

## EX.030.013 – BUDGET CHECKING EXPENSE TRANSACTION OVERVIEW

<b>Purpose</b>	<ul style="list-style-type: none"> <li>• To define Budget Checking</li> <li>• To define Commitment Control</li> <li>• To define Encumbrance Accounting</li> <li>• To identify which expense transactions are budget checked</li> <li>• To identify how budget checking is performed</li> <li>• To identify the status of a transaction that has passed budget checking</li> <li>• To define Budget Check Exceptions.</li> <li>• To identify the differences between a budget check warning and error</li> <li>• To identify the reasons transactions may fail budget checking</li> </ul>
<b>Description</b>	<p>This topic provides a basic overview of the Budget Checking functionality used in the Expenses Module. Budget Checking is the comparison of a pending transaction amount against the budget it is set to be charged to.</p>
<b>Security Role</b>	<b>BOR_EX_PROCESSING</b>
<b>Dependencies/Constraints</b>	None
<b>Additional Information</b>	None

## Procedure

For this topic, we are going to cover some fundamentals concerning Budget Checking and Expense Transactions.

Step	Action
1.	<p>In this topic, we will answer the following questions:</p> <ul style="list-style-type: none"> <li>- When submitting an expense transaction, how do you know if there are enough funds available for the transaction?</li> <li>- What is Budget Checking?</li> <li>- What is Commitment Control?</li> <li>- What is encumbrance accounting?</li> <li>- What transactions get budget checked?</li> <li>- How is Budget Checking done?</li> <li>- How do you know if your transaction has passed budget checking?</li> <li>- What's the difference between a Warning and an Error?</li> <li>- Why would an expense transaction fail budget checking?</li> <li>- When is an expense transaction eligible for Budget Checking?</li> <li>- How do I review Budget Check Exceptions?</li> </ul> <p>Press <b>[Enter]</b>.</p>
2.	<p>As an Expense Transaction (either a Travel Authorization or Expense Report) goes through the approval process, one of the first tests is the Budget Checking Process.</p> <p>This enables you and the institution to know whether there are enough funds to pay for the expense.</p> <p>Press <b>[Enter]</b>.</p>
3.	<p><b>Budget Checking</b> is the comparison of a pending transaction amount against the budget it is set to be charged to.</p> <p>This ensures that a budget has been adequately setup and that there are sufficient funds to post the pending transaction before the transaction is actually posted.</p> <p>Press <b>[Enter]</b>.</p>

Step	Action
4.	<p>Budget Checking is a part of Commitment Control, which enables your institution to control expenditures against predefined budgets.</p> <p>Commitment Control helps institutions avoid overspending by providing budget checking and commitment accounting functionality. Press <b>[Enter]</b>.</p>
5.	<p>Budget Checking records encumbrances (or the reservation of funds) in the Commitment Control Budget and then reverses the encumbrances when actual expenses are recorded. Press <b>[Enter]</b>.</p>
6.	<p>Budget Checking checks for spending availability and validates transactions to ensure adherence to budgeting guidelines.</p> <p>Both Expense Reports and Travel Authorizations are budget checked, but cash advances are not. Press <b>[Enter]</b>.</p>
7.	<p>When Travel Authorizations and Expense Reports are first submitted for approval, they must be budget checked. GeorgiaFIRST requires these transactions to be budget checked prior to their initial approval.</p> <p>This means that before the Department Manager 1 can approve any travel authorization or expense report, it must have a budget status of Valid. Press <b>[Enter]</b>.</p>
8.	<p>Budget checking can be done either online or through a batch process. Individual approvers can run budget checking online if required. However, Expense Administrators run a night batch process to budget check all transactions that require it. Press <b>[Enter]</b>.</p>
9.	<p>After a transaction is budget checked, the budget checking Status will show <b>Valid</b> or a <b>Budget Checking Exception</b> will appear. Press <b>[Enter]</b>.</p>
10.	<p>If an expense transaction fails budget checking, or if warning conditions exist for an expense transaction, the budget processor marks the transaction as an error or warning exception.</p> <p>You can view these exceptions and override some error exceptions (with proper authority) on the budget exception pages. Press <b>[Enter]</b>.</p>

Step	Action
11.	These are the possible causes of budget checking exceptions. Check your institutional policies to see who is responsible for correcting budget checking errors. Press <b>[Enter]</b> .
12.	When any of these transactions are eligible for budget checking, Expenses sets the budget status to <b>N</b> to indicate that the transaction requires budget checking.  In addition to newly submitted expense transactions, transactions are eligible for budget checking if they meet any of these conditions listed here. Press <b>[Enter]</b> .
13.	Follow the appropriate business process to review budget checking exceptions for Travel Authorizations and Expense Reports. Remember, a transaction must have a budget checking status of “ <b>Valid</b> ” before it can be approved. Press <b>[Enter]</b> .
14.	Press <b>[Enter]</b> to continue.