



- b. If appropriation is available but the purchase requisition will not accept, it may be due to no object code presence in the appropriation unit. This can be determined by reviewing the EXPB or EXPC screens. If the object code does not exist for that particular appropriation unit and it is determined that the object code should be added, a "\$0" EB document needs to be processed in CUFS. (See directions on Attachment B.)  
Once the "\$0" EB document has been processed, again review EXPB or EXPC to verify the object code new existence. When the existence of the object code has been verified, the purchase requisition should be sent back to the Purchasing Office for processing.
- c. If appropriation is available, the purchase requisition should be sent back to the Purchasing Office for processing with an explanation that the appropriation is available.
- d. If there is insufficient appropriation, further investigation is needed.
  - (1) Check the online general ledger for each object code in the appropriation unit. During this exercise, check that expenditures charged to the various object codes are appropriate and meet the definition for the object code.
  - (2) To determine if an expenditure has been coded incorrectly, it may be necessary to review the backup materials filed in the Accounts Payable Office.
  - (3) If after review it is determined that an item has been inappropriately charged to a particular object code or appropriation unit, a journal voucher document must be prepared to correct the coding of the expenditure. (See attached journal voucher document, Attachment C.)
  - (4) The journal voucher document should be approved by the Assistant Controller for Accounting and processed by the Cash Management Office.
  - (5) After the journal voucher document has been posted, check APPR to ensure that appropriation has been corrected.
- e. If after review of the online general ledger it is determined that there is insufficient appropriation, prepare the documentation, an explanation of the problem, and proposed solution for the V.P. of Administration and Finance and the V.P. of the affected department. If it is determined that an appropriation transfer is needed to correct the problem, follow the transfer procedures above.

**ATTACHMENTS:**

- A. Appropriation Overview and Summary Explanation of Budget Structure
- B. To Transfer Appropriation and To Add a \$0.00 EB
- C. Journal Voucher Document

## **PROCEDURE 404.2 ATTACHMENT A**

Adopted: September 18, 1998

Certified

by \_\_\_\_\_

Dr. Adolphus Andrews  
Vice President  
Administration and Finance

Revisions Approved:



### **SUBJECT: Appropriation Overview and Summary Explanation of Budget Structure**

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This document explains what an appropriation is and how it works within the CUFS system and Central State University. Reliance on appropriation control and budgeting is a departure from the approach used in past years at CSU. It may also differ from the approach used previously by those new to CSU.

In this environment, appropriation control is the grouping of like objects of expense into six basic categories. These categories are referred to as Appropriation Units within the CUFS system and are often abbreviated as APPR. The six APPR types in use are:

- Salaries - All salary and wage objects such as Academic, Adjunct, Admin., Part time, etc.
- Benefits - The benefits associated with compensation to employees
- Purchased Services - Any service provided by those not employed by CSU
- Operating Expenses - Includes travel, supplies, maintenance, leases, etc.
- Equipment - Self explanatory
- Scholarships - Primarily institutional scholarships from the unrestricted fund

With this approach, an organizational unit has up to six "buckets" of money. Expenditures are recorded at the detailed object level, but the budget control is at the appropriation level. For example: supplies (object 1800) and travel (object 1900) are both in the Operating Expense appropriation for that organization. As long as total cumulative expenditures for all the objects in that appropriation does not exceed the appropriation's budget, they will process in CUFS.

The advantage of this approach is the flexibility it affords the system to adapt to increases or decreases in spending from one object to another. The disadvantage is that CUFS budget control does not distinguish the specific budgets of objects within the same appropriation group. This requires managers to ensure that spending is in line with their detailed budgets for each object in the same appropriation. Attached is a listing of the objects of expense and the appropriation in which they reside.

#### **Background on choosing Appropriation Control**

When the initial FY98 budget was created, four circumstances led to the selection of appropriation control. First, the integrity of the data available from FY97 was a major concern. That lack of data integrity made the object level budgeting basis difficult at best. Second, the new administration was not yet in place. It was anticipated that the new administration would have specific budget philosophies, but until that time, flexibility was needed. Third, CSU did not have a budget director on staff to manage a detailed, object level budget. Fourth, the CUFS consultant recommended the appropriation approach.

**ATTACHMENTS**

B To Transfer Appropriation

C JOURNAL VOUCHER