

# Managing a Budget

Conducted by the Budget Office

Corbin deNagy



THE FLORIDA STATE UNIVERSITY

# Agenda

- Background
- OMNI Funds
- Designations
- Spending Constraints
- Correcting Deficits
- FAQ
- Resources



# BACKGROUND



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# OMNI Organizational Structure

- *Departments* roll up to *Areas*
- *Areas* roll up to *Schools/Colleges*\*
- *Schools/Colleges* roll up to *Divisions*

*Examples:*

Department	Area	School/College	Division
007010 (Football)	Men's Athletics	Athletics	Central Administration
214000 (Chemical Engineering)	Chemical Engineering	College of Engineering	Academic Affairs
248386 (Living Only To See The Throne)	Student Allocations Committee	Student Activities & Orgs	Student Affairs

\* OMNI Schools/Colleges are not always academic



# General Ledger Concepts

- General Ledger (GL): Where accounting transactions are recorded, contains actual (non-budgetary) financial information
- GL Accounts: Classify balances on the GL
  - Examples:*
    - 112000 – Cash in Bank
    - 600501 – Investment Earnings-Interest
    - 741101 – Supplies Office
- GL Journal Entries: Record accounting transactions, must be in balance (Debits=Credits)



# General Ledger Concepts

GL Account Type	OMNI Accounts	GL Account Examples	Increase	Decrease
Assets	1XXXXXX 2XXXXXX	Cash, Receivables	Debit	Credit
Liabilities	3XXXXXX 4XXXXXX	Accounts Payable	Credit	Debit
Revenues	6XXXXXX	Interest Income	Credit	Debit
Expenses	7XXXXXX	Salaries, Office Supplies	Debit	Credit

## *Examples:*

- When a voucher is keyed
  - Debit Expense \$500
  - Credit Payable (\$500)
- When the payment is made
  - Debit Payable \$500
  - Credit Cash (\$500)



# Commitment Control Concepts

- Budgetary Accounts: Classify balances on Commitment Control (KK)

*Examples:*

- 690500 – Budget Interest Earnings
  - 710200 – Budget Faculty
  - 740000 – Budget Expense
- 
- Budget Journals & Budget Transfers: Record transactions to KK budget ledgers
    - Journals are used to increase or reduce budget
    - Transfers are used to transfer budget



# Commitment Control Concepts

- KK Ledger Group & KK Ledgers: Where budgetary transactions are recorded

*Examples:*

KK Ledger Group	KK Ledger
CC_EXP_GRP For non-project expense budgets	CC_BUD – Expense Budget
	CC_ENC – Encumbrances
	CC_EXP – Expense
CC_REV_GRP For non-project revenue budgets	CC_REV_BUD – Revenue Budget
	CC_REV_REC – Revenue Recognized
	CC_REV_COL – Revenue Collected





# GL & KK: What posts to each?

Transaction	GL	KK
GL Journal Entries	<b>Everything</b> <i>Lines including cash, receivables, payables, revenues, expenses, etc. all post to the GL.</i>	<b>Some things</b> <i>Only lines including non-property revenues and non-property expenses post to KK.</i>
Budget Journals & Budget Transfers	<b>Nothing</b> <i>GL Journal Entries are the only financial transactions that post to the GL.</i>	<b>Everything</b> <i>Lines updating budget balances post to the appropriate KK budget ledgers.</i>
Other – Purchase Orders, Travel Authorizations, etc.	<b>Nothing</b> <i>GL Journal Entries are the only financial transactions that post to the GL.</i>	<b>Some things</b> <i>Encumbrances are established when purchase orders or travel authorizations are issued.</i>



# OMNI FUNDS



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# Education and General (E&G)

- OMNI funds 1xx (non-College of Medicine) and 2xx (College of Medicine and College of Engineering).
- Appropriated by the State Legislature.
- Includes General Revenue (primarily Florida's sales tax), Student Tuitions and Fees, and Lottery.
- Spending must result in a direct, specific benefit to the university.



# E&G: Tuition Differential

- OMNI funds 121 and 126
- Established in 2008-09.
- Rate for 2015-16 is \$49.59/credit hour.
- Funds are allocated by the Provost.
- F.S. 1009.24, “the revenues from the tuition differential shall be expended for purposes of undergraduate education.”



# Non-E&G: Auxiliary

- OMNI funds 3XX
- Primarily sales to University departments, students, faculty, staff, and others. Also includes some non-E&G student fees. Spending from an auxiliary should be consistent with its mission/purpose.
- Note: Surplus revenues from Market Rate Tuition auxiliaries (OMNI fund 325) may be used in support of non-auxiliary activities, but must follow E&G/auxiliary spending guidelines



# Non-E&G: C&G

- OMNI funds 520-570
- From contracts and grants related to sponsored research.
- Spending must comply with all university and agency requirements, and must follow the terms of the contract/grant.
- Budget Office policies and procedures cover everything except sponsored research activities under the purview of SRA.



# Non-E&G: Student Activities

- OMNI fund 610
- Primarily the Activity and Service (A&S) fee, along with some self-generated revenues from the FSU Flying High Circus, the Ogelsby Union, etc.
- A&S fee revenues are allocated by SGA and should be spent to benefit the student body in general. A&S fee revenue may not be spent on activities for which an admission fee is charged to students (except for SGA-sponsored concerts).



# Non-E&G: Technology Fee

- OMNI fund 615
- From the technology fee paid by students. Spending should enhance instructional technology resources for students and faculty.
- Funding is distributed in three ways: (1) one-third to the colleges based on an allocation model that uses each college's most recent total student credit hours; (2) one-third to the central IT organizations based on a similar model; (3) most or all of the final one-third to faculty or staff projects that enhance instructional technology.





# Non-E&G: Vending

- OMNI fund 620
- Commissions from vending machines (over 250 on campus!).
- Funds are allocated from the President to the VPs and then to the colleges/departments.
- Spending must result in a general benefit to the university.



# DESIGNATIONS



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# Designations

- Dean, Director, Department Head or Chair (DDDHC) – typically delegates budgetary responsibility, but holds ultimate responsibility for the fiscal soundness of a department.
- Authorized Signer – those designated to approve transactions.
- Note: Being listed as DDDHC or Budget Manager does not automatically make an employee an Authorized Signer.



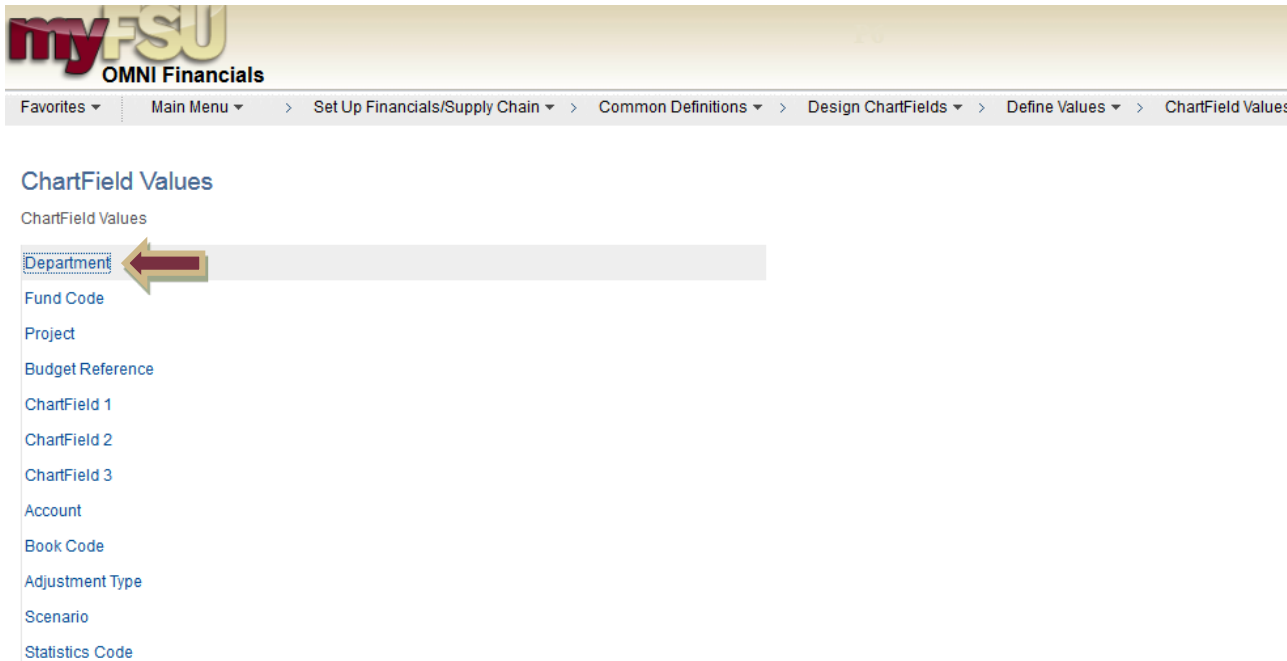
# Designations

- Budget Manager:
  - Serves as the official contact for the department on financial matters.
  - Ensures that departmental ledgers are reconciled to supporting documents.
  - Identifies and corrects invalid department-fund combinations.
  - Completes and submits required documentation.
  - Maintains departmental balances.



# Designations

- Designations can be found via the Chartfield Values link in OMNI-Financials.



The screenshot displays the myFSU OMNI Financials application interface. At the top, the myFSU logo is visible, followed by the text "OMNI Financials". Below this is a navigation breadcrumb trail: "Favorites > Main Menu > Set Up Financials/Supply Chain > Common Definitions > Design ChartFields > Define Values > ChartField Values". The main content area is titled "ChartField Values" and contains a list of options: "Department", "Fund Code", "Project", "Budget Reference", "ChartField 1", "ChartField 2", "ChartField 3", "Account", "Book Code", "Adjustment Type", "Scenario", and "Statistics Code". A red arrow points to the "Department" option, which is highlighted with a light blue background.



# Designations

- Designations can also be found by running the query:  
FSU\_CF\_DEPT\_ALL\_DESIGNATIONS

## FSU\_CF\_DEPT\_ALL\_DESIGNATIONS - DDDHC, Bud Mgr, AuthSig Email

DeptID like   
LAST\_NAME - LastName w %

[View Results](#)

Download results in : [Excel Spreadsheet](#) [CSV Text File](#) [XML File](#) (2 kb)

[View All](#)

	Dept	Descr	Dean_DptHd_Director_Chair_Name	Dean_DptHd_Dir_Chair Email ID	Budget Acct Mgr Name
1	046000	Budget Office	Lake,Michael P	mlake@admin.fsu.edu	deNagy,Corbin Andrew
2	046000	Budget Office	Lake,Michael P	mlake@admin.fsu.edu	deNagy,Corbin Andrew
3	046000	Budget Office	Lake,Michael P	mlake@admin.fsu.edu	deNagy,Corbin Andrew



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# Designations

- Departments may update the designations by using the *Update Existing Department ID Form* found on the Budget Office website (<http://budget.fsu.edu/Forms>).
- Note: If changing the DDDHC, have the new DDDHC's supervisor sign as the approver (#8 on the form).



# Designations

- Budget Office policies and procedures cover everything except sponsored research activities under the purview of SRA.
- Our office maintains DDDHC, Budget Manager and Authorized Signer, while SRA maintains project personnel.
- Updates may need to be made through SRA along with Chartfield Values (see *Sponsored Projects Personnel Change Form* at <http://www.research.fsu.edu/research-offices/sra/forms/>)





# SPENDING CONSTRAINTS



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# Budget

- Budget is the authority to spend.
- Prior to the start of each fiscal year, departments formulate an annual operating budget.
- Once approved, this budget is booked in the commitment control (KK) ledgers in OMNI.
- Each department's spending is controlled by their budget\*. That is, a department cannot spend more than they have budgeted on a particular department-fund-account combination.



# Spending Constraints

- For E&G and non-E&G (excluding C&G and Construction) departments, “Budget Checking” in OMNI will prevent transactions from being processed without sufficient funds at the department-fund-account level.
- Non-E&G departments must also have sufficient cash. These departments could spend into a cash deficit, as there is no “Cash Checking” in OMNI.
- Note: Having sufficient budget (authority to spend) does not mean the department has sufficient cash.



# Spending Constraints

- E&G and non-E&G Budget Managers should monitor their *Available Balance*.
- Non-E&G Budget Manager should also monitor their *Departmental Cash Balance*.



# Spending Constraints

*Budget Errors* prevent financial transactions from posting.

Budget Error	To Correct
<b><u>Budget is Closed</u></b>	<ul style="list-style-type: none"><li>• Sponsored Research Only: Contact SRA</li><li>• All Others: Contact the Budget Office</li></ul>
<b><u>Exceeds Budget Tolerance</u></b> (The transaction did not pass “Budget Checking”)	<ul style="list-style-type: none"><li>• Follow procedures to increase Available Balance</li></ul>
<b><u>No Budget Exists</u></b> (The department-fund-account combination has not been activated in OMNI)	<ul style="list-style-type: none"><li>• If possible, perform a Budget Transfer to add budget to the combination. If not, contact the Budget Office.</li></ul>



# CORRECTING DEFICITS



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# Available Balance Deficits

- Available Balance = Budget – Encumbrances – Expenses
- There are a few ways to check available balance:
  - Budgets Overview
  - Budget Detail
  - OBI Available Balance
- Job aids located at <http://budget.fsu.edu/Training-Resources>.
- Three possible ways to fix an Available Balance deficit: Expense Transfer, Release Encumbrances, Budget Adjustments



# Expense Transfer

- Expense Transfers are processed by General Accounting using the Departmental Online Journal Entry Form (DOL).
- Can transfer between departments and/or funds
  - Maintain reporting integrity (e.g., E&G expenses that belong on E&G should not be transferred to an Auxiliary)
- Payroll corrections are processed by Payroll using the Retroactive Distribution of Funding Form (RDF).





# Release Encumbrances

- Go through your encumbrances to see if anything can be closed/cancelled:
  - Purchase Orders
  - Travel Authorizations
- Adjust funding sources to move payroll encumbrances to another department/fund, as appropriate.



# Types of Budget Adjustments

- Annual operating budgets are estimates and may require adjustments so that departments may continue to spend as needed:

Description		Type	Funds
Budget Journals (Budget Office use only)	Recurring Original	Permanent	E&G only
	Non-Recurring Original	Temporary	Any
	Recurring Adjustment	Permanent	E&G only
	Non-Recurring Adjustment	Temporary	Any
Budget Transfers	Recurring Transfer	Permanent	E&G only
	Non-Recurring Transfer	Temporary	Any



# Budget Journals

- The most common budget journal is a non-recurring adjustment.
- Example: An auxiliary receives an unplanned contract which brings in additional revenue and requires increased budget to allow spending.
- The department would request additional budget from the Budget Office who will review the request and post the journal.



# Budget Journals

- The Budget Office will not increase budget:
  - If the department has sufficient budget available
  - Without justification (e.g., new contract brings in additional revenue and requires increased spending)
  - If the department will not have sufficient cash to warrant additional budget
- Contact the Budget Office if you believe you need a budget adjustment.



# Budget Transfer

- Overview of Budget Transfers
- Departmental Guide to Budget Adjustments
- Located at <http://budget.fsu.edu/Training-Resources>.
- Getting the role (Note: Being a Budget Manager does not automatically grant Budget Transfer access)



# Budget Transfer

- Some budget transfers must be posted by the Budget Office (refer to Overview of Budget Transfers).
- To facilitate a quick turnaround, departments are encouraged to attach any supporting documentation (e.g., memos or emails) to the budget transfers in OMNI.
- Departments are encouraged to use the “Notify” button to let the Budget Office know that the transfer is ready to be posted. (Send notification to [budget@admin.fsu.edu](mailto:budget@admin.fsu.edu).)



# Budget Transfer

Favorites ▾ Main Menu ▾ > Commitment Control ▾ > Budget Journals ▾ > Enter Budget Transfer

Budget Header | Budget Lines | Budget Errors

Unit FSU01

Journal ID NEXT

Date 07/03/2015

\*Ledger Group  🔍

Fiscal Year 2016

Period 1

Control ChartField Fund Code

\*Currency  🔍

Budget Header Status None

Rate Type  🔍

\*Budget Entry Type  ▾

Exchange Rate  📄

Cur Effdt  📅

Budget Type Expense

### Parent Budget Options

Generate Parent Budget(s)

Use Default Entry Event

Parent Budget Entry Type

Attachments (0)

Long Description

Alternate Description

[Budget Header](#) | [Budget Lines](#) | [Budget Errors](#)



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# Budget Transfer

- Need to transfer \$5,000 to clear deficit in 133010-320-710200:

Favorites ▾ Main Menu ▾ > Commitment Control ▾ > Budget Journals ▾ > Enter Budget Transfer

Budget Header | **Budget Lines** | Budget Errors

Unit FSU01 Journal ID Date Budget Header Status Posted

▼ Lines Personalize | Find | View All | [Print] | [Grid] First 1-2 of 2 Last

Chartfields and Amounts Base Currency Details [Filter]

Line	Ledger	Budget Period	SpeedType	Fund	Dept	Account	Set Options	Currency	Amount
1	CC_BUD	2016		320	133010	740000	Set Options	USD	-5,000.00
2	CC_BUD	2016		320	133010	710200	Set Options	USD	5,000.00

From Line To

**Totals**

Total Lines 2	Total Debits 5,000.00	Total Credits 5,000.00
---------------	-----------------------	------------------------

[Budget Header](#) | [Budget Lines](#) | [Budget Errors](#)





# Budgetary Accounts

- Unallocated Balance (999001)
  - For E&G-Carryforward funds (126, 140, 240, 241)
  - Difference between July 1 Carryforward balance and budget expenditures

July 1 CF Balance	Budgeted Expenditures	Unallocated Balance
\$50,000	\$45,000	\$5,000

July 1 CF Balance	Budgeted Expenditures	Unallocated Balance
\$50,000	\$55,000	\$(5,000)



# Budgetary Accounts

- Addition to Fund Balance (999002)
  - For non-E&G funds (3xx,7xx, 510, 6xx)
  - Result of budgeted revenues exceeding budgeted expenses

Account	Budget
Revenue	\$10,000
Expenses	\$8,000
Addition to Fund Balance	\$2,000



# Cash Deficits

- OMNI Financials
- Main Menu
- Reporting Tools
- Query
- Query Viewer
- Query Name: FSU\_DPT\_LEDGER\_SUM\_W\_CF
  
- One way to fix a cash deficit: Expense Transfer



# Expense Transfer

- Expense Transfers are processed by General Accounting using the Departmental Online Journal Entry Form (DOL).
- Can transfer between departments and/or funds
  - Maintain reporting integrity
- Payroll corrections are processed by Payroll using the Retroactive Distribution of Funding Form (RDF).



# Correcting Deficits

- Budget Managers should monitor their available balance (E&G and non-E&G) and cash balance (non-E&G only) at least weekly.
- The Budget Office contacts Budget Managers with departments in an available balance and/or cash deficit at the beginning of every month.



# FAQ



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# Reconciling Beginning CF Budget

Budget Entity	Accounts	Funds Kept by Department
E&G	OPS Expense OCO Special Categories Carryforward	June 30 <sup>th</sup> Encumbered Balance + Available Balance
	Salary	\$0 – Excess funds are swept to the University Central Reserve
Non-E&G	Cash	June 30 <sup>th</sup> Fund Balance

- Job aid available at <http://budget.fsu.edu/Training-Resources>.



# Chartfield Values

- Can unused department IDs be inactivated or deleted?
  - Answer: At this time, we are unable to inactivate department IDs. We cannot delete department IDs because we must retain historical records.

Department

SetID SHARE Department 046000

Effective Date 06/25/2015 Find | View All First 1 of 1 Last

\*Effective Date 06/25/2015

\*Status Active

\*Description Budget Office Attributes Long Description + -

\*Short Description BUDGET Budgetary Only

Dean, Director, Dept. Head, or Chair 000023106 Lake, Michael P

Budget Manager 000079761 deNagy, Corbin Andrew

Purpose Budget Office

Authorized Signature List Personalize | Find | View All | First 1-3 of 3 Last

Authorized User ID	Name		
000023106	Lake, Michael P	+	-
000066124	Perkins, Katherine Anne	+	-
000079761	deNagy, Corbin Andrew	+	-

Save Return to Search Notify Add Update/Display Include History Correct History





# Chartfield Values

- Can more than one Budget Manager be listed?
  - Answer: OMNI only allows for one person to be listed.

Department

SetID SHARE Department 046000

Effective Date Find | View All First 1 of 1 Last

\*Effective Date 06/25/2015

\*Status Active

\*Description Budget Office

\*Short Description BUDGET

Dean, Director, Dept. Head, or Chair 000023106 Lake, Michael P

**Budget Manager 000079761 deNagy, Corbin Andrew**

Purpose Budget Office

Attributes Long Description Budgetary Only

Authorized Signature List Personalize | Find | View All | First 1-3 of 3 Last

Authorized User ID	Name		
000023106	Lake, Michael P	+	-
000066124	Perkins, Katherine Anne	+	-
000079761	deNagy, Corbin Andrew	+	-

Save Return to Search Notify Add Update/Display Include History Correct History



# Rate vs. Salary

- Rate is the annualized pay attached to a position (doesn't include fringe benefits)
- Salary is rate plus fringe benefits

*Example:*

- An employee's Rate, or annual pay, is \$30,000
- The University pays an additional \$8,400 for the employee's health insurance, retirement, etc.
- The Salary budget for the employee is \$38,400



# E&G Salary Budgets

- No longer managed by the Budget Office outside of OMNI
- Position Budgeting & Rate Management maintained in Hyperion
- Budgets in OMNI will need to be adjusted as changes occur (e.g., pay increases, positions transferred between departments, etc.)
- Handled by “School Managers,” who typically work in the Dean’s Office.



# RESOURCES



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# Training

- The Budget Office offers two other courses:
  - BTBUD2 – Introduction to Auxiliaries
    - For Budget Managers and other fiscal personnel. An introduction to Auxiliaries, including how to create a new auxiliary, classification of different auxiliary types, policies and procedures, rate methodology, audit expectations, and record retention requirements. Other topics covered include a timeline of important dates, overhead assessments, and available resources.
  - BTBUD3 – Auxiliary Rate Calculation
    - For budget managers and fiscal personnel who prepare University auxiliary rate calculations. This class covers regulatory framework for a rate calculation, Basic concepts for calculating a rate, an example of an auxiliary rate calculation along with reconciliation of expenses and an allowable cash balance worksheet using University financial records, documents and resources, and models for estimating auxiliary revenue hourly, cost plus and cost plus fixed.



# Job Aids

- Can be found at <http://budget.fsu.edu/Training-Resources>
  - Budget Details
  - Budgets Overview
  - Identifying Invalid Combos
  - BI Available Balance Report
  - Overview of Budget Transfers
  - Departmental Guide to Budget Adjustments
  - Salary and Benefits Calculator
  - Wages and Benefits Calculator



# Queries

- Designations
  - FSU\_CF\_DEPT\_ALL\_DESIGNATIONS
- Available Balance
  - FSU\_BUD\_AVAIL\_BAL\_DIM
- Budget Adjustments
  - FSU\_BUD\_JRNL\_NO\_TYPE\_PROMPT
  - FSU\_BUD\_JRNL\_W\_TYPE\_PROMPT
- Non-E&G Cash Balance
  - FSU\_DPT\_LEDGER\_SUM\_W\_CF



# Budget Adjustment Definitions

P	Q	R
Line Descr	Amount	Bd Hdr Stati
Budget A&P Salary	-550000.000	P
Budget Expense	2000.000	N
Budget Expense	5000.000	S
Budget Matriculation Fees	9000.000	E

Bd Hdr Status	Definition	What does it mean?
P	Posted	Transfer was posted
N	None	Transfer saved, but not processed
S	Security Error	Invalid access to one or more department/fund/account - Contact the Budget Office
E	Error	Varies - Contact the Budget Office





# The End

- Questions?
- Corbin deNagy
  - 645-0050
  - [cdenagy@admin.fsu.edu](mailto:cdenagy@admin.fsu.edu)

