



Issue Summary	USG needs to assess whether the business process for funding lapse should include a step to update the budget period status so requisitions, purchase orders and invoices cannot be charged to a closed year.
Background	<p>In PeopleSoft 8.9, Budget Period functionality moved from the general ledger to commitment control. Now, budget checking of transactions will not be restricted based on start and end date (as in PS 7.5) without setting a budget status. The budget status can be manually on the Budget Definitions - Control Options page, the Budget Definitions - Budget Period Status page, the Budget Definitions - Control ChartField page, or the Budget Attributes page. Status set on the Budget Period Status page is second in the hierarchy to that set on the Control Options page. It can be overridden at lower levels. Use this option to set the status for one or more budget periods within a budget calendar. Possible values are:</p> <ul style="list-style-type: none"> • <i>Open</i>: The budget can accept transactions. • <i>Closed</i>: The budget is closed to transactions. You cannot enter budget journals, and the Budget Processor fails all transactions that might impact the budget. • <i>Default</i>: The budget status is set to default from the control budget definition level. Default is to the next higher level in the hierarchy of control. • <i>Hold</i>: Use to place the budget on hold. The Budget Processor fails transactions that would reduce the available balance, but you can enter and post budget journals.
Risks	<ol style="list-style-type: none"> 1. If the budget period status is not maintained, users will be able to go charge any chartfield combination from a previous year that still has spending authority available. Because of the way lapse is paid back to the state, the remaining spending authority is not reduced to zero at year end. 2. If the budget period status is set to hold, users could still enter budget transfer and adjustments. 3. Implementing budget close will be challenging for change management reasons. Additionally, the process for re-closing can be cumbersome.
Possible Solution(s)	<ol style="list-style-type: none"> 1. The lapse process could be amended to charge an expense (contra revenue) account instead of a revenue account. Therefore, the transaction would be budget checked and the spending authority would be reduced to zero. 2. Budget closing could be configured to zero out remaining budget



	<p>balances. Once the budget closing is complete, the budget period could be opened to entry. Therefore only open encumbrances could be charged.</p> <p>3. The business process for paying lapse to the state could be amended to set the budget period status to hold.</p>
Escalating Sub-team and Lead	Functional – Deidre Crawford
Recommended Action	USG should implement options 1 and 3 in conjunction with one another. By having the lapse voucher reduce the available balance to zero, reporting should be less manual. Setting the budget period status to hold ensures available balances will not change post close.
Steering Committee Comments	The BPSC decided to use the budget period hold functionality. OIIT will amend the year end close procedures to include this step.