

July 16-2008: Module 2, Planning to Avoid NSF (Non-Sufficient Funds)



For group discussion: Let's spend five minutes talking about module 1, Making Reporting Easier. Any questions or success stories to share?

The processing of Purchase Orders and the posting of automated charges such as Printing & Graphics, Payroll and P-Cards to name only a few, may create a situation where one or more budget FOAPs have relatively low or negative balances. NSF FOAPs will prevent the Processing of POs, and users who do not have override authority (example CML room rental) will not be able to do their work. This in turn, creates work for both them and you...work that can be eliminated by *Planning to Avoid NSF*.



LEARNING OUTCOME

Successful completion of this module should increase your confidence. Before and after each new topic, assign yourself a “confidence rating” for that item.

- Understand the structure of Budget and Actual FOAPs.
- Run the NSF Budget FOAP Detection macro.
- Interpret the data on the report.
- Use ExpressLane Budget Availability.
- Perform a temporary budget transfer.
- Request a permanent budget transfer.

When you have completed the workshop, ask yourself if you feel more confident.

Refresher...

Understanding the structure of Budget and Actual FOAPs.

The difference between Budget and Actual FOAPs usually involves a change in the Org and/or Account elements of a FOAP. Budget Orgs and Accounts are indicated on the hierarchy reports in the far right columns: “Bgt Orgn” and “Bgt Acct”. The actual element is said to “roll-up” to the budget when discussing Orgs, and “pool” when dealing with Accounts.

1. What financial resource would you use to find out if a FOAP is a Budget or actual FOAP?
2. What is the Budget FOAP for 111200-671210-618200-111000?

Running a macro automatically repeats predesigned formatting on an unformatted spreadsheet. In a matter of moments, a macro can perform literally hours of work for you. One note of caution - it is necessary to use a spreadsheet with an identical columnar layout such as a download, for the macro to “understand” how you want your data to look.

Find the macros to run

Excel 2003: Tools > Macro > Macros > Highlight > Run

Excel 2007: Developer > Macros > Highlight > Run

USING THE NSF BUDGET FOAP DETECTION MACRO



Practical Exercise: Download the Revenue and Expense Summary Report from ExpressLane. Remember to use the “Get Actual” download button. From lanecc.edu/ic/macros select NSF Budget FOAP Macro. Following the directions in the macro file, run the macro on the downloaded data.

Orgn* Fund* Grant* Fund Type* Fiscal Year Fiscal Period Reverse Sign on Expenses

453100 611200 [] [] 2004 14

Get Budget Summary Get Actual Summary

Be sure to check the box.

Unformatted data from the Revenue and Expense Summary Report

Num	Division	Dept	Activity	Unl	Budg	FOAP	Actual	FOAP	Fund	Budg	Orgn	Budg	Orgn	Actual	Orgn
1	450000	453000	453100	611200-45	611200-45	611200-45	611200	453100	Center	Foc	453100				
2	450000	453000	453100	611200-45	611200-45	611200-45	611200	453100	Center	Foc	453100				
3	450000	453000	453100	611200-45	611200-45	611200-45	611200	453100	Center	Foc	453100				
4	450000	453000	453100	611200-45	611200-45	611200-45	611200	453100	Center	Foc	453100				
5	450000	453000	453100	611200-45	611200-45	611200-45	611200	453100	Center	Foc	453100				
6	450000	453000	453100	611200-45	611200-45	611200-45	611200	453100	Center	Foc	453100				

Enter the Org and/or Fund, and Fiscal Year and Period

After the first NSF Budget Macro

	E	F	K	O	S	T	U	V
1	Budget FOAP	Actual FOAP	Actual Orgn Description	Actual Account Description	Total Budget	Year to Date	Encumbrances	Budget Availability
18	111200-671201-440010-111000				121,000.00	79,588.50	-	(41,411.50)
19	111200-671201-460000-111000	111200-671201-460000-111000	PE - General	Other Fees & Charges	10,500.00	-	-	(10,500.00)
20	111200-671201-460000-111000	111200-671201-465000-111000	PE - General	Other Fee/Chg-Lost/Non Return	-	5,771.00	-	5,771.00
21	111200-671201-460000-111000				10,500.00	5,771.00	-	(4,729.00)
22	111200-671205-440010-111000	111200-671205-440010-111000	Fitness Education Center	Mandatory Student Fees	80,000.00	-	-	(80,000.00)
23	111200-671205-440010-111000	111200-671205-442000-111000	Fitness Education Center	Mandatory Fees-Gen Class Fee	-	46,380.00	-	46,380.00
24	111200-671205-440010-111000				80,000.00	46,380.00	-	(33,620.00)
25	111200-671001-470500-111000	111200-671001-472100-111000	Health & PE Administration	Net Working Capital-ICP	-	169,425.00	-	169,425.00
26	111200-671001-470500-111000				-	169,425.00	-	169,425.00

After the second macro with one of the lines expanded (click on the + sign).

	E	F	S	T	U	V
1	Budget FOAP	Actual FOAP	Total Budget	Year to Date	Encumbrances	Budget Availability
115	111100-671001-610000-111000 Total		(12,117.00)	(8,631.66)	(1,317.55)	2,167.79
118	111100-671001-612000-111000 Total		(250.00)	(296.00)	-	(46.00)
119	111100-671001-614000-111000	111100-671001-614000-111000	(2,000.00)	-	-	2,000.00
120	111100-671001-614000-111000	111100-671001-614200-111000	-	(390.93)	-	(390.93)
121	111100-671001-614000-111000	111100-671001-614450-111000	-	(905.00)	-	(905.00)
122	111100-671001-614000-111000 Total		(2,000.00)	(1,295.93)	-	704.07

- Write your own notes here about how to find and run the macros.
- Certain amounts are highlighted in yellow on the final format of the report, because the macro is designed to call these to our attention. Speculate about what these mean.

Interpreting the Data

Take a look at the account element of the FOAP.

REVENUE: Remember that if the account begins with a 4 it is a revenue account. The second line of the report is saying that there is \$1,507,560 *budgeted* revenue, and \$1,188,393 *earned* so far this year. Is having less revenue earned than budgeted a thing of concern?



Say for example that this report is from early January. Then we would be only half way through the year, and have earned almost 80% of the expected revenue. Perhaps the data is telling us that the budget is set too low. Maybe we are posting to this account in error, and the posted revenue is higher than it ought to be.

What if today is June 30th? We are at the end of the year and over \$300,000 under earned. Is the budget set too high or has performance been low for reasons that we know, for example several snow days meant fewer days of operations? Could revenue be getting diverted or posted to the wrong account?

PAYROLL: All contracted and management payroll should be on target with the budget for the year. This can be checked using the Position Budget Report in ExpressLane. Part-time classified and faculty, however, merit observation at this level. Consider if you have only 25% of your part-time faculty budget left to use, and it is only Winter term. How will you get through the rest of the year?



What if you have been budgeted more than you need. Could the College use that budget authority better somewhere else?

EXPENDITURES: What usually happens with expenditures is that accounts with automatic postings go NSF. These would be to accounts with postings for P-Cards, Telephone, Bad-Debt, P & G (or other internal departments with NSF override authority).

What would happen if all *those* accounts were overdrawn, and your department spent out the *rest* of the M & S budget? Your department's budget would be overspent and the next fiscal year would begin with negative Net Working Capital. This is borrowing from the future, and is not a best practice considering the current budget environment.

USING EXPRESS LANE BUDGET AVAILABILITY

Anytime you'd like to know the actual amount available for any budget FOAP, it is important to use Budget Availability, which is the only lookup that reports INCOMPLETE encumbrances.

Example: Incomplete Purchase Orders. If you might not have sufficient budget to complete the PO, or have received an NSF message for a PO in process, you may have to transfer funds into the appropriate account. It is a good practice to look up the Available Budget in the account you wish to use before performing a Budget Transfer (discussed in the next section).

5. *What are the Unposted Details in Budget Availability?*

6. *What could be the situation where the NSF Report says the budget FOAP is not NSF, but your*

P.O. says there are insufficient funds?

To check Budget Available balance:

Enter the transaction FOAP and Click "Get Balance" to learn:

- Which Budget FOAP NSF checking is looking at for available budget
- The amount available in that Budget FOAP: (1,584.05 in this example)

Chart	Fund	Org	Account	Program	Fiscal Year
L	921200	540210	640140	310000	2006

Get Balance

Click Get Balance -----

Chart	Fund	Org	Account	Program	Fiscal Year	Available Balance
L	921200	540210	640140	310000	2006	
Actual Budget Level FOAP:						
L	921200	540210	640010	310000	2006	1,584.05

Get Balance View Unposted Details

Now click Get Unposted Details -----

Chart Fund Org Account Program Fiscal Year Available Balance

Actual Budget Level FOAP:
 L 2006 1,584.05

Click Unposted Details to see information about Encumbrances in-process.

Unposted Items

Doc Num	Seq Num	Fiscal Yr	Budg FOAP	Actual FOAP	Adopt Budg	Adjust Budg	YTD	Encumbrance
P0016884	1	2006	921200-540210-640010-310000	921200-540230-640140-310000	0.00	0.00	0.00	10,000.00
P0016951	1	2006	921200-540210-640010-310000	921200-540210-640140-310000	0.00	0.00	0.00	2,000.00

- How is an incomplete P.O. removed?
- How is the balance of a working P.O. removed?



PERFORM A TEMPORARY BUDGET TRANSFER



Depending on how you're set up, you may need to temporarily transfer budget authority to spend, into the accounts you use to manage your budget. These are called temporary transfers because they do not affect the way your budget carries forward to a new fiscal year. For Permanent Budget Transfers, contact the Budget Office.

Practice transfers in the TEST database

- Double entry bookkeeping – “From” & “To”
 - Single line - from one FOAP to one FOAP
 - Multiple line – from/to one or more FOAPs
- Enter the Transfer Amount as the amount of “From” or “To”
 - “From” and “To” amounts must be equal
- Enter the Chart (always “L” for Lane)
- Enter the “From” or “-” FOAP as the location that the funds will transfer out of
- Enter the “To” or “+” FOAP as the location that the funds will transfer in to

Use budget accounts except in Payroll, use actual and include OPE. Whole dollars only.

Transaction Date: 14 JUL 2008
 Journal Type: BXN8 (Temp Budget Adjust - No Fund 8)
 Transfer Amount: 1500
 Document Amount: 0.00

	Chart	Index	Fund	Organization	Account	Program	Activity	Locati
From	L		111100	201500	610000	510000		
To			111100	201500	614000	510000		
Description	Xfer budget for Sept conference			Budget Period	01			

This should be \$150 not \$1500.

If you do not have enough to cover the transfer, your transaction will bounce.

 **Sequence 1:**
 Insufficient budget for sequence 1, suspending transaction.

An NSF message looks like this

Using the back button, correct the problem: In this example, the FOAPs were correct. The amount was incorrect, and exceeded the available budget. Click Complete.

Transaction Date: 30 JUN 2005
 Journal Type: BXN8 (Temporary Budget Adjustment)
 Transfer Amount: 150
 Document Amount: 300.00



Use the multiple-line budget transfer for transactions with more than two lines, example payroll and OPE. Remember for budget transfers for contracted positions you need only submit a PAF for the budget to adjust.

A successful transfer will generate the following confirmation message:

 Document J0019521 completed and forwarded to the approval process.

9. Perform several single and multiple line budget transfers in the ExpressLane TEST database.

REQUEST A PERMANENT BUDGET TRANSFER

Download the template from lanecc.edu/ic/resources.html and complete the request using the example below. Select Recurring or Non-Recurring. If you just want to perform a temporary budget transfer (Non- Recurring), please try to do the transfer yourself in ExpressLane. If you receive an error message, then you'll know that this transaction must be entered by the Budget Office. Please follow the directions at the link above, and below.

MANUAL/RECURRING BUDGET TRANSFER

SUBMITTED BY		J. Q. Customer				DEPT.:	Your department here			DATE	To/da/yy
PURPOSE:		Transfer from travel to office supplies for permanent budget change									
Line	BUDGET TYPE	BUDGET FOAP				AMOUNT	+ /-	DESCRIPTION	CURRENT BUDGET	REVISED BUDGET	
		Fund	Org	Acct.	Program						
1	Recurring	BD02	111100	123456	614000	111000	1,000	-	Trf frm travel to office supplies-perm	5,000	4,000
2	Recurring	BD02	111100	123456	610000	111000	1,000	+	Trf frm travel to office supplies-perm	10,000	11,000
-											
		Budget Analyst				Prepared By	LM	Date	To/da/yy	Total of Reductions & Increases (Banner Check Figure)	2,000
		Budget List	Budget Summ.			Reviewed By		Date			
		BANNER J #				Entered By		Date			

Instructions:

1. Complete form
2. Save to your computer
3. Select File-Send To-Mail Recipient (as attachment) from your menu bar
4. Email to Budget Transfer, CC applicable manager

Deadlines:

Submission Deadline: Tuesdays, 5:00 p.m.
 Processing Deadline: Thursdays, 5:00 p.m.
 (Transfers received after 5:00 p.m. Tuesday will be processed the following week.)

10. Download the [Budget Template](#) and enter the required data. Send to the [Budget Transfer mailbox](#) indicating that it is PRACTICE for the workshop as the subject.

For group discussion:

Restructuring your budget to accomplish your unit plans & program goals.

