Kuali Financial System

Budget Amendment Training Guide

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OVERVIEW

WHAT IS A BUDGET AMENDMENT?

A Budget Amendment (BA) is the mechanism used to revise the working budget of state-supported and auxiliary enterprise accounts, which reflect changes that occur throughout the fiscal year. Once the working budget is completed, it can only be changed by a Budget Amendment.

A BA is used to reallocate the budget either within a campus unit or among campus units. The reallocation can be among accounts or among departments. Increases must equal decreases when no adjustment is made to revenue.

A BA is used to program revenue increases or decreases. When revenue is increased or decreased, a corresponding adjustment must be made to expense. When you increase revenue and expense in one account you must decrease revenue and expense in another account.

WHY IT'S IMPORTANT?

The budget amendment process is important to help ensure that expenditures made during the fiscal year are supported by the budgets created during the working budget cycle. If you fail to amend the budgets to meet any changing circumstance, it can lead to an over expenditure of funds. Also, the Budget Office needs to be aware of changes to unit budgets for reporting purposes.

WHEN SHOULD I USE A BUDGET AMENDMENT?

1. A BA can be used to transfer full-time equivalent positions (FTE's) and budget dollars for positions as well as operating budget.
2. Budget Amendments can be used to affect both current and future fiscal years.
    *   A BA for **CURRENT** year budgets can be processed up until the end of the current fiscal year, in the last week of June.
    *   A *B*A for **FUTURE** year budgets can be processed up until the opening of working budget. **(usually March/April timeframe)**
3. A BA **cannot** be used to move money between sub funds.

HOW TO REQUEST ACCESS TO KFS BUDGET AMENDMENT DOCUMENTS?

All users must request access to the BA Document by completing the **KFS Central Administration Access Form.**

Navigation: KFS WEB➔ Enterprise Reports Tab➔ Security➔Access Request➔KFS Central Administration Access Form

- Complete the appropriate fields under **Document Overview   & User Details**
- On the **Central Administration Roles and Groups** tab, make the following selection under **Groups:**
    - **KFS-LD – Labor Distribution: Budget Amendments Group**

If you have any questions regarding completing the form, please contact KFS Support at kfs.umd.edu or call the KFS Help Desk extension at 52603.

Budget Amendments

Navigation: KFS Home➔ Main Menu Tab➔ Transactions➔Budget Amendments

The Budget Amendments transactions contain two (2) budget amendment documents, Operating Budget and Position Budget.

Operating Budget Amendment is used to increase or decrease the current and/or future operating budget dollars within a unit or across units.

Position Budget Amendment is used to move budget dollars and/or FTE of a specific position from one unit/account to another.
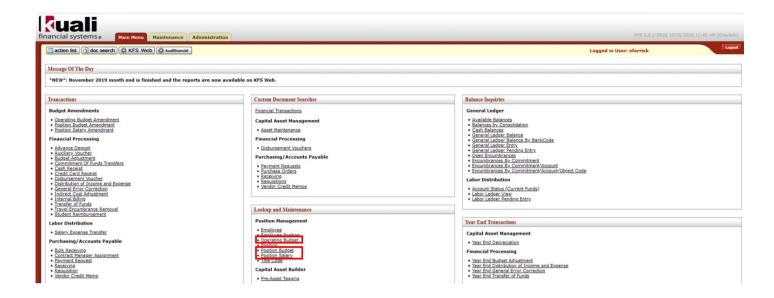
Lookup and Maintenance

Navigation: KFS Home➔ Main Menu Tab➔ Lookup and Maintenance➔Position Management

The Lookup and Maintenance tables under Position Management should be used prior to processing any Budget Amendment. This will allow users to ensure there are budget dollars associated with the Account, Position Number, Employee ID and/or Object Code.

The following tables correspond with the BA in KFS: Operating Budget and Position Budget.

Operating Budget: use to verify budget dollars associated with Account & Object Code.
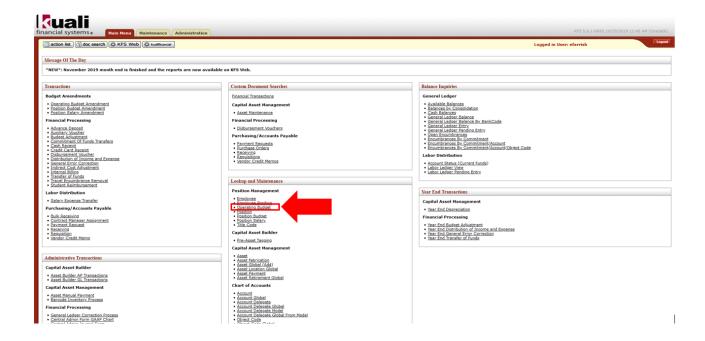
Position Budget & Position Salary: use to verify budget associated with the Account, Employee Id, Position #, Object Code or Title Code.
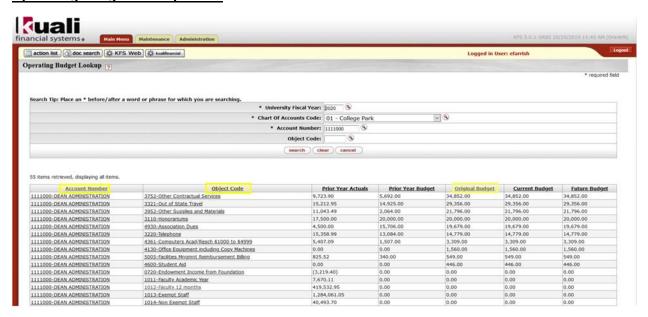
Creating an Operating Budget Amendment

- Allows the movement of non-itemized operating expenses (object codes 3000 - 5999), transfers (object code 99XX) and revenues (object code 0XXX).
- Can be used to amend current and future budget.
- General Ledger Entries (*GLEs*) are only generated for current year transactions.
- The budget and salary are updated when you view the **Operating Budget** table**,** once the document has a status of FINAL.
- Document type is Ledger Operating Budget Amendment (LOBA).

1. Use the **Operating Budget table under Position Management** to verify budget dollars associated with the Account and/or Object Code. Once information is verified in the tables, you can proceed to processing the Operating BA.

   Navigation: KFS Home➔ Main Menu Tab➔ Lookup and Maintenance➔Position Management ➔ Operating Budget
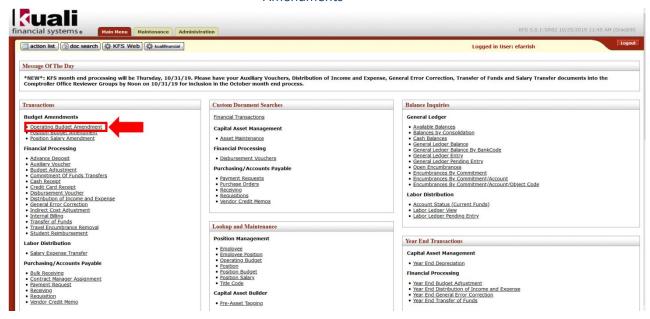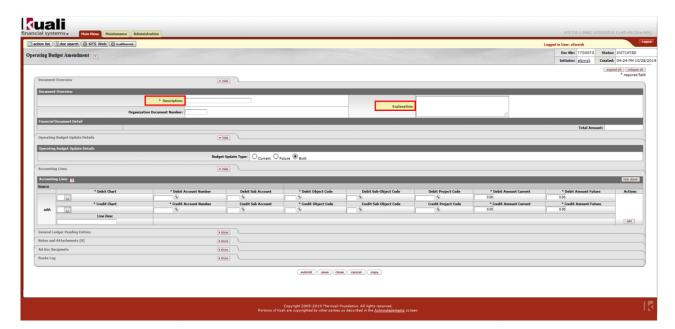
Operating Budget Lookup Table

2. Click on the **Operating Budget Amendment** link by following the navigation steps below.

Navigation: Main Menu Tab➔ Transactions➔Budget Amendments➔ Operating Budget
Amendments

3. Enter a description in the "**Description**" field.

4. Enter a detailed explanation of the amendment in the "**Explanation**" field.

5. On the **Operating Budget Update Details** tab, the radio button for the "**Budget Update Type**" is defaulted to **Both** (Current and Future). To change the budget type to current or future, click the radio button for either budget type.

6. On the **Accounting Lines** tab, to *Increase* the Expense **Budget** for a specific account, enter the *chart code, account number and object code* in the *Debit* accounting line fields. Enter the *Debit* amount in the current /future field, based on the radio button selection on the **Budget Update Type**. (see Figure 1)

7. To *Decrease* the Expense **Budget** for a specific account, enter the *chart code, account number and object code* in the *Credit* accounting line fields. Enter the *Credit* amount in the current/future field, based on the radio button selection on the **Budget Update Type**. Click the **add** button to complete entry. (see Figure 1)

Accounting Lines			
Account	**Object Code**	**Amount**	**Notes**
118XXXX (Debit) Increase Operating	3110	500	Increase Operating Funding
118XXXX (Credit) Decrease Operating	3110	500	Decrease Operating Funding

Figure 1

PLEASE NOTE: *When processing an operating budget amendment on different State Supported accounts (SubFund 401100) you must adjust object code 0221 on each affected account to balance the accounts.*

If you are moving revenue, follow the steps in #8, otherwise move on to #9.

8. To *Decrease* the **Revenue** for a specific account, enter the *chart code, account number and object code* in the *Debit* accounting line fields. (see Figure 2)

To *Increase* the **Revenue** for a specific account, enter the *chart code, account number and object code* in the *Credit* accounting line fields. (see Figure 2)

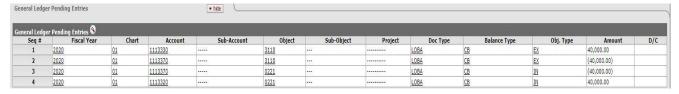| Accounting Lines			
Account	Object Code	Amount	Notes
118XXXX (Debit) Decrease Revenue Budget	0221	500 Decrease Revenue Funding	
114XXXX (Credit) Increase Revenue Budget	0221	500 Increase Revenue Funding	

Figure 2

9. Scroll to the bottom of the page and click the **save** button.

10. Verify the pending entries by clicking the **show** button on the **General Ledger Pending Entries** tab. An Accounting Line (Debit & Credit) will have two General Ledger Pending Entries. If you also moved revenue (object code 0221) then an Accounting Line will have four General Ledger Pending entries. See examples below.

**Additional lines will appear if you also adjusted object code 0221. **

Expense Only GLE's

General Ledger Pending Entries												
Seq #	Fiscal Year	Chart	Account	Sub-Account	Object	Sub-Object	Project	Doc Type	Balance Type	Obj. Type	Amount	D/C
1	2020	01	1182300	-----	3611	---	----------	LOBA	CB	EX	5,000.00	
2	2020	01	1164000	-----	3321	---	----------	LOBA	CB	EX	(5,000.00)	

Expense & Revenue Only GLE'S

General Ledger Pending Entries	▼ hide											

General Ledger Pending Entries												
Seq #	Fiscal Year	Chart	Account	Sub-Account	Object	Sub-Object	Project	Doc Type	Balance Type	Obj. Type	Amount	D/C
1	2020	01	1113330	-----	3110	---	----------	LOBA	CB	EX	40,000.00	
2	2020	01	1113370	-----	3110	---	----------	LOBA	CB	EX	(40,000.00)	
3	2020	01	1113370	-----	0221	---	----------	LOBA	CB	IN	(40,000.00)	
4	2020	01	1113320	-----	0221	---	----------	LOBA	CB	IN	40,000.00	

11. Once pending entries are verified, click the **submit** button.

Creating a Position Budget Amendment

- Allows the movement of itemized and pooled salary object codes.
  (See Chart Below).
- Can be used to amend current and future budget.
- General Ledger Entries (GLEs) are only generated for current year transactions.

- The budget and salary are updated when you view the **Position Budget** table **,** once the document has a status of FINAL.
- Document type is Ledger Position Budget Amendment (LPBA).

Itemized Salary Object Codes

a. 1011 – Faculty Academic Year
b. 1012 – Faculty 12 months
c. 1013 – Exempt Staff

d. 1014 – Non-Exempt Staff
e. 1015 – Faculty Non-Tenured Academic Year
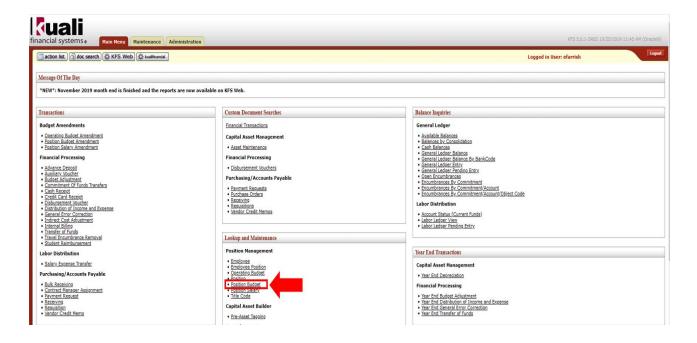f. 1016 – Faculty Non-Tenured 12 Months

Pool Salary Object Codes

g. 1018 – Faculty Non-Tenured Lecturer
h. 1020 – Graduate Assistants
i. 1099 – Regular S&W Adjustments
j. 2000 – Labor and Assistance
k. 2067 – Trainee
l. 2068 – Faculty Hourly
m. 2069 – Faculty Contractual
n. 2071 – Faculty Summer School/ Other
o. 2072 – Exempt Contingent 1
p. 2073 – Non-Exempt Contingent 1

q. 2074 – Federal Work Study Student
r. 2075 – Student Wages
s. 2077 – Non-Resident Alien Independent Contractor
t. 2078 – Non-Resident Alien Fellows
u. 2080 – Summer Salary Faculty
v. 2081 – Summer Salary Graduate Assistant
w. 2090 – Contingent 2

1. Use the **Position Budget table under Position Management** to verify budget dollars associated with the Account and/or Object Code. Once information is verified in the tables, you can proceed to processing the Position Budget BA.

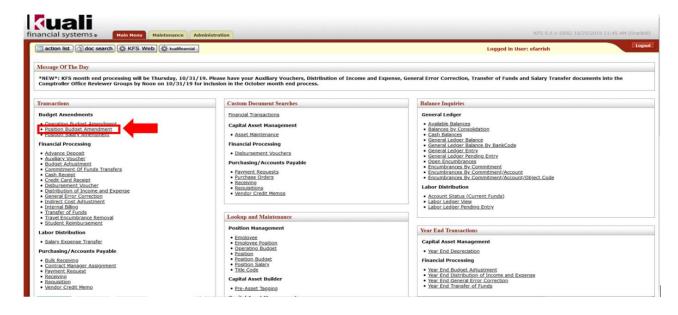   **Navigation:** KFS Home ➔ Main Menu Tab➔ Lookup and Maintenance➔ Position Budget
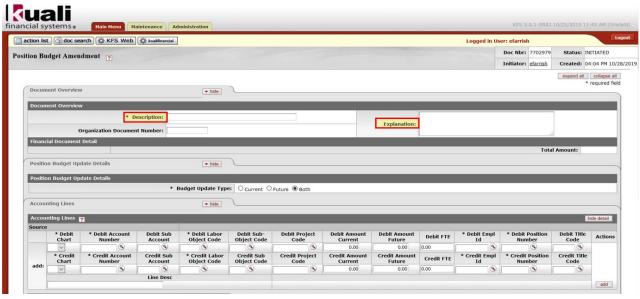
Position Budget Lookup Table

2. Click on the **Position Budget Amendment** link by following the navigation steps below.

Navigation: Main Menu Tab➔ Transactions➔Budget Amendments ➔ Position Budget Amendment

3. Enter a description in the "**Description**" field.

4. Enter a detailed explanation of the amendment in the "**Explanation**" field.

5. On the **Position Budget Update Details** tab the radio button for the "**Budget Update Type**" is defaulted to **Both** (Current and Future). To change the budget type to current or future, click the radio button for either budget type.

6. On the **Accounting Lines** tab, to *Increase* the position budget, enter the *chart code, account number and object code* in the *Debit* accounting line fields. Enter the *Debit* in the current/future field, based on the radio button selection on the **Budget Update Type**. (see Figure 3)

7. To *Decrease* the **Budget** for a specific amount, enter the *chart code, account number and object code* in the *Credit* accounting line fields. Enter the *Credit* amount in the current/future field, based on the radio button selection on the **Budget Update Type**. Click the **add** button to complete entry. (see Figure 3)

Accounting Lines			
Account	Object Code	Amount	Notes
11**8**XXXX (Debit) Increase Position	1013	500	Increase Position Funding
11**4**XXXX (Credit) Decrease Position	1014	500	Decrease Position Funding

Figure 3

8. The **Employee ID** (UID) and **Position Number** are required, enter the UID in the "Employee ID" field and the Position Number in the "Position Number" field.

   *If position is Vacant on an **Itemized line**, use **999999999** for the Employee ID (UID).*

   *If position is Vacant on a **Pooled line**, use **555555555** for the Employee ID (UID).*

   To confirm which UID to use for vacant positions, please refer back to the Position Budget Lookup table.

   To add additional lines, enter the debit and credit accounting information and click the **add button. ***

9. Scroll to the bottom of the page and click the **save** button.

10. Verify the pending entries by clicking the **show** button on the **General Ledger Pending Entries** tab.

Seq #	Fiscal Year	Chart	Account	Sub-Account	Object	Sub-Object	Project	Doc Type	Balance Type	Obj. Type	Amount	D/C
1	2020	01	1102150	-----	1012	---	----------	LPBA	CB	EX	3,871.00	
2	2020	01	1102150	-----	0221	---	----------	LPBA	CB	IN	3,871.00	
3	2020	01	1102150	-----	0221	---	----------	LPBA	AC	IN	3,871.00	C
4	2020	01	1102150	-----	6100	---	----------	LPBA	AC	AS	3,871.00	D
5	2020	01	1001050	-----	1018	---	----------	LPBA	CB	EX	(3,871.00)	
6	2020	01	1001050	-----	0221	---	----------	LPBA	CB	IN	(3,871.00)	
7	2020	01	1001050	-----	0221	---	----------	LPBA	AC	IN	3,871.00	D
8	2020	01	1001050	-----	6100	---	----------	LPBA	AC	AS	3,871.00	C

Pending Entries

	Account	Type	Category	Object Code	D/C	Amount	Notes
8 Total Pending Entries	118XXXX (Debit) Increase Position	CB	EX	1013		500	Increase Position Funding
	114XXXX (Credit) Decrease Position	CB	EX	1014		(500)	Decrease Position Funding
	114XXXX (Debit) Decrease Revenue **Budget** (Auto-generated)	CB	IN	0221		(500)	Decrease Revenue Funding
	118XXXX (Credit) Increase Revenue **Budget** (Auto-generated)	CB	IN	0221		500	Increase Revenue Funding
	114XXXX (Debit) Decrease Revenue **Actuals** (Auto-generated)	AC	IN	0221	D	500	Decrease Revenue Funding
	118XXXX (Credit) Increase Revenue **Actuals** (Auto-generated)	AC	IN	0221	C	500	Increase Revenue Funding
	118XXXX (Debit) Increase Position **Cash** (Auto-generated)	AC	AS	6100	D	500	Increase Position Funding
	114XXXX (Credit) Decrease Position **Cash** (Auto-generated)	AC	AS	6100	C	500	Decrease Position Funding

PLEASE NOTE: When processing a Position Budget Amendment on different State Supported accounts (SubFund 401100) six auto-generated entries will be populated with object codes 0221 and 6100 on each affected account to balance the accounts. Including your two manual entries there will be a total of eight entries based on the example above. Be aware that the entries that adjust Actuals move cash between the designated accounts in the current year.

- Debit and Credit Entry to adjust **Revenue Budget** (Object Code 0221)

- Debit and Credit Entry to adjust **Revenue Actuals** (Object Code 0221)

- Debit and Credit Entry to adjust **Cash Actuals** (Object Code 6100)

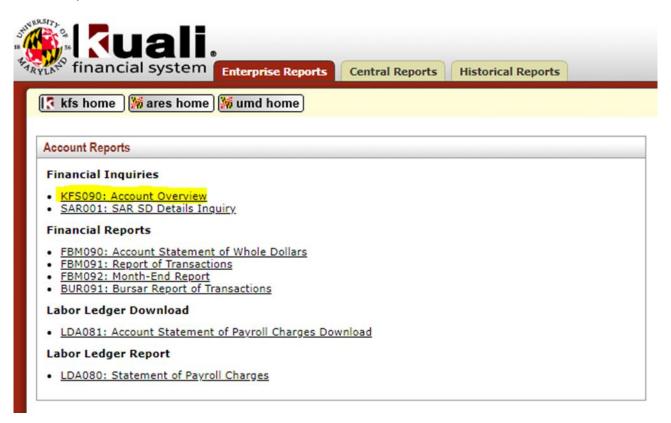11. Once pending entries are verified, click the **submit** button.

Verifying the Amendment in KFS

When all budget amendments are finalized and approved, please verify your updates by reviewing the **Lookup Tables in KFS**.

To review reports in KFS Web for budget amendment updates, please follow the steps below.

Navigation: KFS Web➔ Account Reports➔Financial Inquires➔ KFS090 Account Overview

Scenario – you have just successfully submitted a position budget amendment (one that has fully routed through approvals) and want to see/verify that the amendment updated correctly in a KFS report.

1. Click on the **KFS090: Account Overview** link.

2. In the Account Overview link, enter in the account number used in your position budget amendment. Verify that you are selecting the correct fiscal period that reflects your amendment.
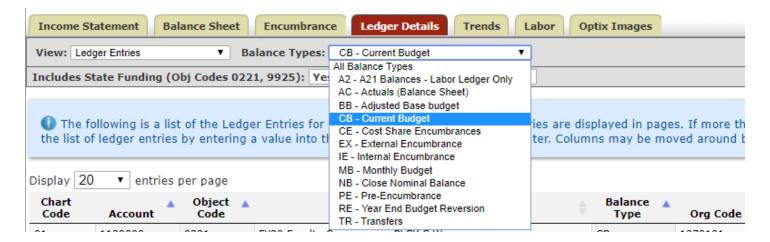
3. Click on the **Ledger Details** tab.

4. Select "**Yes**" on the **Includes State Funding (Obj Codes 0221, 9925):**

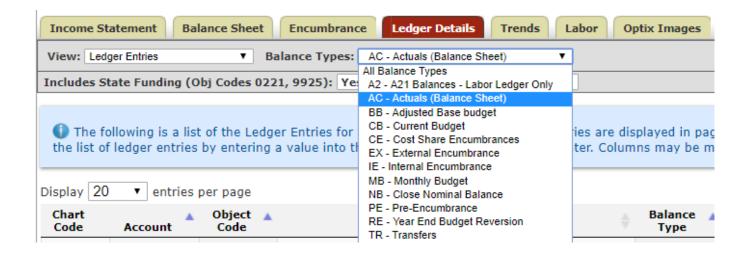5. Select "**CB – Current Budget**" under the **Balance Type**s option.

6. The current budget data will reflect any recent budget amendments. Filtering by **Transaction Date** in the data will help you find the most recent transaction that was completed. In the example below, funds on object code 1011 were increased, and as a result, 0221 State Appropriation automatically increased by the same amount, keeping the budget balanced. Note how 0221 State Appropriation updated automatically - without entering this information in the position budget amendment accounting lines.
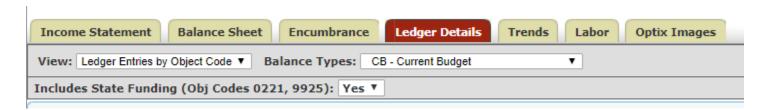

7. Another check is to look at Actuals. Select "**AC – Actuals (Balance Sheet)**" under the **Balance Types** option.

8. The data will then show that the actuals have also moved under the object code 0221 State Appropriation.

9. There are other ways to verify that your account has updated correctly. Change the **View** to **"Ledger Entries by Object Code"** and selecting **"Current Budget"** as the **Balance Types.** Navigating this way will show the changes to your current budget by object code. You can also select **"AC – Actuals (Balance Sheet)"** to see the changes to any actuals that occurred.

All the *General Ledger Pending Entries* before the amendment was submitted for approval should have successfully posted in KFS.