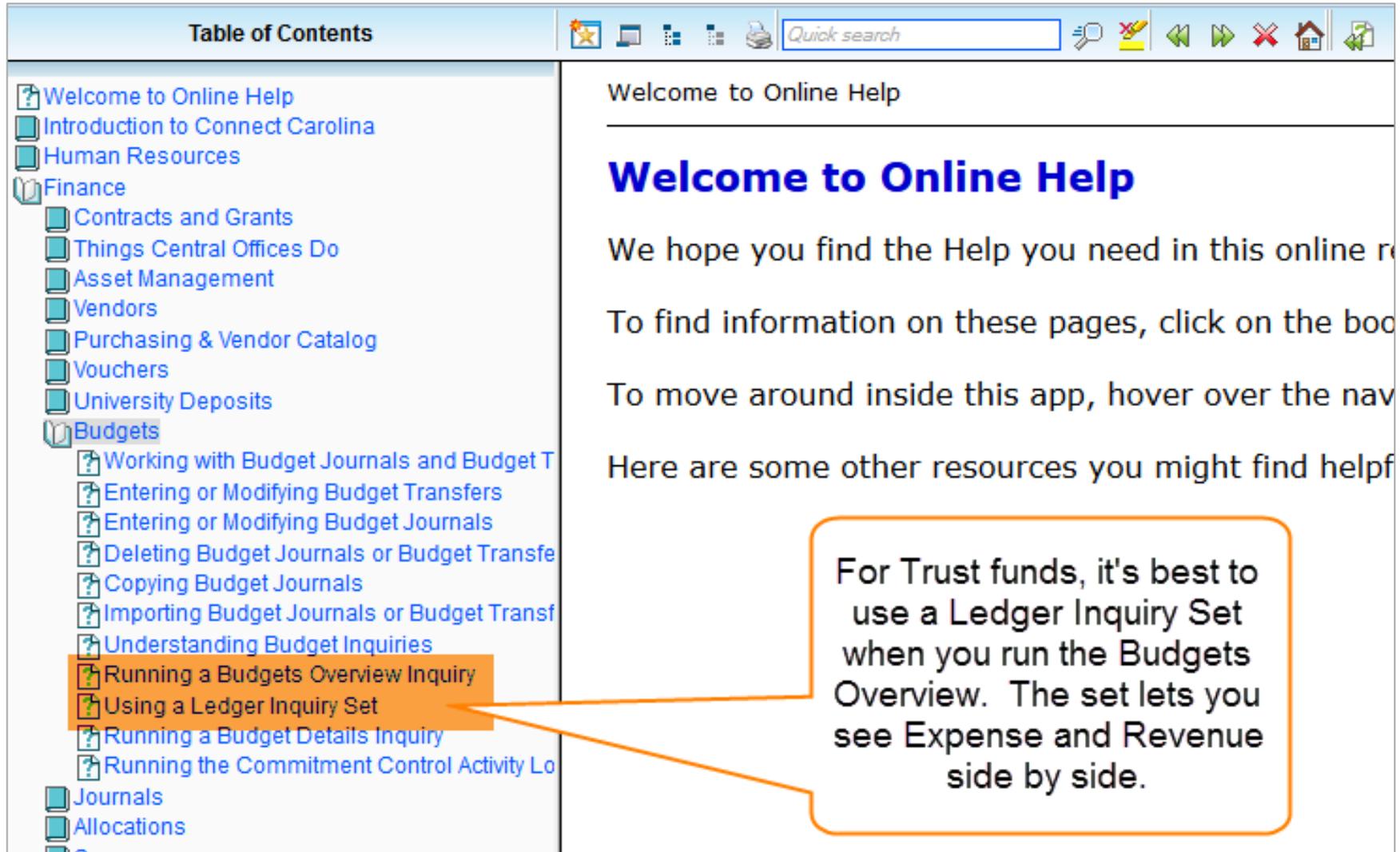
Clear

Basic Search



Save Search Criteria

Online Help has directions on using the Budgets Overview inquiry



The screenshot shows a web-based help interface. On the left is a 'Table of Contents' sidebar with a tree view. The 'Budgets' category is expanded, and 'Running a Budgets Overview Inquiry' is highlighted with an orange background. On the right is the main content area, which displays a 'Welcome to Online Help' message. Below the welcome message, there are several paragraphs of text. An orange callout box with a pointer to the highlighted sidebar item contains the following text:

For Trust funds, it's best to use a Ledger Inquiry Set when you run the Budgets Overview. The set lets you see Expense and Revenue side by side.

Budget Overview: Looking at the Numbers

Ledger Totals (5 Rows)

Budget:	24,962.23	Revenue Estimate:	0.00
Expense:	110,385.75	Recognized Revenue:	113,918.24
Encumbrance:	41,624.17	Available Budget:	-113,918.24
Pre-Encumbrance:	0.00	Collected Revenue:	1,104.76
Budget Balance:	-127,047.69	Uncollected Revenue (Rec-Coll):	112,813.48
Associate Revenue:	112,814.16		
Available Budget:	-14,233.53		

Remember, associate revenue is the greater of Revenue Estimate or Recognized Revenue.

What's the difference between total Recognized Revenue and total Associate Revenue?

- You have to look at the detailed results.

Budget Overview Results Personalize | Find | View All |

			Ledger Group▲	Fund	Source	Account	Dept	PC Bus Unit	Project ID▲	Activity	Program
1			TRUST	29200	50651	500100	311200				
2			TRUST	29200	50651	500100	311200				10000
3			TRUST_REV	29200	50651		311200				
4			TRUST_REV	29200	50651		311200				10000
5			TRUST_REV	29200	50651		300101				

Associated Budgets table

Budget Mapping

Revenue Expenditure

Revenue	Fund	Source	Account	Dept	Program
TRUST_REV	29200	50651		311200	

Line 3 is the associated line.

Budget Overview Results

			Ledger Group ▲	Available Budget*	Revenue Estimate	Recognized Revenue
1			TRUST	-2,159.700	0.000	0.000
2			TRUST	-124,887.990	0.000	0.000
3			TRUST_REV	0.000	0.000	112,814.160
4			TRUST_REV	0.000	0.000	-128.710
5			TRUST_REV	0.000	0.000	1,232.790

All of the revenue is “Recognized,” but only line 3 is “Associated.”

- Associated Revenue automatically increases spending authority
- Only Trust funds have Associated Revenue
- The greater of Revenue Estimate or Recognized Revenue is associated
- It's the combination of Fund—Source—Dept—Program (if used) that matters
- ConnectCarolina's Budgets Overview inquiry is the best tool for viewing associated budgets
 - Don't forget to use a Ledger Inquiry Set!





THE UNIVERSITY
of NORTH CAROLINA
at CHAPEL HILL

ConnectCarolina User Information

- Home
- Finance
- HR/Payroll
- Student
- OSR
- Reporting
- Training**
- Access
- User Groups
- System Help
- Issues/Fixes

Home » Training » Resource Documents

TRAINING

- TIPs and Trainers
- Training Schedule
- Access Roles
- Webinars and Live Demos
- ConnectCarolina Training Course Descriptions
- Resource Documents**
 - Protected Documents
- Parking Lot Questions
- Training Videos

Resource Documents

Text: + -

These documents are provided to help ConnectCarolina users with the transition to the new system for Finance and HR/Payroll. They are offered as a complement to required training. If you need help while using ConnectCarolina, [click here](#) to view detailed instructions for contacting the Business Systems Help Desk

Need training materials for legacy Finance systems? Visit the Finance Training site for legacy training.



Documents



Slideshows



Student Guides



Recorded Webinars



Web Help

Title	Type
Understanding Budget in ConnectCarolina	Computer-Based Training
Managing Budgets and Creating Budget Journals	Classroom Training
Budgeting 101	Quick Reference
Budgeting 101 – Budget Definition Matrix	Quick Reference
Budget Inquiry	Quick Reference
Sources for State & F&A Budgeting	Quick Reference
Accounts for State Child Budgeting QRC	Quick Reference
Campus Budgets	Student Guide and Slideshow
Common Budget Check Exceptions	Quick Reference
7 Key Concepts for Finance	Slideshow
Financial Concepts Series: <ol style="list-style-type: none"> 1. The Steps Transactions Go Through 2. Financial Concepts: Voucher Rollover 3. Financial Concepts: Reconciling in InfoPorte 4. Financial Concepts: Changing Budget Balances 	Slideshows



Questions

**See you at the next Finance
user group meeting **11:00** on
April 17, Genome Sciences
G100**