LESSON 8: PROCEDURE FOR MANAGING BUDGET

South Carolina Enterprise Information System

STATE INFORMATION TECHNOLOGY

SC Budget and Control Board

Lesson 8 Learning Objectives

⊘ Upon completion of this lesson, you should be able to:

- Review, process or delete all pre-posted budget items.

- Understand how to process Statewide Carryforward Appropriations through Proviso 89.27.

- Carry forward General Fund appropriations to the new fiscal year, <u>if your agency has specific authority</u> to do so.

- Understand how Earmarked, Restricted, and Federal appropriations will be handled for 2011 and 2012.

- Understand how new year appropriations will be handled.

- Understand how to review budget reports and what affects budget balances.

Key Terms and Concepts

Each of the following key terms and concepts will be covered in greater details in the following slides, but do not hesitate to consider searching uPerform for documents and transactions that utilize each.

- Posted, Pre-posted Budget Items

- Carryforward Budget Items

- Workflow Items

- Statewide Carryforward Appropriations

- Earmarked, Restricted, and Federal Appropriations

Key Transactions

- **FMEDD** – Budgeting Entry Document: Display Budget Items

- **FMBB** – Budgeting Workbench

- **FMRP_RW_BUDCON** - Budget Consumption Report (standard SAP report)

- **ZBD1** – Budget Consumption Report (specifically designed for SCEIS)

- **FMRP_RW_BUDGET** - Budget Status Report

- **FMAVCR01** - Budget Availability Control Report: Overview of Annual Values

Budget Items at Year-End

- Clear all pre-posted budget items by the close of business July 15th for the fiscal year.

- A listing of all pre-posted items can be generated by using T-code **FMEDDW** or **FMEDD.**

- Carry forward General Appropriations, if your Agency has authorization to do so, using T-code **FMBB**.

- Statewide Carryforward, will be handled centrally. Agency personnel will not have to enter this information, if there is any carryforward.

Display Budget Items - FMEDDW

Pre-Posted Budget Items – FMEDDW

Pre-Posted Budget Items – FMEDDW cont.

1. **Posted** – entered and directly posted (no workflow)
2. **Pre-posted** – Originally saved with the Pre-post button and has not been completed by the Agency funds manager or OSB
3. **Pre-posted Posted** – Originally saved with the Pre-post button and has been completed
4. **Pre-posted Undone** – Originally saved with the Pre-post button but then was cancelled (undone)

Pre-Posted Budget Items – FMEDDW cont.

Pre-Posted Budget Items – FMEDDW cont.

Click the rubric's cube icon ⊞ to change the report to include Document Status. This function can also be used to delete items from the report.

Pre-Posted Budget Items – FMEDDW cont.

Budget Items FMEDD

- **FMEDD** is another budget report that can be useful if you are looking for a particular budget document.

- **FMEDD** gives much the same information as FMEDDW; however, you <u>cannot select</u> <u>information specific for your agency</u>, except by document number or user ID.

- **FMEDD** gives information for **all** agencies; however, you cannot drilldown into documents that are for business areas for which you do not have authorization to access.
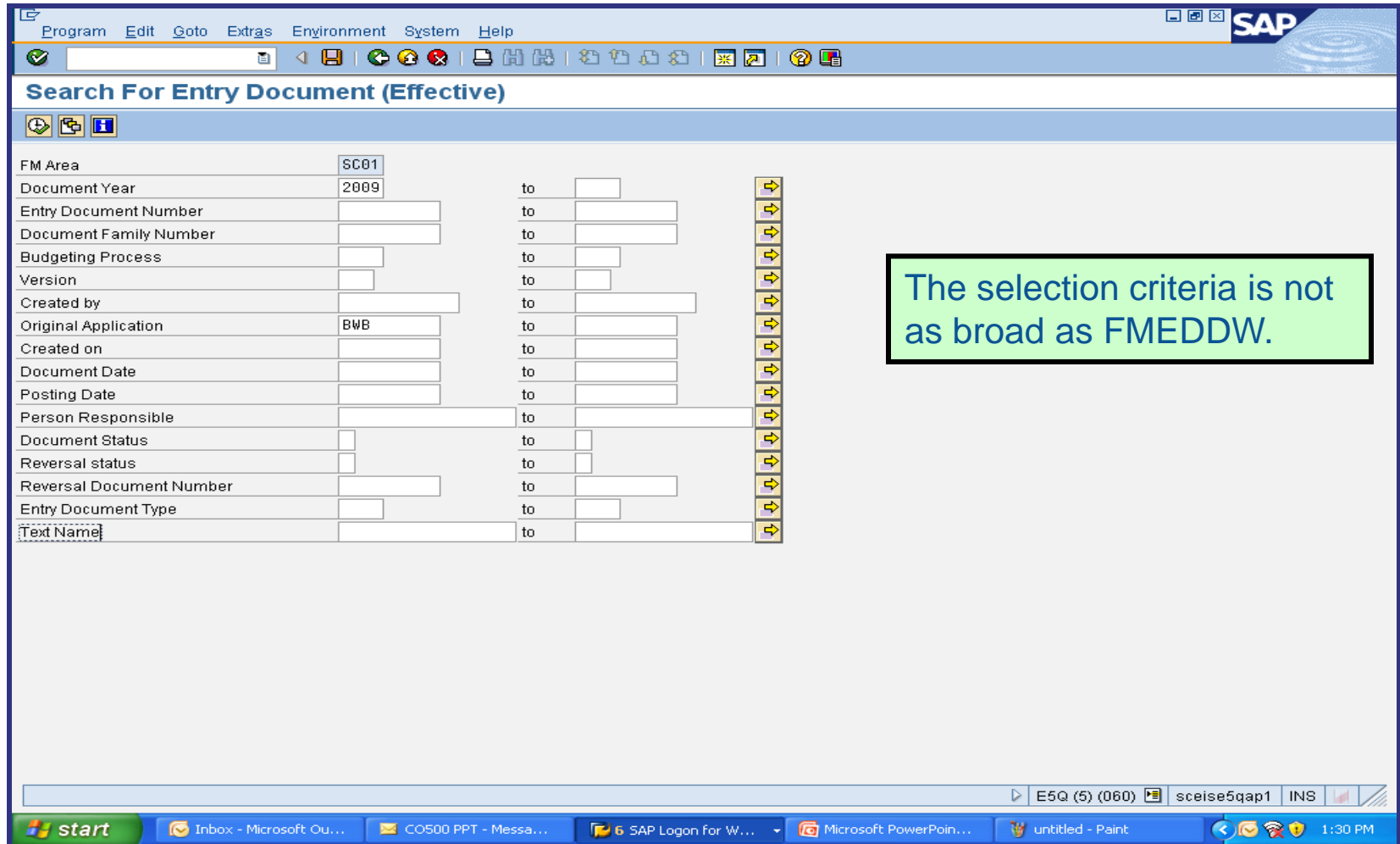
Budget Items FMEDD cont.

Display Entry Document

FM Area	SC01
Document Year	
Entry Document Number	
Layout for Year Tab	
Layout for Period Tab	

To have a larger selection screen, enter the **Document Year** and click in the **Entry Document Number** field, then click on the dropdown box.

Budget Items FMEDD cont.

Search For Entry Document (Effective)

FM Area	SC01		
Document Year	2009	to	
Entry Document Number		to	
Document Family Number		to	
Budgeting Process		to	
Version		to	
Created by		to	
Original Application	BWB	to	
Created on		to	
Document Date		to	
Posting Date		to	
Person Responsible		to	
Document Status		to	
Reversal status		to	
Reversal Document Number		to	
Entry Document Type		to	
Text Name		to	

The selection criteria is not as broad as FMEDDW.

Budget Items FMEDD cont.

The report is similar to FMEDDW.

View Budget Documents

- Why is it important to review the status of budget documents or pre-posted budget items?

- Check budget document status regularly to ensure transactions have been approved and posted.

- Pre-posted budget documents
    - Will <u>reduce budgets immediately</u>, but will <u>not increase budgets until approved</u>.
    - Transfers will reduce the appropriate reduction, but will not increase the offsetting budget until approved.
    - Returns will reduce prior to approval, but supplementals will not post (as this is an increase) until approved by SBO.
    - SAP uses the most conservative approach to budgeting.

Statewide Carryforward Appropriations

- Proviso 89.27 authorizes Agencies to carry forward a percentage up to 10% of unspent General Fund appropriations to the next fiscal year. This proviso may be suspended to avoid a fiscal year-end general fund deficit.

- The Comptroller General's Office and the State Budget Office will determine each Agency's carryforward amount and transact the necessary entries.

- Any carryforward appropriation will be recorded centrally in Funded Program 8900.000000X000 "Statewide Carryforward Appropriations" and in Commitment Item 561000.

- Agencies cannot make expenditures against this temporary account. Use transaction **FMBB** to transfer the appropriations within the Agency's normal budget accounts.

Carryforward General Appropriations – FMBB

Use these data field items on 2012 to record transfers of Proviso 89.27 carry-forward appropriations to spendable budget lines. **Do not use "All" as the period selection as this will divide and allocate the carryforward amount to each period. Use period 1.**

Carryforward General Appropriations – FMBB cont.

- Agencies with separate authority to carry forward General Fund appropriations to the new fiscal year must process budget transactions by July 15th .

- This is **not** the "up to 10% carryforward" determined after the close of the fiscal year in accord with Proviso 89.27.

- If you have separate authority, use t-code **FMBB** to **record the carryforward from FY2011 to FY2012**.

- On each line item, you must reference the applicable proviso or permanent statute related to the carryforward authority in the text field.

- Failure to reference the applicable proviso or permanent statute will result in the Office of State Budget's refusal to process the transaction.

Carryforward General Appropriations – FMBB cont.

Use these data field items in 2011 to "carryforward" appropriations. Use period 12. Change Period in 2012 to 001.

Carryforward General Appropriations – FMBB cont.

You must have a From account line (-) and a To account line (+).

Earmarked, Restricted, and Federal Appropriations

- 2011 Earmarked (3XXXXXXX), Restricted (4XXXXXXX), and Federal (5XXXXXXX) fund appropriations
  - will lapse July15.
  - will be held open for the processing of documents not having a state level impact relative to Period 12, FY2011 until July 29, 2011
- 2012 appropriations for these funds should have been included by the Agency in the 2011-2012 Appropriation Act and will be entered centrally at the same time as the State Appropriations.
  - To increase appropriations for Earmarked (3XXXXXXX), Restricted (4XXXXXXX), or Federal (5XXXXXXX) fund details in the new fiscal year, Agencies must process an **FMBB** transaction
    - Process – Supplemental
    - Document Type – BDAJ
    - Budget Type – BADJ for Expenditure Budget, EREV for Estimated Revenue

Appropriations for New Fiscal Year

- Appropriations for the new fiscal year will be loaded into SCEIS via an interface with the Comptroller General.

- The CGO indicated this information would be mailed to the Agencies near the middle of June.

- Budgets will be loaded into SCEIS exactly as it is received from the CGO, at the highest level.

- Earmarked (30000000) and Restricted (40000000) funds must be transferred from the highest level fund to the specific detail fund to process transactions in FY2012 (ex.: 30000000 to 30350000).

- Federal (50000000) funds do not have to be transferred from the high level to the specific detail fund to process transactions.

Budget Items at Year-End

- Original Budget +/- Budget Adjustments (Supplemental, Transfers, Returns, etc.) = **Current Budget**

- **Consumable Budget** is the amount of the Current Budget that remains for consumption by
  - Actual Expenditures
  - Open Purchase Orders
  - Purchase Requisitions
  - Funds Reservations

- Consumable Budget less Consumed Amount = Available Budget, Residual Budget or Net Budget

Budget Items at Year-End cont.

- Ensure your budgets are properly posted.

- Review budget reports regularly, such as:

  - **ZBD1** (Budget Consumption)

  - **FMRP_RW_BUDCON** (Budget Consumption)

  - **FMRP_RW_BUDGET** (Budget Status)

  - **FMAVCR01** (Budget Availability Control)

  - **BW Report** - FM Budget vs. Actual

ZBD1 – SC Specific BUDCON Report

The ZBD1 report is an enhanced version of SAP's standard, delivered BUDCON report. The standard report is executed via transaction FMRP_RW_BUDCON.

ZBD1 offers the following enhancements:
- Has separate/additional columns vs. standard report for:
  - Original Budget
  - Budget Transfers
  - Actual Expenditures
  - Purchase Orders
  - Purchase Requisitions
  - Other transfers
  - Subtotal column after expenditures
  - Subtotal column after purchase orders and requisitions
  - Subtotal column after other transfers etc..

Executing Report ZBD1

ZBUDCON REPORT: Selection

Data Source...

Selection values
- Fiscal Year: 2008
- Period: 12

Selection groups
- Fund
- Or value(s): ___ to ___
- Funds Center
- Or value(s): E1200000 to E120A00014
- Functional Area
- Or value(s): ___ to ___
- Funded Program
- Or value(s): ___

Fund center is a required field. You must enter at least one fund center to execute the report. You may use the values fields to enter a fund center or a range of fund centers for your agency. To select all fund centers for your agency, select values and enter Business Area with 4 zeros (E0800000) to Business Area with ZZZZ99 (E080ZZZZ99).

Compare ZBD1 & FMRP_RW_ BUDCON Reports

SCEIS
South Carolina Enterprise Information System

ZBD1	FMRP_RW_BUDCON
Consumable Budget Detail	
Original	
Transfers	
Consumable Budget	Consumable Budget
MTD & YTD Expenditures	
POs & PRs	Consumed Budget/ Commitments/Actual
Balance after Commitments	
Other Transactions (Funds Reservations)	
Available Budget	Available Amount

FMAVCR01 Report

🌀 **This report is useful for reviewing:**

– Grant budget activity

– At the roll-up level of control for your agency's budget

  ▪ Non-budgeted fund's balances will be negative as there is no budget

    • Most non-budgeted funds have a "7" in the 5th digit of the fund number

    • Dual employment

    • Revenue clearing accounts

– Negative budget balances

  ▪ Noted by red buckets

  ▪ Causes can include payroll and fringe benefits posting which override budget edits

  ▪ Need to monitor these regularly – at least monthly

Let's look at the following reports:

ZBD1 Report (Budget Consumption)
FMRP_RW_BUDCON (Budget Consumption)
FMRP_RW_BUDGET (Budget Status)
FMAVCR01 (Budget Availability)

What affects Budget Balances?

- Encumbrances (PRs, POs, "Save as Complete" Parked documents, and funds reservations) decrease your budget immediately.

- Budget balances must be free of inflated encumbrances that eat up balances needed for expenditures.

- To free up your budget you must reduce encumbrances that are finalized, no longer needed, and final but have remaining balances or carry them forward to next year.

- Also, if budget documents are not completed properly, the budget items will not populate the appropriate columns on the budget reports.
  - We have a sheet for your use in assuring budget items are completed properly.

Lesson 8 Summary

- You should now be able to:
  - Review, process or delete all pre-posted budget items.

  - Understand how to process Statewide Carryforward Appropriations through Proviso 89.27.

  - Carry forward General Fund appropriations to the new fiscal year, <u>if your agency has specific authority</u> to do so.

  - Understand how Earmarked, Restricted, and Federal appropriations will be handled for 2011 and 2012.

  - Understand how new year appropriations will be handled.

  - Understand how to review budget reports and what affects budget balances.