

# NUFinancials Budget Adjustments

## *Video Transcripts*

The purpose of this video series is to show the use of the Budget Journal in NUFinancials.

The videos in this series and their objectives are below.

### 1: NUFinancials Budget Adjustments

The objective of the presentation is:

- Explain budget adjustment business rules.

### 2: Adjust Revenue and Expense Budgets

The objective of the demonstration is to show how to:

- Show and explain the basic features of the Budget Journal
- Adjust budgets using NUFinancials Budget Journals.

### 3: Budget Journal Process and Statuses

The objectives of the presentation are:

- Show the budget journal process
- Explain the Journal Status and Workflow Status codes.

### 4: Search for Budget Journals

The objectives of the demonstration are to show how to:

- Search for Budget Journal using your NetID and other criteria
- Sort the list of search results
- View and modify Budget Journals.

### 5: Troubleshoot Budget Journals

The objective of the demonstration is:

- Troubleshoot Budget Journals with error statuses.

## **1: NUFinancials Budget Adjustments**

This presentation introduces the business rules for budget adjustments. If you have a copy of the Chart of Accounts Quick Reference, please take it out now, as it make a good complement for the discussion going forward.

Each department monitors its own budgets and conducts periodic budget reconciliations. Base budgets may be adjusted as the fiscal year progresses to align with changing plans for revenue or expenses.

The objective of the presentation is to explain the business rules that apply to budget adjustments.

### **Purpose (Outcomes)**

The Budget Journal is not a frequent transaction. Some departments may finish a fiscal year with no need for it at all. It's the purpose and outcomes of a Budget Journal that are the reason for doing one.

- As I mentioned on the prior slide, Budget Journals revise the budget to align with changing plans.

- The outcome is that those changes are introduced into a historical record. Approved changes are recorded and represented in the following years to Budget Managers who prepare new budgets for fiscal years going forward.
- Budget Journals are necessary sometimes to enable actual transactions to proceed that would otherwise be prevented by budgetary controls in NUFinancials. Users of NUFinancials may receive messages after Budget Check like the ones shown here. Budget Check is the process where NUFinancials validates that a chart string exists and that it has sufficient budget available for the cost of the transaction. In these cases, a Budget Journal may be your solution to establish a budget on a chart string, or to move budgeted amounts from one chart string to another, such as one that has been maxed out.
  - “Exceeds budget and is over tolerance”
  - “No budget exists”
  - “Spending authority over budget”

### **Budget versus Actual**

For new users of the Budget Journal, it's useful to differentiate between the words Budget and Actual.

- A budget is a plan for expenses and revenue for the year ahead. Each chart string that you attempt to use must have a budget, and there is one per chart string.
- Actual refers to revenue and expense transactions that have already taken place, and that will take place, over the course of the year. Actual is really spent and really earned.

This course covers Budget Journals only. Actual Journals are covered in FMS711 and use different NUFinancials functionality.

### **How does workflow begin?**

Like other NUFinancials transactions, the Budget Journal is submitted to a workflow. Originators create a journal and submit it to workflow. While in workflow, approvers for each affected chart strings review the transaction and must make a decision about it, whether to send it back to the originator for changes, reject, or approve.

### **All Adjustments Must Balance**

What you take from one account and give to another should total zero.

### **Funds in Scope**

Now I'll transition to some business rules that govern the Budget Journal. If you have a copy of the Chart of Accounts Quick Reference Guide, take it out now. I'll be talking about Fund numbers and Department IDs for the next several slides.

The first such business rule is about the fund number. Only three sets of fund numbers are allowed on a Budget Journal: Unrestricted funds, Gift funds, and Endowment funds.

### **Funds out of Scope**

Funds in the 500, 600, 700, and 800 series are not allowed on the NUFinancials Budget Journal.

If you have questions about adjusting a Grant budget, contact Accounting Services for Research and Sponsored Programs (ASRSP) or the Office for Sponsored Research (OSR).

### **Allowable Budget Adjustments (Fund Type)**

Generally, budget adjustments must take place within the same fund number. For example, from a chart string that starts with Fund 110 to another chart string that starts with Fund 110. One exception is

made to accommodate the needs of many schools and units in the University. You can use the Budget Journals to move amounts between 110 and 171 for faculty designated projects.

### **Allowable Budget Adjustments (Major Unit)**

A final business rule governs the use of Department ID.

Budget Journals may move amounts between departments within the same major unit. Departments in the same major unit will share the same position on the NUFinancials Department Tree. This almost always means that the departments share the same first two digits. In the examples shown, 16 are the first two digits of every Department ID in Alumni Relations and Development, and 42 are the first two digits in the School of Journalism. It makes sense that ARD would never want to adjust the budgets in journalism anyway, and vice versa.

### **Use Actuals Journal Instead...**

However, there are some cases where collaboration between fund types or between major units is necessary. In those case, the Actuals Transfer Journal is used instead of the Budget Journal.

The Actuals Journal allows you to move live amounts between fund types and major units.

- For example, if music wants to collaborate with Education on a research study, they can do so with an Actuals Transfer Journal.
- Likewise, a Dean can support a faculty's designated project with amounts from an endowment chart string.
- Finally, if instructed by your department, use the Actuals Transfer Journal to move amounts from 110 to 171. I mentioned these two fund numbers previously, because both policy and the system gives us latitude to do this particular interaction either way. Replan with a Budget Journal or transact with an Actuals Journal.

### **Now Allowed without Approval**

The last ChartField with business rule attached is Account. Salary and Benefits accounts are subject to Budget Office approval. Accounts in the 60000 series are forwarded to the Budget Office in workflow.

### **Summary**

In general allowable adjustments are:

- In Unrestricted, Gift, and Endowment Funds.
- Within the same fund number. Exception is 110 to 171.
- Within the same school or unit.
- Revenue and expense accounts.
- Salary and benefits – only with approval.

## **2. Adjust Revenue and Expense Budgets**

### **Context**

Sometimes budget adjustments are necessary if significant changes occur after the preparation of a base budget for the current year.

### **Objectives**

- Show and explain the basic features of the Budget Journal.
- Show how to adjust both revenue and expense budgets in response to a single change with one Budget Journal.

## Demonstration

### Scenario

A recharge center is growing. Revenue is exceeding projections, and the trend is expected to continue. With the additional revenue, the center will hire additional staff and adjust the expense budget too (with Budget Office approval).

### Data

Revenue chart string and amount:

160 4600000 50699      \$37,230

Expense chart string and amount:

160 4600000 60103      \$30,000

160 4600000 60186      \$7,230

### Steps

Starting at the NUPortal, click the Financial category and the Budgeting tab, where you see all functionality needed to support Budget Journal adjustments: a search pod, budget creation, and the approval inbox.

After you create a journal, it can be found in the search with the journal ID or with the NetID of the creator. In the Approval Inbox, the Budget Journal count increases. The approver can click that number to see the inbox, find the journal, and make a decision whether to approve or send it back with instructions.

In Budget Journal Creation, there are three decisions to make as you get started.

- 1) The Budget Period. This budget period, the prior period, or the next. Both prior and next are available at certain times of the year.
- 2) Budget Entry Type is recurring or non-recurring. Both go into the historical record. Recurring is automatically applied in years going forward. Non-recurring, mostly applied to capital purchase, is applied in the current year only. In our scenario, it is recurring, as the workload and position is permanent we want the new hire to remain.
- 3) What are you adjusting? If adjusting a revenue budget, you can increase one target and decrease another. Same with expense, you can increase one account and decrease another. In both cases, there is no change to the total; it just moves amounts chart strings. The third option, both expense and revenue allows you to increase and decrease totals.
  - For each increase in expense, there must be a matching increase in revenue.
  - For each decrease in expense, there must be a matching decrease in revenue, and vice versa.

To recap, in our scenario, we selected the current period, recurring, and both revenue and expense.

Click Next. The Budget Journal appears in a new window. All data entry appears on one page.

Let's overview the page first.

- At top is the Journal Information section. Notice there are two journal IDs, one for revenue and one for expense. Both say NEXT as that ID will be system assigned upon saving. At right, your NetID is shown in the Submitter field. Journal Status and Workflow Status will reflect the progress of the journal through validation and approval. The Journal Date is today's date. The Budget Period and Journal Type that you selected are displayed too.

- Next is a Description field, where you describe the purpose of the journal for the benefit of others, including your approvers.
- Below are the Budget Lines. In this case, there are two sets of lines, for Revenue and Expense.

Now let's get started.

1. Enter the description.

- The purpose is communicate the purpose of the journal – your intent – to your approvers, researchers, and your future self. You have a maximum number of characters allowed, stated in parentheses. The only requirement is that you are clear.
- In this case, a good description is: "This adjustment establishes a more accurate revenue target for sales and services. The new revenue target is offset by increased salary expense for the hire of assistance with the existing additional workload."
- The Description field allows 200 characters, and for reference, the one here is 178.

2. Enter the revenue increase in Line 1.

- a. Enter Fund 160
- b. Department 4600000
- c. Account 50699 and
- d. Amount 37230.

- For those of you new to NUFinancials, let's cover some basics about these journal lines.
  - To move from ChartField to ChartField, press <Tab> or use your mouse. If you press <Tab> you land first on the magnifying glass. Press <Tab> again to land in the next field.
  - The magnifying glass icons enable you to lookup a value, if you don't know it in advance. For example, you may know the name of a project, but not the number. Click the icon to access a Lookup dialog where you can search for the number using all or part of the description. For example, in the Description field, select the "contains" operator and type "Dow" in the adjacent blank field. Click Lookup to find related projects.
  - Only budgeted ChartFields are available. In NUFinancials, only Departments and Projects may have budgets, which are recorded at the account level. ChartFields Program and ChartField1 are not here.
  - In this scenario, we have one line, but you may insert as many additional lines as needed. Use the Select box in combination with the other links to delete lines if needed.
- Remember that this journal line increases a revenue projection only. Going forward, as you make bank deposits of actual revenue, they are compared to the revenue target to create a revenue budget balance.
- Remember also that this line is the amount of the increase only. The journal does not show the existing revenue target to which you are adding 37,230. Existing targets are visible in NUFinancials Budget Searches and Cognos reports for the same chart strings.

3. Enter the expense increase in Lines 2&3.

- a. In Line 1, enter Fund 160 Department 4600000 Account 60103 and Amount 30000.
  - b. Click Insert. The data entries in line one are copied down into Line 2.
  - c. In Line 2, we should see Fund 160 Department 4600000 Account 60103. So the only changes are the Account, 60186, and the benefits amount 7230.
  - d. Press <Tab> to exist Line 2. The Journal Total is calculated. It should be zero.
- This data entry exercise made new hires look easy when, in reality, lots of planning is accomplished with your colleagues. On the job, the approval to hire and the compensation amounts are determined in advance with help from your Budget Analyst.

Now let's talk about the options at the bottom of the page. There are four buttons.

- 1) The Close button exits the journal and does not save your work.
- 2) Save assigns a Journal ID, saves your work, and makes it possible to leave and return later.
- 3) Save & Edit validates the journal, making sure of two things: (1) you entered all the data the journal requires and (2) the chart strings exist and have a budget.
- 4) Save & Submit does the additional step of sending the journal into workflow where your approvers can see and decide whether to approve.

The necessary next step is Save & Edit to make sure the journal is technically valid before you send it into workflow.

4. Click Save & Edit. NUFinancials validates the journal. While the journal is processing, do not click Save & Edit again. If you find yourself waiting and running out of patience, resist the urge to click it again! If you do, NUFinancials may lock the journal and make it unavailable to you, in which case call the Help Desk and open a ticket to have the journal rescued. You may wait a minute, but in most circumstances only a few seconds.
  - A results page appears when the process finishes, verifying that it is saved and that a journal ID was assigned.
  - The results page is timed. After a few seconds, the journal reappears. At top, notice the Status field has the results of the validation. Valid means you can submit it into workflow. If errors had been found, the word Error would appear, hyperlinked to explanatory messages.
  - Notice on the journal that all fields are gray, and the set of four buttons at the bottom of the page is now three. The next step is to submit this into Workflow but the Save & Submit button is not shown. In order to proceed, you must click Modify.
5. Click Modify.
  - The journal opens up for editing, fields are white, and the original four buttons reappear.
6. Click Save & Submit.
  - Status changes to In Workflow and Workflow Status changes to Pending Approval.
  - Click Pending Approval to see the names of approvers, if needed.
  - At this time, the journal appears in the inbox of approvers.

### Copy and Delete

Copy can be very convenient if you have multiple similar journals to complete. All data except journal ID and amounts are copied into a new journal. Copied data includes the date and period, which you cannot change, so Copy is useful only within a single period.

Delete is a request that you make. Click Request Deletion > OK. Authorized staff take it from there.

### Summary

For each Budget Journal, take the following steps:

- Find the Budget Journals on the NUPortal and select:
  - Budget Period
  - Recurring or Non-Recurring
  - Expense, Revenue, or Both
- Apply business rules and always click Save & Edit to validate the journal prior to submitting it into workflow.

### 3: Budget Journal Process and Statuses

Budget Journals acquire statuses that help you track their progress from creation to completion.

The objectives of this presentation are:

- Show the budget journal process
- Explain the Journal Status and Workflow Status codes.

#### What's the Budget Journal process?

Let's look at the Budget Journal process from start to finish.

When in workflow review, journals need to gather the appropriate approvals, depending on chart string.

After approval, if the journal is less than or equal to 50K, the journal will post, nightly processes will go into effect, and the results appear on Cognos reports the next business day.

If the journal is more than 50K, an additional approver will be added and the journal will go into administrative review conducted by a Budget Office, Dean's Office, or other high level school office.

If approval is given, the journal is posted as normal. If not, you will receive notification and next steps advising you whether to modify the journal or delete it.

If it were sent back for modification, you would return to the portal, conduct a search, and modify as required.

#### What's my status? Journal Status

When you create a journal, you get a status. As you save, validate, and submit it into workflow, you see the status change.

The first is Incomplete, a journal that you did not validate nor submit into workflow.

When you validate, it is possible to get the Edit Error status. It is a technical validate of your chart strings. NUFinancials found an error that it explains to you in message text.

Valid is the desired status. After you click Save & Edit to validate, Valid means technically valid. It is ready for your approvers to make a business decision about it.

In Workflow means it is visible to approvers in the Approval Inbox. In this status, you can shift your attention to gathering approvals.

Waiting to Post is a transitory status gained after approval. Posted means posted to the budget ledger. The journal is complete. Balances will reflect the new budget immediately in NUFinancials and will appear on Cognos reports the next business day.

Journal Status	Description
Incomplete	Saved but not edited or submitted to workflow
Edit Error	Saved and edited. NUFinancials found an error explained for you in message text.
Valid	Successfully edited and ready for workflow
In Workflow	Submitted to workflow
Waiting to Post	Approved and is queued to post

Posted	The journal posted to a budget ledger. Results appear in Cognos reports the next business day.
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### What's my status? Workflow Status

Workflow Status	Description
Not Submitted	Not submitted to workflow
Pending Approval	Submitted to workflow but waiting for approvals
Approved to Post	All approvers approved and the journal is queued to post
On Hold	An approver placed the journal on hold
Pending Deletion	An approver requested journal deletion
Sent Back	An approver sent the journal back to the journal creator for correction

## 4: Search for Budget Journals

The Budget Journal Search enables you to view and access all Budget Journals created by yourself or colleagues.

The most common search is by NetID. You can view and edit your own, but only view journals created by others. You can also enter a Budget Journal ID that you find on Cognos BI reports.

Objectives of this demonstration are to show:

- Search for Budget Journal using your NetID and other criteria
- Sort the list of search results
- View and modify Budget Journals.

### Demonstration

You can find the budget journal search in NUFinancials and here on the NUPortal.

Click Financials > Budgeting. The Budget Journal Search presents five search criteria.

- First is Journal ID if you have it.
- Journal Date is available to narrow the search using the calendar and operators like equal to, less than, and greater than. For example, to limit the search to journals you did this year, enter greater than and the first day of the fiscal year, September 1<sup>st</sup> and the year.
- Submitter is for the creator's NetID, yours or someone else's.
- Status enables you to narrow the search by statuses. These are the same statuses discussed in a separate video. They are listed here alphabetically, but in sequence, they occur like this: Incomplete, Valid, In Workflow, Posted. Along the way, you could encounter an Edit Error after you attempt to validate.

I'll enter a NetID of my colleague now: RCR506. Click Search.

NUFinancials opens a new window and displays the search results in the Budget Journal Search page.

This is the same search that was reproduced on the NUPortal that we just saw. It was made available on the NUPortal for convenience. It is also available inside NUFinancials. The path to navigate here

directly from the Main Menu is at the top of the page: Main Menu > NU Budget Journal > Search Budget Journals. One additional search criterion is available on this page, Workflow Status.

The list you create is shown in Search Results, sorted by Journal ID, which roughly aligns with Journal Date in ascending order.

Each column heading is clickable. Click Journal Date to get this list in descending order, meaning the most recent journals first.

Click Journal Status to sort by that value. Journals that in Incomplete or Edit Error status require your attention to move forward. Workflow Status reflects the approver's decision – or lack of action. Journals that are Pending Approval require your approver's attention to move forward.

Another way to focus the list is to use additional criteria. For example, instead of sorting to find journals in Sent Back status, I can add the criterion to NetID and click Search.

Click the Journal ID to see any journal. For example, Journal 0350842 was Sent Back. It will open in a new window, so your list is still in the background.

- To see the message from the Approver, click Sent Back. The approver's comments appear below the workflow diagram. Click Return to exit workflow.
- To work on the journal, click Modify, perform edits, click Save & Edit to validate the journal, then click Save & Submit to send the journal into workflow again when you finish.

## Summary

In this demonstration, you saw the use of the Budget Journal Search to:

- Search for Budget Journals
- Create and manage lists in Search Results
- View and modify Budget Journals

## 5: Troubleshoot Budget Journals

Using the Budget Journal Search to find and troubleshoot Budget Journals is an important part of budget adjustments. While few journals encounter errors, the ones that do require your attention.

In this video, I'll show some examples and describe a troubleshooting method that you can use in these circumstances.

### Objective

- Troubleshoot Budget Journals with errors.

### Scenario 1

In the first part of the demonstration, you encounter a journal with a set of chart strings that contains an error. Can you tell which chart string is incorrect?

Line 1: 110 4011400 77370

Line 2: 171 4011400 77570

### Demonstration

We start at the Budget Journal Search. Two criteria help you find journals with error statuses: your NetID and the Budget Header Status, Edit Error.

Enter those criteria and click Search.

In this example, I have two journals that need my attention to resolve the error before I can submit it into workflow.

Click the Journal ID to open the journal in a new window.

Once open, the Status field reads Edit Error. Notice the status is hyperlinked, meaning you can click for more information about it. Click Edit Error.

This Budget Errors page, has two sections, Header Errors and Line Errors. In Line Errors, you are told which line on the journal contains an error and you are given an explanation in Message Text.

Message Text is the system's best attempt to speak English! Nonetheless, the messages are sometimes incomprehensible. For that reason, we have published all messages that you may see in a Troubleshooting Guide that is part of this online course and part of a method that you can use to resolve these errors. The guide lists all messages in alphabetical order and gives the potential resolution, that is, the next steps you can take to resolve the error.

Here's the method. (1) Come here as shown to see this message. (2) Lookup the message in the Troubleshooting Guide. (3) Take the recommended next steps.

So let's pretend that I am your troubleshooting guide and that you found this message and the advice for next steps.

The message, "Combo error for fields in group FND\_PRJ" means that one of the ChartFields that comprise the chart string is missing or incorrect. It's also telling us that Line 2 contains the error.

So let's go back to the journal. Click Close.

On the journal, notice that an X appears in Line 2 to tell us again that this line contains the error. Notice also that the lines are gray an ineditable. I cannot edit until I click Modify.

Click Modify. Let's look at the ChartFields on Line 2. Fund 171 is for Discretionary Projects, so a Project ID is always expected when you use the Fund. It is missing here, so suppose you do some questioning and find that the num.

## Scenario 2

Next I'll show you a basic math error. In this example, the chart string is valid and ChartFields are properly combined, but constraints come from the existing budget that we're not aware of.

320 5601120 30008395	73910 (Books)	-500
320 5601120 30008385	73010 (Office Supplies)	500

### Demonstration

To search for a Journal specifically, enter the Journal ID, click Search.

Notice in results that the journal status is Incomplete and that it was not submitted into workflow.

Click the Journal ID to see the journal.

Click Modify.

Click Save and Edit. So we get the error message in a popup window.

In this case, you cannot go forward because the amount of the decrease (\$500) is more than the currently existing base budget amount. So this attempt to replan spending won't work.

In a situation like this, having a complete picture of the budget is the answer, because the Budget Journal doesn't tell you what's in the budget now. Find the picture you need in Cognos reports or NUFinancials Budget Inquiries.

### Scenario 3

Finally, we see budget adjustment business rules in action. In this example, we attempt to replan spending. Can we move planned spending from a gift chart string to an operations chart string?

320 5601120 30008395 73910 -100

110 5600100 73910 100

#### Demonstration

Enter the Journal ID, click Search.

Notice again the status is Incomplete.

Click the Journal ID.

Let's read the Description. This journal is attempting to transfer planned spending from a Gift chart string to an operations chart string in the amount of \$100.

Click Modify.

Click Save & Edit.

In this case, you cannot go forward because of a business rule that prevents moving budgeted amounts between fund types. The message is "All Funds in the budget lines must be the same. An exception is Fund 110, which may move to/from Funds 171, 191, or 192."

So this attempt to replan spending won't work. Generally speaking, budgeted amounts in gift and endowment chart strings remain within gifts and endowments.

This leads to the contrast between budget and actual. If the goal here were to support operations with actual gift funds, the solution is to transfer actual amounts with an Actuals Journal. That is, the gift would become a source of revenues for operations.

Click OK to dismiss the message.

#### Summary

In this demonstration, you saw several kinds of errors that can appear: chart string validations, basic math errors, and the application of business rules.

When you see an error that you cannot interpret, remember the troubleshooting method.

1. Read the message.
2. Consult the Troubleshooting Guide.
3. Take the steps recommended.

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