

## **Budget Control – Frequently Asked Questions...**

### **1. Why are we doing budget controls?**

With the financial challenges facing not only UT, but many in the business and education sectors, staying on-budget is necessary. President Jacobs has detailed this with UT's budget amendment policy, #3364-40-02, which details procedures to request budgetary exceptions. Go to [http://www.utoledo.edu/policies/administration/finance/pdfs/3364\\_40\\_02.pdf](http://www.utoledo.edu/policies/administration/finance/pdfs/3364_40_02.pdf) to read the full policy.

### **2. What exactly is Budget Controls?**

Budget Controls is automatic monitoring of your expenses as well as your obligations to ensure that the expenses which have been incurred by each Index is not greater than the available budget associated with that index.

### **3. Are all indexes being checked?**

All indexes are being checked and validated. The exception to this are the hospital indexes (those beginning with a "5", loan funds, endowments and agencies).

### **4. Direct Expenditures – how are these checked for budget compliance?**

The direct expenditures which are checked are those accounts which begin with a "7". These expenditures as well as the budgets are totaled, and the comparison for budget compliance is done at that level.

### **5. Labor – How are my labor accounts being checked?**

Currently, expenses and budgets for labor accounts are being checked at an account number level. If your account is over budget (expenses in the account is more than your available budget) an email will be sent.

### **6. What happens if I am over my budget?**

If your expenses are greater than your available budget, the 1<sup>st</sup> level communication will go to the business manager or other designee within your department. They will receive an email automatically - each day that the index is over budget. Weekly emails will be sent to the next higher level (Associate Deans, Directors, etc) and monthly emails will be sent to the highest level (Dean, Directors, Provost & VP). If the account which is over budget is a direct expenditure account, purchasing ability will be eliminated. If this account is a labor account – only emails will be sent at this time.

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### **7. What can I do to prevent this from occurring?**

Within the Web Report Library, a report exists ~ “Budget Statement Summary with Obligation Drill Down”. This is found in the Finance folder within the Departments subfolder. Execute this to determine your budget status. Any budget which has expenses (including obligations) over the available budget amount will have the percentage over budget highlighted on the report. This is the only report in the web report library which will give you an accurate picture of where you stand. It not only looks at actual expenses, but also the obligations which you have incurred.

### **8. I am over budget – what happens?**

When your index has expenses exceeding budget, 2 things will occur. All requisition creations for that index within Lawson will be turned off. You will not have the ability to order items. Any Purchase Order which is being processed will not be affected, invoices will not be affected. In addition to blocking any requisition ordering, any purchasing card which has this index as its primary index will have its credit limit reset to \$1.00 which will eliminate your ability to purchase items with your P-Card.

### **9. Something hit my index incorrectly?**

If you have had expenses incorrectly hit your index, contact the accounting offices to process a journal entry which will move the expenses to the appropriate index – account.

### **10. I have money –not in the right account?**

A budget transfer will be required to move money from an index which has available budget to the index which has caused this issue. Be cautious that moving of available budget dollars does not cause any other budgetary issues,

### **11. I have people traveling and they cannot use the P-Card.**

Please review your reports regularly which will allow you to anticipate the budget transfers which will be required to prevent this from occurring. If this does occur, contact the Accounts Payable department for resolution.

### **12. I have sent through a Budget Transfer – when will I be able to order?**

Once the budget transfer has occurred, this will be processed through the Finance system. Once processed, your budget will no longer be less than your expenses, and the restrictions on ordering and purchasing card spending will be lifted during the overnight processing.

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### **13. I have a grant, and my budget is determined by others, are grants included?**

Yes, grants are included. Part of the process which has been developed will include a department guarantee which will be available to the grant while funding is coming through.

### **14. I have unique situations - how can I make sure these are handled appropriately?**

Many situations arise at the university, if you have a situation which you need assistance with, please contact the General Accounting or Budget offices.