

MEMBER BUSINESS
SOLUTIONS



Budget Enforcement Overview

Owner of this document is: Scott Wiacek – swiacek@feedingamerica.org

Purpose of this document

This document illustrates the general overview and usage of Budget Enforcement in Ceres.

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Table of Contents

- PURPOSE..... 3**
- SETUP 3**
 - GENERAL LEDGER SETUP3
 - BUDGET NOTIFICATION GROUPS4
 - G/L ACCOUNT7
 - FUNDS10
 - DIMENSIONS12
 - G/L BUDGETS14
 - G/L Budget fields*15
- BUDGET ENTRY PROCESSING..... 17**
- BUDGET CALCULATION 18**
- BUDGET ENFORCEMENT PROCESSING 20**
- RELATED TOPICS:..... 20**

Purpose

Once a Budget is developed, Budget Enforcement allows a Food Bank to be able to enforce the available Budget on transactions. Budget Enforcement applies to all transactions that affect the General Ledger, and use an Account, Fund, and/or Dimension that has been specified on a Budget. Budget Enforcement provides two levels of calculations (warning level or error level) and over budget notifications via e-mail.

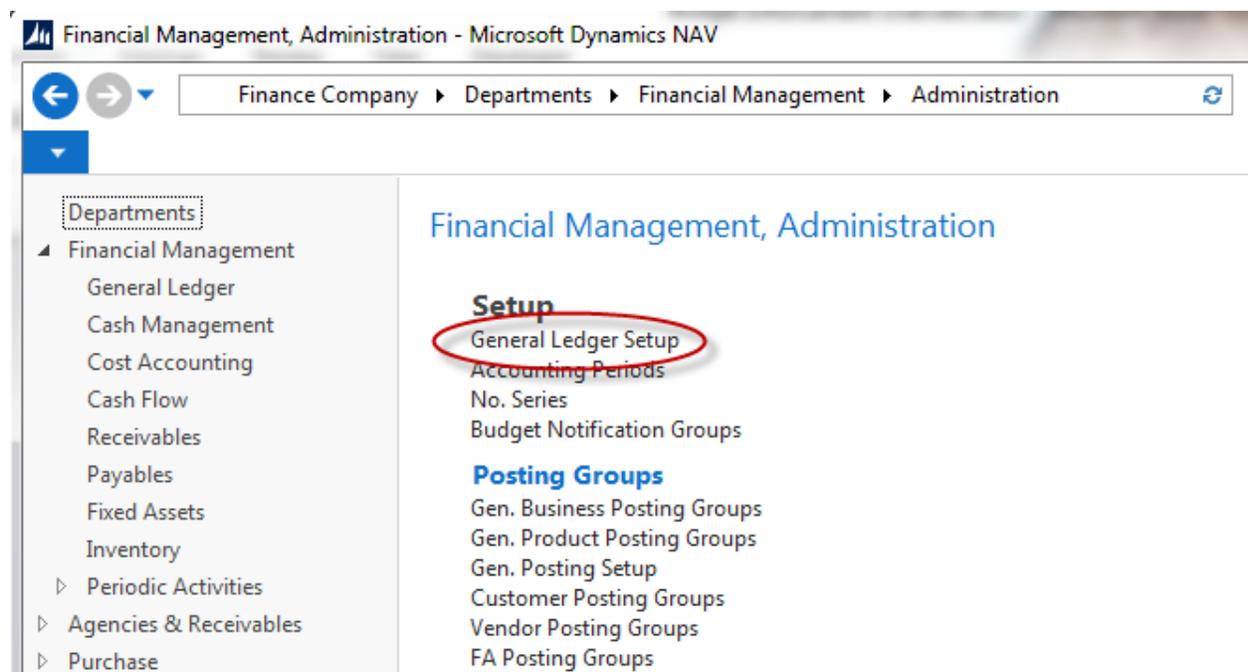
Ceres Object release 4.00.00 is required for the functionality described in this document.

Setup

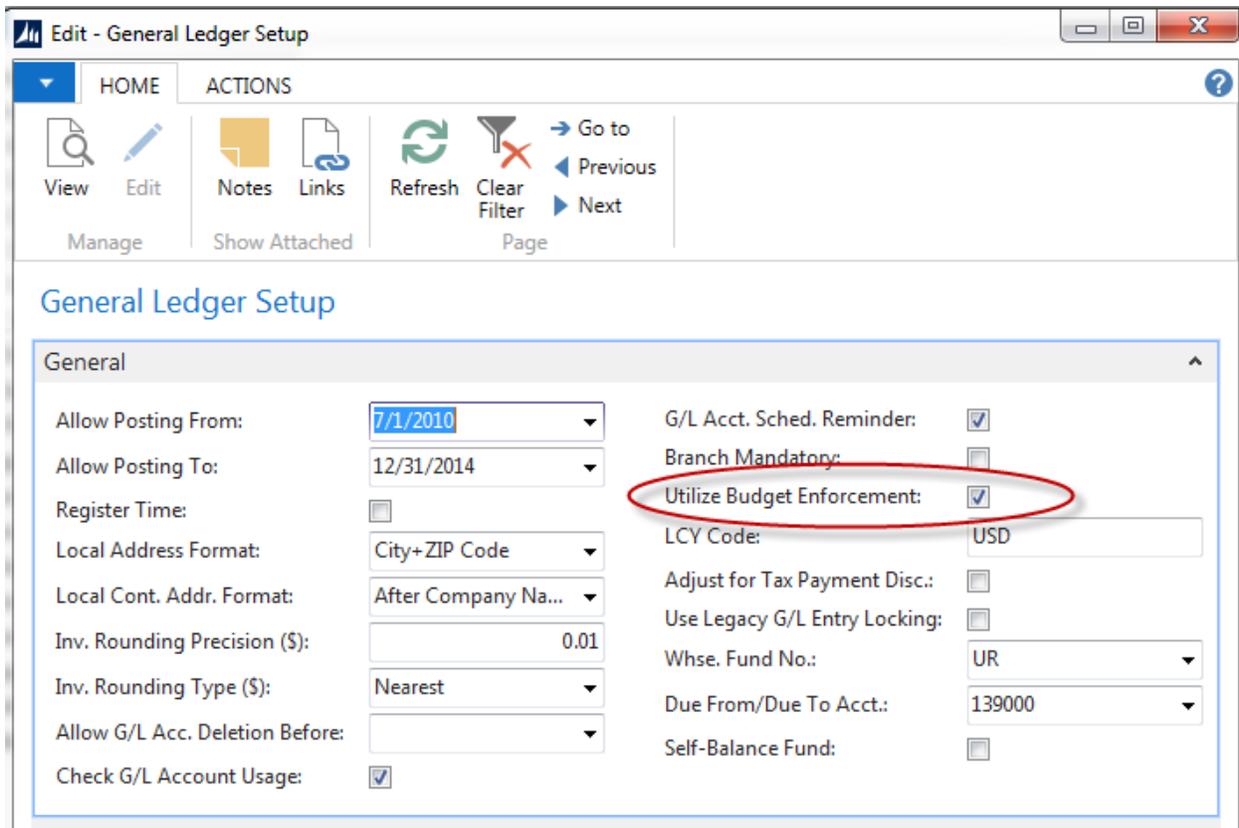
The usage of Budget Enforcement functionality in Ceres requires the functionality to be activated, designating if elements (Account, Fund, and/or Dimensions) are subject to Budget Enforcement, and establishing Budget Notification Groups for over budget e-mail notification.

General Ledger Setup

1. The General Ledger Setup can be accessed from Departments → Financial Management → Administration → Setup → General Ledger Setup

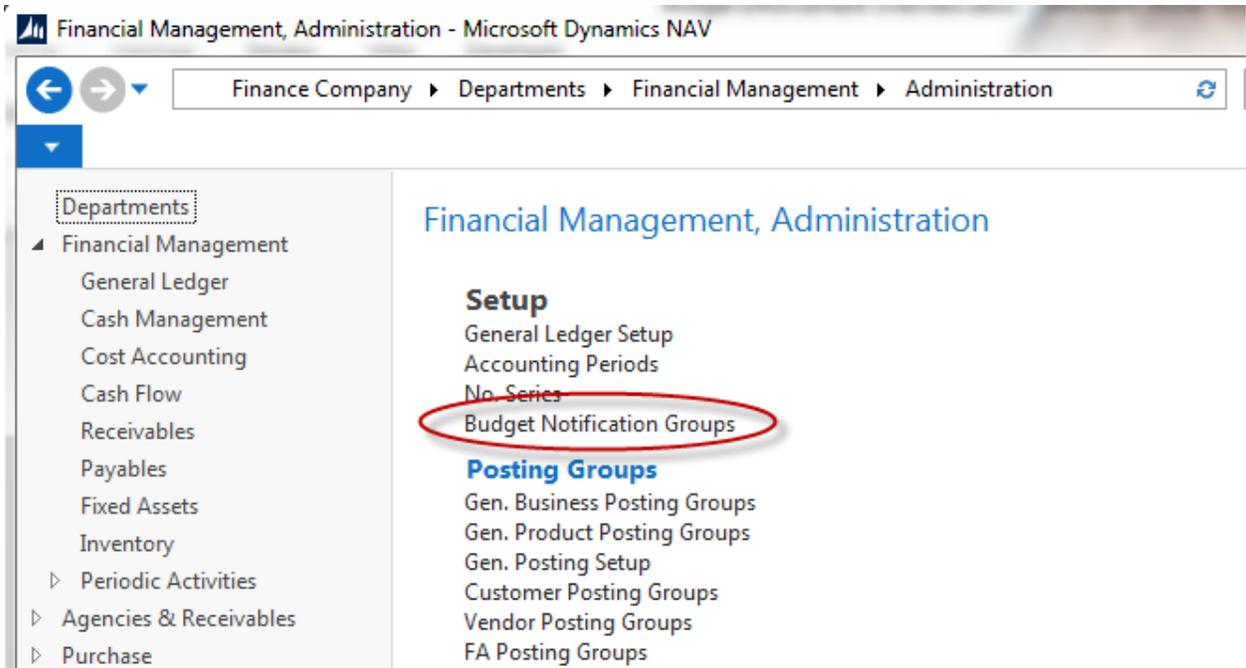


2. From the General Ledger Setup page, General FastTab, check the “Utilize Budget Enforcement” to activate Budget Enforcement.

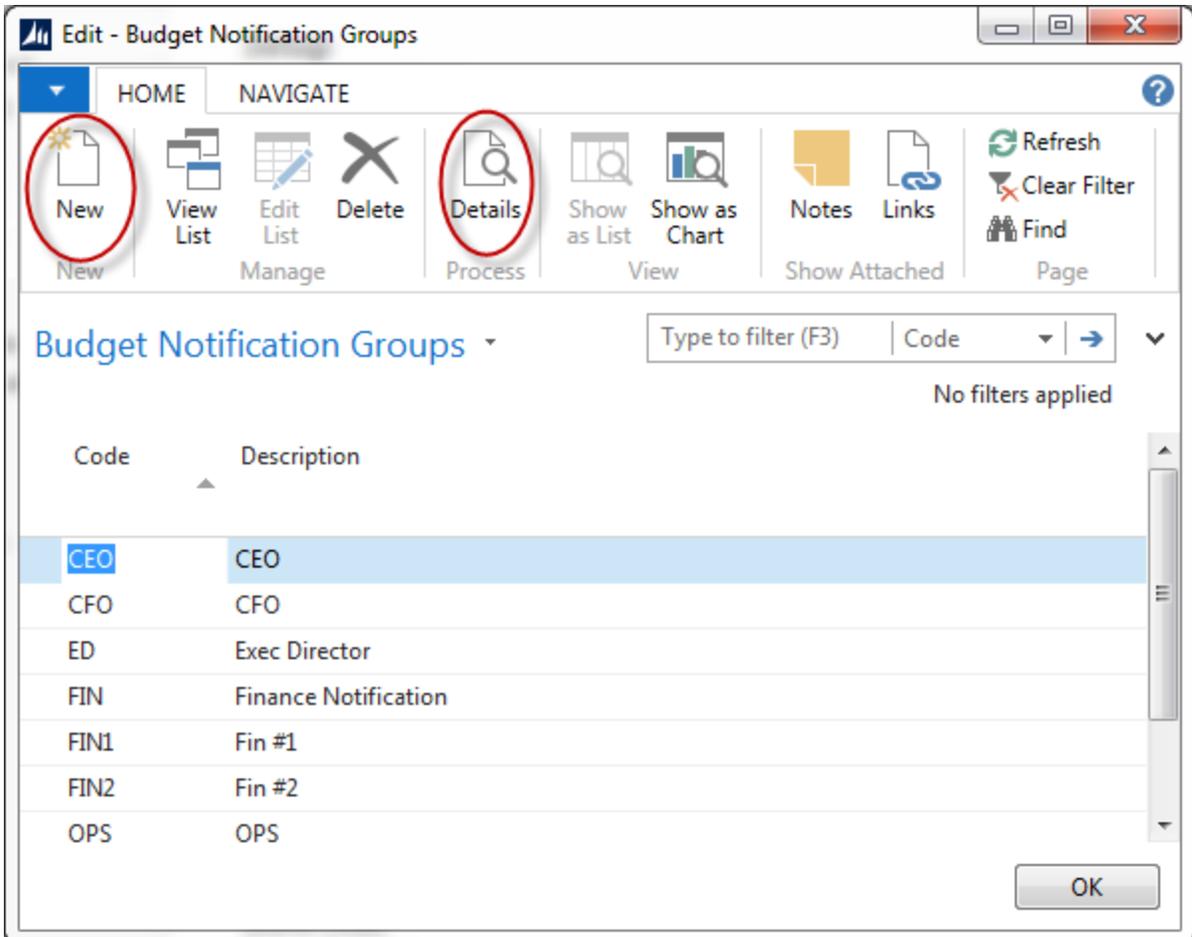


Budget Notification Groups

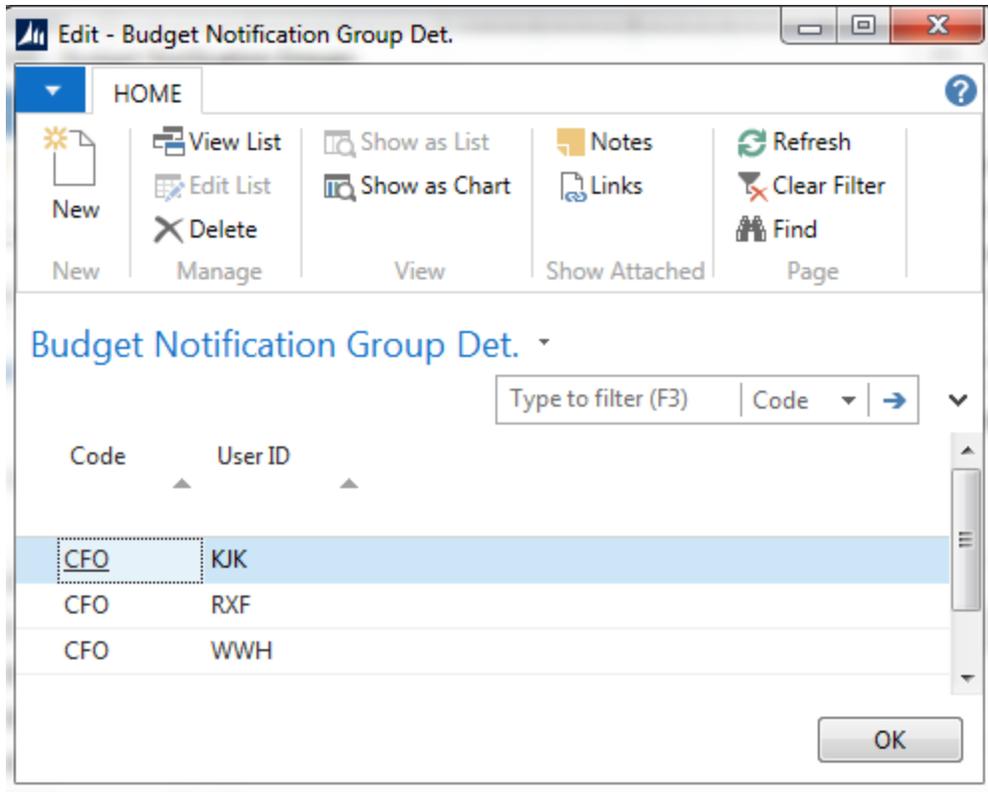
1. Budget Notification Groups can be accessed from Departments → Financial Management → Administration → Setup.



2. Choose "New" to create a new Budget Notification Group, or select Details to see the current Groups Details (i.e. members) or to add new Members to an existing Budget Notification Group.



3. The Budget Notification Group Details page shows the current members of the selected Budget Notification Group.

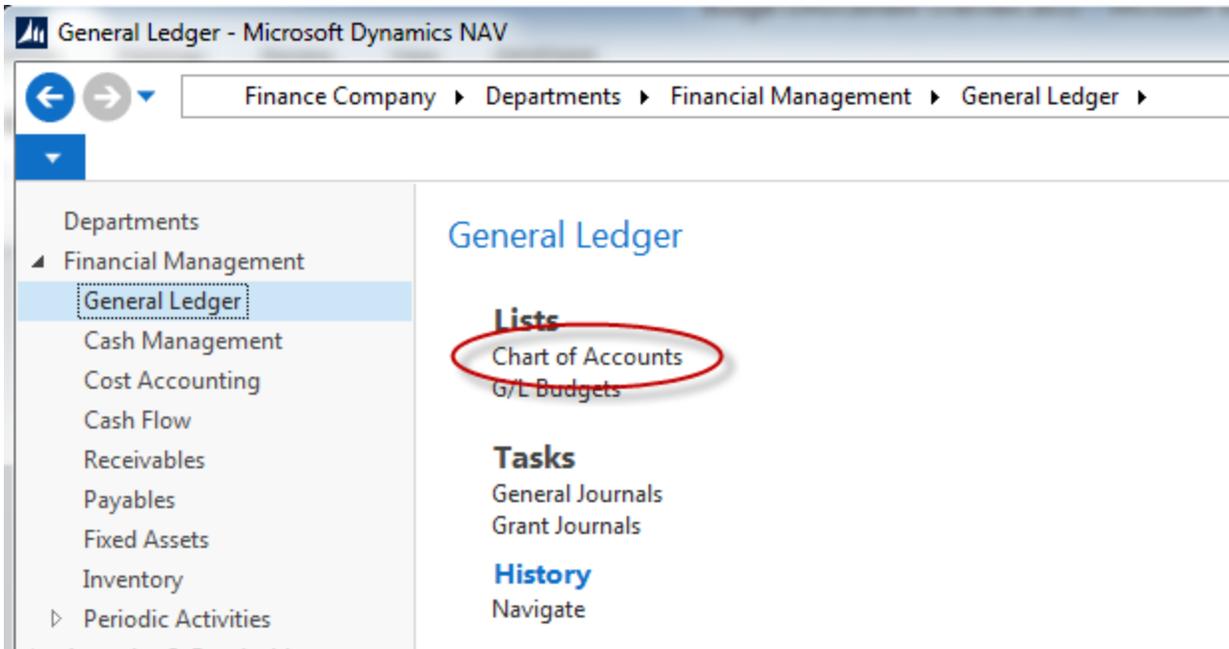


- a. First, you **must** have an E-mail Address specified on the User Setup Page for each user. Then, you may select or add a User to a new or existing Budget Notification Group.
- b. A User ID cannot be added twice to the same Budget Notification Group
- c. A User ID can be added to two different Budget Notification Groups.

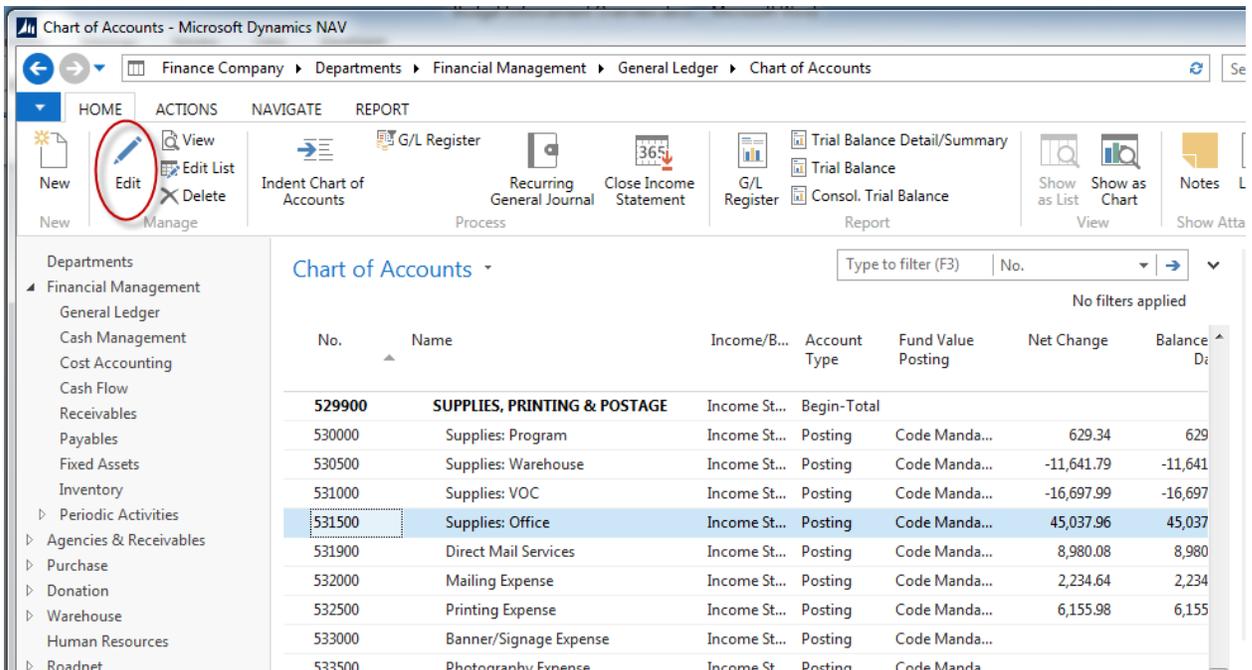
NOTE: If a User ID is added to two different Budget Notification Groups, that User may receive two Budget Notifications for the same transaction.

G/L Account

1. G/L Accounts can be accessed from Departments → Financial Management → General Ledger → Lists → Chart of Accounts



2. Select an Account from the List and Double Click the record or select Home → Manage → Edit to open the G/L Account Card.



- On the G/L Account Card – Posting FastTab, select “Excl. from Budget Enforcement” if you wish to exclude Budget Enforcement from being applied to any transaction posted to this Account.

531500 · Supplies: Office

General			
No.:	531500	New Page:	<input type="checkbox"/>
Name:	Supplies: Office	Search Name:	SUPPLIES: OFFICE
Income/Balance:	Income Statement	Balance:	45,037.96
Debit/Credit:	Both	Reconciliation Account:	<input type="checkbox"/>
Account Type:	Posting	Automatic Ext. Text:	<input type="checkbox"/>
Totaling:		Direct Posting:	<input checked="" type="checkbox"/>
No. of Blank Lines:	0	Blocked:	<input type="checkbox"/>
		Last Date Modified:	8/26/2014

Posting			
Gen. Posting Type:		Fund No.:	UR
Gen. Bus. Posting Group:		Fund Value Posting:	Code Mandatory
Gen. Prod. Posting Group:		Excl. from Budget Enforcement:	<input checked="" type="checkbox"/>
Tax Group Code:		Budget Notification Group:	

NOTE: The default is not to exclude any transactions from Budget Enforcement.

- On the G/L Account Card – Posting FastTab, if a G/L Account is not “Excl. from Budget Enforcement”, you can specify a Budget Notification Group if you would like warning or failure budget notifications to be sent to a Budget Notification Group other than or in addition to the default Budget Notification Group specified on the G/L Budget.

531500 · Supplies: Office

General			
No.:	531500	New Page:	<input type="checkbox"/>
Name:	Supplies: Office	Search Name:	SUPPLIES: OFFICE
Income/Balance:	Income Statement	Balance:	45,037.96
Debit/Credit:	Both	Reconciliation Account:	<input type="checkbox"/>
Account Type:	Posting	Automatic Ext. Text:	<input type="checkbox"/>
Totaling:		Direct Posting:	<input checked="" type="checkbox"/>
No. of Blank Lines:	0	Blocked:	<input type="checkbox"/>
		Last Date Modified:	8/26/2014

Posting			
Gen. Posting Type:		Fund No.:	UR
Gen. Bus. Posting Group:		Fund Value Posting:	Code Mandatory
Gen. Prod. Posting Group:		Excl. from Budget Enforcement:	<input type="checkbox"/>
Tax Group Code:		Budget Notification Group:	FIN1

Funds

1. Funds can be accessed from Departments → Administration → Application Setup → General → Administration → Funds

The screenshot shows the Microsoft Dynamics NAV interface. The breadcrumb navigation path is: Finance Company > Departments > Administration > Application Setup > General > Administration. The left-hand navigation pane is expanded to 'Departments', and the 'Administration' sub-menu is selected. In the main content area, under the heading 'General, Administration', the 'Funds' option is circled in red. Other options listed include 'Fund Types', 'Fund Classes', 'Fund Groups', 'Food Bank Codes', 'Counties', and 'UNC / FBC Validation List'.

- Select the “Excl. from Budget Enforcement” checkbox if you wish to exclude Budget Enforcement from being applied to any transaction posted to this Fund. You can specify a Budget Notification Group if you would like warning or failure budget notifications to be sent to a Budget Notification Group other than or in addition to the default Budget Notification Group specified on the G/L Budget.

Code	Description	Fund Type	Fund Class	Fund Group	Self-balance Fund	Excl. from Budget Enforcement	Budget Notification Group
001	General Fund	GENERAL	UNREST	OTHER	<input type="checkbox"/>	<input type="checkbox"/>	
002	Endowment Fund	ENDOWMENT	PERM	OTHER	<input type="checkbox"/>	<input type="checkbox"/>	
003	Temp Restricted Fund	GENERAL	TEMP	OTHER	<input type="checkbox"/>	<input type="checkbox"/>	
PR	Permanently Restricted				<input type="checkbox"/>	<input checked="" type="checkbox"/>	
TR	Temporarily Restricted				<input type="checkbox"/>	<input checked="" type="checkbox"/>	
UR	Unrestricted				<input type="checkbox"/>	<input checked="" type="checkbox"/>	

NOTE: The default is not to exclude any transactions from Budget Enforcement.

NOTE: See Fund Overview for additional information on setting up Funds.

Dimensions

1. Dimension can be accessed from Departments → Financial Management → Administration → Setup → Dimensions.

The screenshot displays the Microsoft Dynamics NAV interface. The title bar reads "Financial Management, Administration - Microsoft Dynamics NAV". The breadcrumb navigation path is "Finance Company > Departments > Financial Management > Administration". The left-hand navigation pane shows a tree view under "Departments" with "Financial Management" expanded. The right-hand pane, titled "Financial Management, Administration", lists various setup options. The "Dimensions" option is circled in red.

Financial Management, Administration

- Setup**
 - General Ledger Setup
 - Accounting Periods
 - No. Series
 - Budget Notification Groups
- Posting Groups**
 - Gen. Business Posting Groups
 - Gen. Product Posting Groups
 - Gen. Posting Setup
 - Customer Posting Groups
 - Vendor Posting Groups
 - FA Posting Groups
 - Bank Account Posting Groups
 - Inventory Posting Groups
 - Inventory Posting Setup
- Tax Posting Group**
 - Tax Business Posting Groups
 - Tax Product Posting Groups
 - Tax Posting Setup
 - Tax Clauses
- Tax Rate Change**
 - Tax Prod. Posting Group Conv.
 - Gen. Prod. Posting Group Conv.
 - Tax Rate Change Setup
- Trail Codes**
 - Source Codes
 - Source Code Setup
 - Reason Codes
- Dimensions**
 - Dimensions
 - Dimension Combinations
 - Default Dimension Priorities
 - Analysis Views

2. Select a Dimension and then select Navigate → Dimension → Dimension Values to display the Dimension Values for the selected Dimension.

Select the “Excl. from Budget Enforcement” checkbox if you wish to exclude Budget Enforcement from being applied to any transaction posted to this Dimension Value. You can specify a Budget Notification Group if you would like warning or failure budget notifications to be sent to a Budget Notification Group other than or in addition to the default Budget Notification Group specified on the G/L Budget.

Dimension Values ▾

Type to filter (F3) | Code ▾ →

Filter: DEPARTMENT

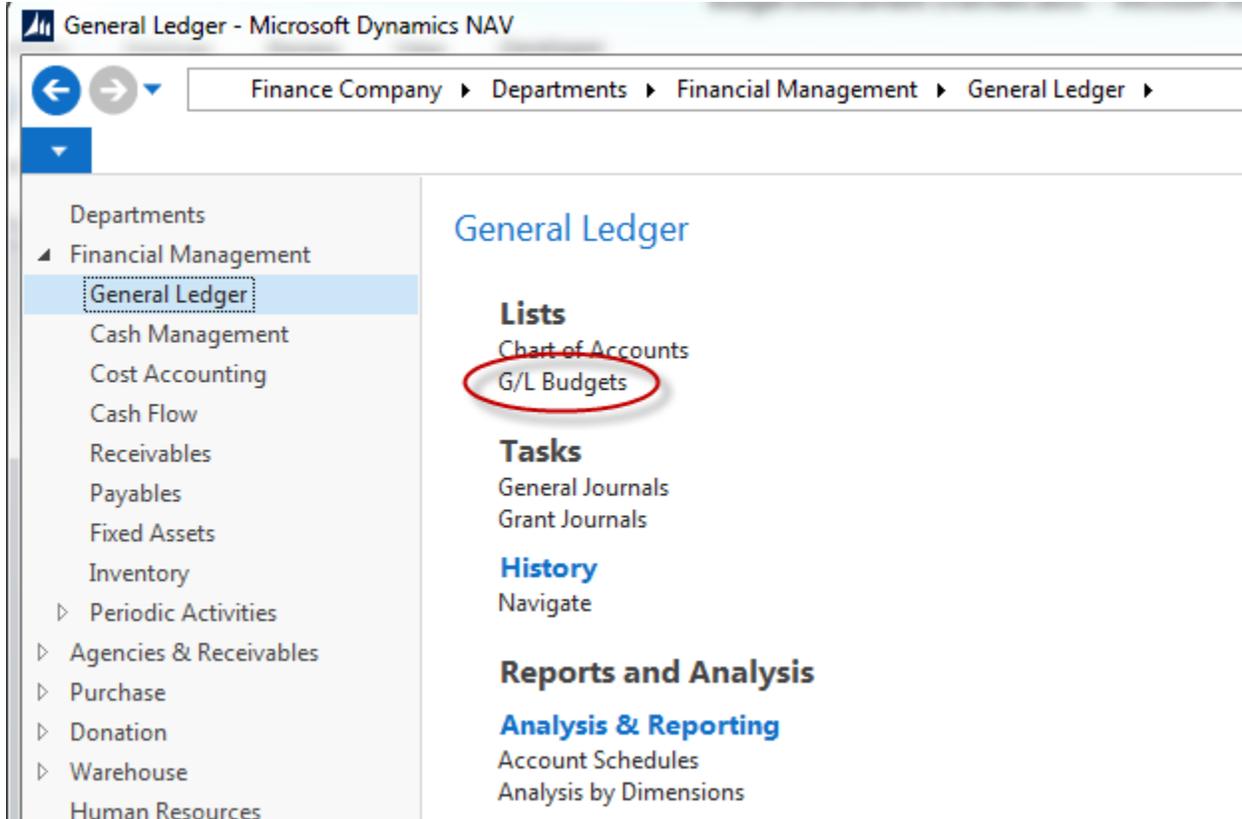
Code	Name	Dimension Value Type	Totaling	Blocked	Excl. from Budget Enforcement	Budget Notification Group
000	Non Department	Standard		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
100	Added for Ceres4 Conversion	Standard		<input type="checkbox"/>	<input type="checkbox"/>	
1000	Administration	Standard		<input type="checkbox"/>	<input type="checkbox"/>	
1008	Admin KDC	Standard		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
1500	Human Resources	Standard		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
2000	Executive (CEO)	Standard		<input type="checkbox"/>	<input type="checkbox"/>	
3000	Information Systems	Standard		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3008	Information Systems KDC	Standard		<input type="checkbox"/>	<input checked="" type="checkbox"/>	
3500	Facilities Management	Standard		<input type="checkbox"/>	<input checked="" type="checkbox"/>	

NOTE: The default is not to exclude any transactions from Budget Enforcement.

NOTE: See GL Dimensions and Dimension Values for additional information on setting up Dimensions.

G/L Budgets

1. G/L Budgets are created/managed from Departments → Financial Management → General Ledger → Lists



Name	Description	Incl. G/L Account in Calc.	Incl. Fund in Calculation	Incl. Global Dim. 1 in Calc.	Incl. Global Dim. 2 in Calc.	Incl. Budget Dim. 1 in Calc.	Incl. Budget Dim. 2 in Calc.	Incl. Budget Dim. 3 in Calc.	Incl. Budget Dim. 4 in Calc.	Req... Fund
2010ALL	Budget for Fiscal Year 10 (07/09 t...	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2010ALL-2	Budget for Fiscal Budget for Fiscal Year 10 (07/09 to 06/10)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2010GRANT	Grant Budget for FY 10 (07/09 to 0...	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
BUDFY12	Budget for Fiscal Year 12 (07/01/1...	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDFY12A	Budget for Fiscal Year 12 (07/01/1...	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
BUDFY13	Budget for Fiscal Year 13 (07/01/1...	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
BUDFY14	Budget for Fiscal Year 14 (07/01/1...	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

NOTE: Select Home → Manage → Edit List to make changes to the G/L Budget fields.

G/L Budget fields

NOTE: You cannot check any of the “Include in Calculation” fields on the G/L Budget until you provide a Start and End Date for the G/L Budget.

1. Incl. G/L Account in Calc. – Select this field to include the G/L Account number when calculating the available budget for this G/L Budget.
2. Require Fund – Select this field to indicate that a Fund No. is required when entering budget transactions for this G/L Budget.
3. Incl. Fund in Calculation – Select this field to include the Fund No. when calculating the available budget for this G/L Budget.
4. Require Global Dimension 1 – Select this field to indicate that Global Dimension 1 is required when entering budget transactions for this G/L Budget.
5. Incl. Global Dim. 1 in Calc. – Select this field to include Global Dimension 1 when calculating the available budget for this G/L Budget.
6. Require Global Dimension 2 – Select this field to indicate that Global Dimension 2 is required when entering budget transactions for this G/L Budget.
7. Incl. Global Dim. 2 in Calc. – Select this field to include Global Dimension 2 when calculating the available budget for this G/L Budget.
8. Budget Dimension 1 Code – Specify the Dimension Code Name to be utilized as Budget Dimension 1.
9. Require Budget Dimension 1 – Select this field to indicate that Budget Dimension 1 is required when entering budget transactions for this G/L Budget.
10. Incl. Budget Dim. 1 in Calc. – Select this field to include Budget Dimension 1 when calculating the available budget for this G/L Budget.
11. Budget Dimension 2 Code – Specify the Dimension Code Name to be utilized as Budget Dimension 2.
12. Require Budget Dimension 2 – Select this field to indicate that Budget Dimension 2 is required when entering budget transactions for this G/L Budget.
13. Incl. Budget Dim. 2 in Calc. – Select this field to include Budget Dimension 2 when calculating the available budget for this G/L Budget.
14. Budget Dimension 3 Code – Specify the Dimension Code Name to be utilized as Budget Dimension 3.

15. Require Budget Dimension 3 – Select this field to indicate that Budget Dimension 3 is required when entering budget transactions for this G/L Budget.
16. Incl. Budget Dim. 3 in Calc. – Select this field to include Budget Dimension 3 when calculating the available budget for this G/L Budget.
17. Budget Dimension 4 Code – Specify the Dimension Code Name to be utilized as Budget Dimension 4.
18. Require Budget Dimension 4 – Select this field to indicate that Budget Dimension 4 is required when entering budget transactions for this G/L Budget.
19. Incl. Budget Dim. 4 in Calc. – Select this field to include Budget Dimension 4 when calculating the available budget for this G/L Budget.
20. Blocked – Select to block the G/L Budget and no longer utilize it for Budget Enforcement
21. Start Date – Enter the starting date of the budget

NOTE: You cannot check any of the “Include in Calculation” fields on the G/L Budget until you provide a Start and End Date for the G/L Budget.

22. End Date – Enter the ending date of the budget

NOTE: You cannot check any of the “Include in Calculation” fields on the G/L Budget until you provide a Start and End Date for the G/L Budget.

23. Failure if No Budget Record – Select this option to trigger a budget failure if there is not a G/L Budget entry for the combination of the “Include in Calculation” fields for this G/L Budget. Without this option selected if a G/L Budget entry is not found for the combination of the “Include in Calculation” fields, a budget failure will NOT be triggered.
24. Def. Budget Notification Group – Specify the Default Budget Notification Group for failure and warning e-mails for this G/L Budget.

NOTE: If Budget Notification Groups are also specified on the G/L Account, Fund, and/or Dimension, an over budget notification will be sent to the users included on those Budget Notification Groups as well as the default Budget Notification Group.

25. Failure % - Specify the percentage of the budget to be used to trigger a budget failure. This can be set to more than 100%. Set to 0% for no failure.

NOTE: If a Budget Failure is triggered, the transaction will not post until the G/L Budget Failure condition has been rectified.

26. Warning % - Specify the percentage of the budget to be used to trigger a budget warning. This can be set to more than 100%. Set to 0% for no warning.

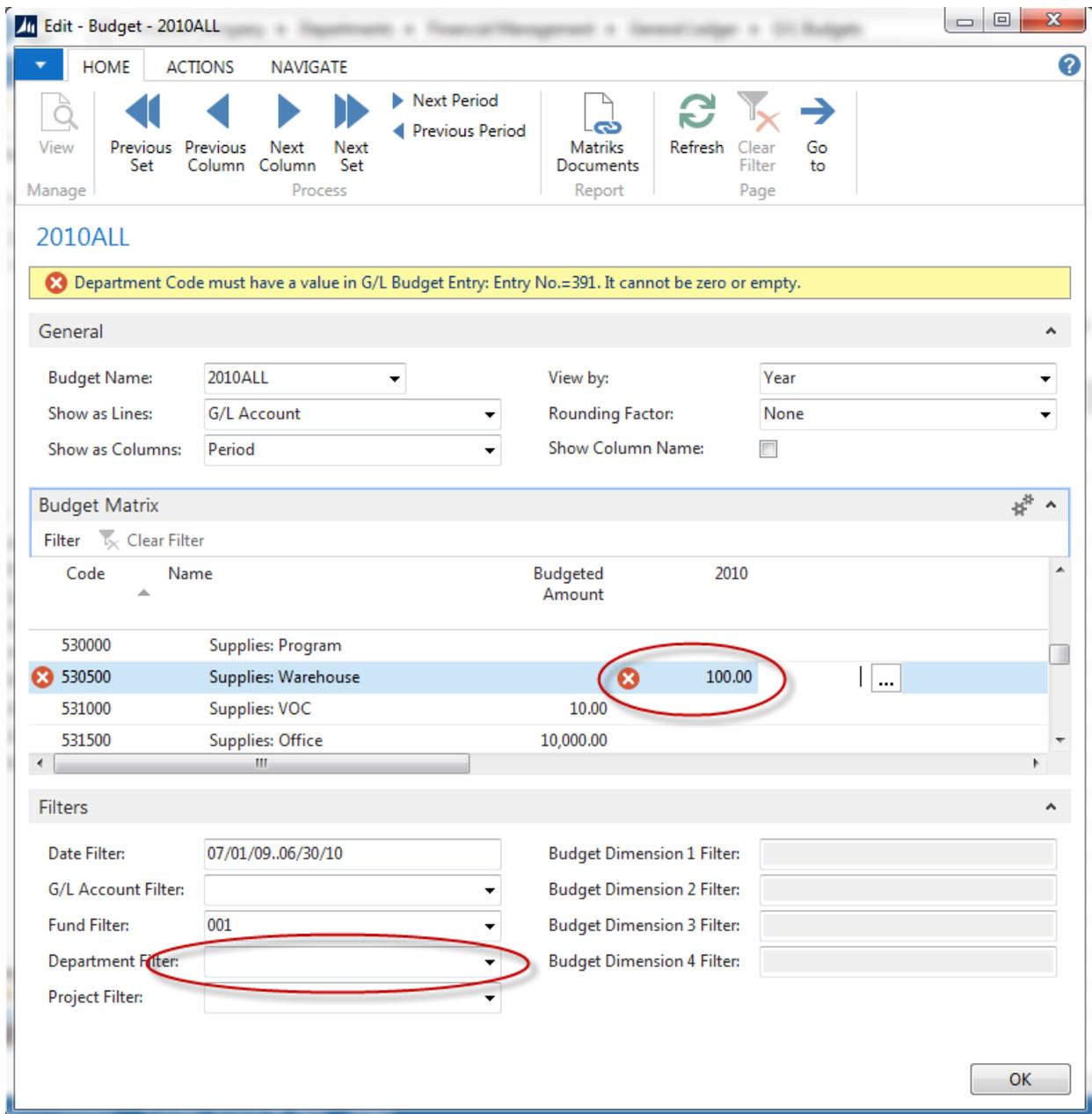
NOTE: If a Budget Failure is triggered, the Budget Warning will be suppressed.

27. Bud. Notification Date Formula – Specify the notification date formula (i.e. 1d= 1 day, 1w= 1 week, 1m = 1 month) to control how many times members of a Budget Notification Group are notified of budget failures and warnings. A blank indicates that a notification will be generated for each attempted transaction posting.

Budget Entry Processing

When a G/L Budget has the “Require Fund”, “Require Global Dimension” and/or “Require Budget Dimension 1, 2, 3, or 4” selected, a Fund and/or Dimension values are required to import or enter budget transactions for the G/L Budget.

For a G/L Budget that has “Require Fund” and “Require Global Dimension 1” selected, if a Global Dimension 1 filter (in this example Department is Global Dimension 1) is not provided (but the Fund filter is) the user will receive the following error upon entering a budget transaction (this also applies to G/L Budget transactions created via the budget import process).



In order to successfully enter a G/L Budget Transaction, the user will need to provide filters for all of the “Require ..” fields selected for the G/L Budget.

Budget Calculation

When Budget Enforcement applies to a transaction the budget is calculated using the following:

1. Based upon the posting date of the transaction, determine which G/L Budget(s) have a Start Date and End Date that are between the posting date(s) of the transaction.

NOTE: This may select more than one G/L Budget. If multiple G/L Budgets are selected each G/L Budget is calculated independently.

2. Retrieve the Budget Calculation controls (i.e. the "Include XXX in Calc." fields) for the G/L Budgets applicable to the transaction (determined in step 1).
3. Calculate the G/L Budget Amount by summing the budget amounts for the calculation controls indicated on the G/L Budget(s) using values from the transaction.
4. Calculate the prior Transaction Amounts by summing the general ledger amounts for the transaction values based upon the calculation controls indicated on the G/L Budget(s).
5. Check for G/L Budget Failure by taking the G/L Budget Amount calculated in step 3 times the Failure % to derive the Available Budget and subtract the prior Transaction Amount and the current Transaction Amount.
 - a. If insufficient budget is calculated, generate an error message and e-mail notification and do not allow the transaction to post.
6. Check for G/L Budget Warning by taking the G/L Budget Amount calculated in step 3 times the Warning % to derive the Available Budget and subtract the prior Transaction Amount and the current Transaction Amount.
 - a. If insufficient budget is calculated, generate a warning message and e-mail notification and allow the transaction to post.

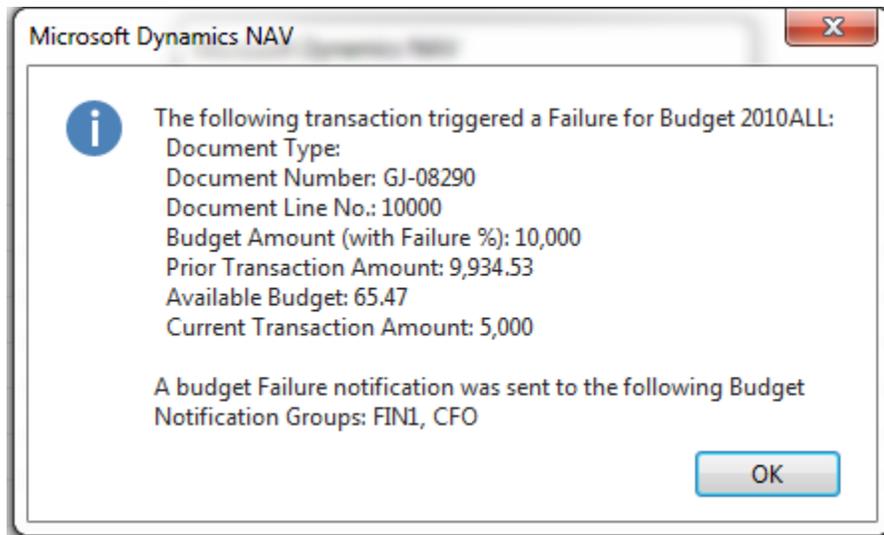
NOTE: If the budget for the calculation controls, indicates an insufficient budget and the current transaction will reduce that insufficient budget, then the transaction will post without generating a G/L Budget Warning or Error.

Budget Enforcement Processing

When configured, Budget Enforcement applies to all transactions where:

1. The transaction affects the General Ledger
2. The transaction uses an Account, Fund, and/or Dimension that is included on a G/L Budget.
3. The transaction does not contain an Account, Fund, and/or Dimension that has “Exclude from Budget Enforcement” selected.
4. The transaction has a posting date that is between the Start Date and End Date specified on a G/L Budget.

Based upon a G/L Account, Fund, and Department Code that has a total G/L Budget of \$10,000, the following error message (and associated e-mail notification) is generated when trying to post a General Journal Entry for \$5,000.00



Related Topics:

1. Budget Overview
2. Budget Import
3. Budget Import Template
4. Fund Overview
5. G/L Dimensions and Values
6. Chart of Accounts Overview