

What are my budgeting options for State Funds?

The Budget Office allocates annual budget directly to the departments, rather than to the schools and divisions. Budget checking and control stops a transaction only when the school or division as a whole has insufficient budget by Fund, Source, and Account.

What are my budgeting options for F&A?

Budget for F&A reimbursements are allocated as they are currently. You can distinguish between Carry Forward, Permanent Budget, and Formula Allocations. Based on the terms of the award and for budgeting purposes, there is only one Fund and one Source. The required chartfields for budgeting F&A funds are Fund, Source, and Department. For F&A, a hard-stop occurs when a school or division does not have sufficient F&A balance.

What are my budgeting options for Trust Funds?

There are five rulesets for budgeting trust funds. Trust 1 applies to all non-OSR contract trusts and to the Dental Faculty Practice. Trust 2 is the default when the other rulesets do not apply. For more information about budgeting with Trust Fund rulesets, refer to the Budget Definition Matrix.

| Trust Fund Rulesets | Source Ranges |
|-------------------------------|--|
| Trust 1 | 17900 - 17999; 46000 - 48999 |
| Trust 2 | All other Trust sources |
| Athletics | 18000 - 18999 |
| Student Affairs | 14231, 14233, 14246, 15049, 15071, 15109, 15124, 16070, 16590, 16661, 16735, 19019, 19029, 19040, 19056, 19111-19114 |
| UNC Faculty Physicians | 17000 - 17899 |

If you're unsure of which ruleset to use, find the applicable source or source range.

What are my budgeting options for OSR?

OSR budgets are established via the ConnectCarolina Grants module. Budget can only be spent on expenses as defined in the award, such as travel, supplies, salary, or benefits. For OSR, the following chartfields are required: Fund, Source, Account, Department, PC Business Unit, Project ID, and PC Activity ID. Control is handled by Project ID. A hard-stop occurs when there is an insufficient balance for the Project ID.

There are two budgeting options:

Itemized Budget – Contains major Account budget categories, such as salary, fringe benefits, travel, and indirect.

Summary Budget – Budgeted at a high level of direct and indirect, where the Accounts are not specified.

What's new to budgeting with ConnectCarolina?

Budgeting in ConnectCarolina is done in Commitment Control, an area in the system to set up and maintain rules that control and track budgeted funds, verify that expenditures go against authorized budgets, and record revenue.

Budgeting in ConnectCarolina has many advantages, including:

- The ability to quickly adjust budgets
- Flexible budgeting options for departments
- Controls that reduce the number of transactions routed to the Budget Office

- The ability to validate transactions from ConnectCarolina subsystems, such as Purchasing and Payroll, as well as data imported from other systems, including RAMSeS, CAP, and others
- Increased visibility to analyze and resolve budget exceptions
- User-friendly reporting

Commitment Control tracks the budget, expenses, encumbrances, and pre-encumbrances.

Budget - Money allotted

Expense - Money spent

Encumbrance - Money that must be spent due to legal obligation (Purchase Orders and Payroll only)

Pre-encumbrance - Money that is expected to be spent, but is not under any legal obligation to be spent (Requisitions only)

| Budget Overview Inquiry | | | | | | | | | | | | |
|-------------------------|--------------|-------|---------|--------|--------|---------|---------------|-----------------|-----------|-------------|-----------------|-------------------|
| Budget Overview Results | | | | | | | | | | | | |
| | Ledger Group | Fund | Account | Dept | Source | Program | Budget Period | Budget | Expense | Encumbrance | Pre-Encumbrance | Available Budget* |
| 1 | STATE | 12101 | 511100 | 330100 | 10100 | | 2014 | 1,156,565.000 | 0.000 | 0.000 | 0.000 | 1,156,565.000 |
| 2 | STATE | 12001 | 512100 | 330100 | 10100 | | 2014 | 260,077.000 | 0.000 | 0.000 | 0.000 | 260,077.000 |
| 3 | STATE | 12101 | 512100 | 330100 | 10100 | | 2014 | 226,509.000 | 0.000 | 0.000 | 0.000 | 226,509.000 |
| 4 | STATE | 12001 | 513100 | 330100 | 10100 | | 2014 | 5,000.000 | 0.000 | 0.000 | 0.000 | 5,000.000 |
| 5 | STATE | 12101 | 513100 | 330100 | 10100 | | 2014 | 4,567,540.000 | 0.000 | 0.000 | 0.000 | 4,567,540.000 |
| 6 | STATE | 12001 | 520000 | 330100 | 10100 | | 2014 | 5,000,000.000 | 0.000 | 0.000 | 0.000 | 5,000,000.000 |
| 7 | STATE | 12103 | 520000 | 330100 | 10100 | | 2014 | 100,000,000.000 | 0.000 | 0.000 | 0.000 | 100,000,000.000 |
| 8 | STATE | 12001 | 530000 | 330100 | 10100 | | 2014 | 5,000.000 | 0.000 | 0.000 | 0.000 | 5,000.000 |
| 9 | STATE | 12003 | 530000 | 330100 | 10100 | | 2014 | 0.000 | 4,366.130 | 14,857.150 | 353.360 | -19,576.640 |

What does controlling a budget in the system mean?

Budgetary control ensures that commitments and expenditures do not exceed total budgets. The budget control options are:

- Control, which validates each transaction amount against the available budget. If the transaction exceeds the available budget, it is flagged as an error, and the transaction is stopped.
- Track with Budget, which validates each transaction, verifying that at least a zero dollar budget exists. If there is a budget that matches the transaction, the system allows it to progress, issuing warnings for transactions that exceed the budgeted amount. Transactions fail only if there is no budget matching the transaction.
- Track without Budget, which applies to transactions for which an existing budget is not required. In the case of Trusts and revenue budgets, there are no stops and the transaction is allowed to proceed. State child expense and F&A child expense are checked against the parent budgets.

Note that department and financial leads have the ability to apply additional controls to a budget on specified chartfield strings.

How is control achieved in ConnectCarolina?

Control is performed by a process called budget checking. Budget checking reviews each transaction to determine if the budget's balance is sufficient to cover the transaction. Budget checking also confirms the accuracy of the chartfield strings associated with each budget.

How often does budget checking occur?

Budget checking occurs each time a transaction is:

- budget pre-checked
- submitted for posting

What are budget check exceptions?

Budget check exceptions include warnings and errors. Warnings let departments and financial leads

manage budgets to prevent overspending, but do not prevent the transaction from progressing. This is often referred to as a "soft-stop." Warnings can be related to insufficient budget balance, exceeding a non-controlled budget, and budget dates.

Errors stop a transaction from progressing and are known as "hard-stops." System controls prevent overspending, and use rules to confirm valid chartfield combinations. Error categories include exceeds budget tolerance, no budget exists, chartfield value errors, invalid dates, and translation tree errors.

How do you resolve budget check exceptions?

The most common ways to resolve budget check exceptions are to:

- change to a chartfield string with available budget
- transfer funds to establish or increase the budget
- request a budget or transaction override from the Budget Office for insufficient budget in State and F&A
- request a budget or transaction override from Accounting Services for insufficient budget in Trusts and Capital Improvements

OSR budgets are managed in the ConnectCarolina Grants module, and won't receive budget overrides.

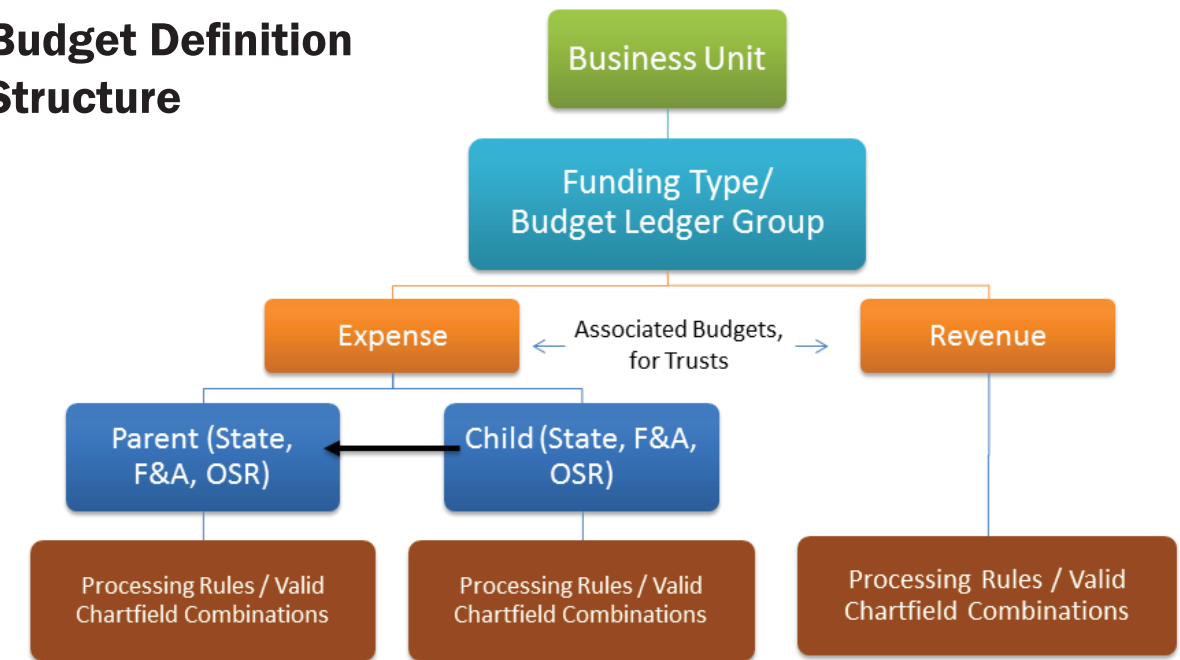
After budget exceptions are corrected, reprocess the transaction to confirm that the budget check exception is resolved.

Where are the budget rules stored in ConnectCarolina?

Budget rules are held in budget definitions, which:

- Identify the funding type or budget ledger group, such as State, F&A, Trust, or OSR
- Designate if it is an expense or a revenue budget
- Identify if Trust expense and Trust revenue budgets are linked or associated
- Indicate if there is a parent/child relationship, when two budget definitions are linked (for State, F&A, OSR only)
- Verify the budget level - detail or rollup - for a chartfield value
- Store the rules for processing transactions
- Contain all valid chartfield combinations

Budget Definition Structure



Parent/Child Budgeting is when two budget definitions are linked together. The relationship establishes budget control at the parent level, and budget management at the child level. The child budget must budget on all of the parent's chartfields, and can use additional chartfields as well.

As for Budgeting Levels, budgets are maintained at a higher level than transactions. For example, you'll use Account chartfield value 530000 to increase or decrease the budget for Supplies and materials. When purchasing printer cartridges, the transaction uses Account chartfield value 531100.

How can I view chartfield values or the budget level for a chartfield?

This information is stored in Trees, a graphical representation of the University's chart of accounts, and which are based on the rules of the University's chartfield structure. Trees display how information is summarized, and are viewed in the system's Tree Viewer. For example, a department tree shows how individual sub-departments are organized, and to which department they report. Understanding the tree hierarchy provides a way to resolve a transaction's exceptions, such as budgeting level and chartfield ranges. Commitment Control uses the Account tree to determine how budget lines are set up, and where financial transactions should look for funds in the budget definition.

How are my budgets funded in ConnectCarolina?

Budgets are funded in several ways. For permanent budgets and F&A formula allocation, these budgets are established for you by the Business Analysis Group. OSR budgets are established by the ConnectCarolina Grants module. All other budgets are established by budget journals, formerly known as one-sided budget transfers.

You may increase or decrease a budget by transferring funding from one budget to another. For every budget credited, another budget is debited. Budget transfer credits and debits must sum to \$0. Additional rules require a budget transfer to be balanced by budget period, Fund, and Source.