

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

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

Procedure: 404.2 Attachment B

Page 1 of 2

PROCEDURE 404.2 ATTACHMENT B

Adopted: September 18, 1998

Certified by _____

Dr. Adolphus Andrews
Vice President
Administration and Finance

Revisions Approved:

SUBJECT: TO TRANSFER APPROPRIATION

- | | |
|---|-------------|
| | <u>Proc</u> |
| | A |
| 1. Go to the APPR screen for the FY98 appropriation unit to be increased and print the screen | |
| 2. Go to the APPR screen for the FY98 appropriation unit to be decreased and print the screen | |
| 3. For the appropriation unit to be decreased, go to the EXPC screen to determine which object code will be decreased | |
| <hr/> | |
| | B |
| 4. Create an EB document with a unique ID# | |
| 5. Budget FY:98 with document amount = decrease amount, I/D: D | |
| 6. Line Action: C, APPR unit, object, inc/dec amount, I/D: D | |
| 7. Do a V and W to post the document | |
| <hr/> | |
| | C |
| 8. Create an AA document with a unique ID# | |
| 9. Budget FY:98, action D, APPR # | |
| 10. APPR I/D Amt; decrease amount, I/D: D | |
| 11. Do a V and W to post the document | |
| <hr/> | |
| | D |
| 12. Create an AA document with a unique ID# | |
| 13. Budget FY:98, action C, APPR # | |
| 14. APPR I/D Amt: increase amount, I/D: I | |
| 15. Do a V and W to post the document | |
| <hr/> | |
| | E |
| 16. Create an EB document with a unique ID# | |

17. Budget FY:98 with document amount=increase amount, I/D: I
18. Line Action: C, APPR unit, object, inc/dec amount, I/D: I
20. Do a V and W to post the document

F

21. Go to the APPR screen for the FY98 appropriation unit increased to verify action occurred and print the screen
 22. Go to the APPR screen for the FY98 appropriation unit decreased to verify action occurred and print the screen
-

Procedure 404.2 ATTACHMENT B
2

Page 2 of

PROCEDURE 404.2 ATTACHMENT B

Adopted: September 18, 1998

Revisions Approved:

.....
SUBJECT: TO ADD A \$0.00 EB

Proc

A

1. Create an EB document with a unique ID#
 2. Budget FY:98 with document amount =\$0.00, ID: blank
 3. Line Action: A, APPR unit, object, inc/dec amount: \$0.00 I/D: blank
 4. Do a V and W to post the document
-

B

5. Create an AA document with a unique ID#
 6. Budget FY:98, action: C, APPR#
 7. APPR I/D Amt: \$0.00, I/D:blank
 8. Do a V and W to post the document
-

ATTACHMENT

C Journal Voucher

JOURNAL VOUCHER DOCUMENT TOTAL

Date Prepared _____ **Date Posted** _____

Prepared by _____ **Approved by** _____ **Posted**
by _____