

# Chapter 4 - System Controls and Options

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## Chapter 4 - System Controls and Options

### Overview

This chapter discusses the AFS system options and various controls that allow users to tailor AFS to best fit their accounting procedures and reporting requirements. All options are explained in detail, including the valid codes to use in recording your selections.

All options are recorded in AFS master tables. Although master table maintenance actions, as described in the *ISIS/AFS Online Features Guide*, may be used to modify control option table entries, it is highly recommended that they not be changed in the middle of a fiscal year. If changed, the integrity of your accounting records for a fiscal year that is governed by two sets of accounting standards may be jeopardized.

Most of the AFS options are centralized in several master tables. Figure 4-1 lists the control options discussed in this topic and the associated table where the option is maintained. Figures 4-2 through 4-10 are copies of the master table maintenance screens for those tables. Refer to the *ISIS/AFS Online Features* for more details.

Note that the appropriation and expense budget master tables are not identified as master table maintenance screens, since those tables are not user-maintained. Rather, they are maintained by the system as a result of transaction processing. The options in those tables are chosen on a line by line basis, on the appropriation and expense budget transactions.

**Figure 4-1**  
Control Options

Function	Control Option	Table
Budgetary Controls	Appropriation	Fund (FUN2)
	Category	Appropriation Inquiry (EAP2)
	Expense Budget	Fund (FUN2)
	Revenue Budget	Fund (FUN2)
	Budget Authority Option	Appropriation Inquiry (EAP2)
	Spending Control	Expense Budget Inquiry (EEX2)
Entry Options	Appropriation Organization Option	Fund Agency (FGY2)
	Expense Budget Organization Option	Fund Agency (FGY2)
	Revenue Budget Organization Option	Fund Agency (FGY2)
	JV Cash Indicator Required	System Control Options (SOP2)
	Reporting Category Required on Revenue & Spending Transaction Options	Agency (AGC2)
	Sub-Object Required	Expense Budget Inquiry (EEX2)
	Sub-Revenue Source Required	Revenue Source (RSR2)
Expenditure Cycle Controls	Check Cash Indicator	Appropriation Inquiry (EAP2)
	Internal Cash Voucher Option	System Control Options (SOPT)
	Object is Related to Payroll	Object (OBJ2)

Function	Control Option	Table
Expenditure Cycle Controls, cont.	Payment Tolerance Percent or Amount	System Control Options (SOPT)
	System Payment Lag	System Control Options (SOPT)
	Schedule Discount Date	System Control Options (SOPT)
	Summarize Disbursements	System Control Options (SOPT)
	Vendor Control Option	System Control Options (SOPT)
	Vendor/Commodity Control	System Control Options (SOPT)
	Stop Vendor Payment	System Control Options (SOPT)
Federal Aid Management Options	Federal Aid Installed	Fund Agency (FGY2)
	Federal Aid Organization Option	Fund Agency (FGY2)
	Federal Aid Object Class Option	Fund Agency (FGY2)
	Federal Aid Revenue Class Option	Fund Agency (FGY2)
Miscellaneous Options	Account Balance	Fund (FUN2)
	Backup Withholding	Vendor (VEN2)
	Backup Withholding	System Control Options (SOPT)
	Backup Withholding Rate	System Control Options (SOPT)
	Note Days	System Control Options (SOP2)

Function	Control Option	Table
Miscellaneous Options, cont.	Number of Pre-note Days	System Control Options (SOPT)
	Prior Document Reference	System Control Options (SOP2)
	Project Accounting	System Control Options (SOP2)
	Vendor Name	System Control Options (SOP2)
	Extended Purchasing	System Control Options (SOP2)
	Inventory Control	System Control Options (SOP2)
	Warrant Indicator	Appropriation Group Code (GRPC)
	State General Revenue Indicator	Appropriation Group Code (GRPC)

**Figure 4-2**  
Agency (AGC2)

```

ACTION: . SCREEN: AGC2 USERID:

                                A G E N C Y

01-
  FISCAL YEAR= ..      AGENCY= ...
    NAME: .....          SHORT NAME: .....
    MANAGER: .....      APPROVAL: .
    CLASS: ....  CATEGORY: ....  TYPE: ....  GROUP: ....
    REPT CAT REQD ON EXP: .  REPT CAT REQD ON REV: .
    CHECK CAT: .. BUDGET PHASE: .  EXCLUDE BUDGET PREP: .
                                APPLICATION TYPE: ..

02-
  FISCAL YEAR= ..      AGENCY= ...
    NAME: .....          SHORT NAME: .....
    MANAGER: .....      APPROVAL: .
    CLASS: ....  CATEGORY: ....  TYPE: ....  GROUP: ....
    REPT CAT REQD ON EXP: .  REPT CAT REQD ON REV: .
    CHECK CAT: .. BUDGET PHASE: .  EXCLUDE BUDGET PREP: .
                                APPLICATION TYPE: ..
    
```

**Figure 4-3**  
Appropriation  
Inquiry (EAP2)

```

ACTION: . SCREEN: EAP2  USERID:

                                A P P R O P R I A T I O N   I N Q U I R Y   ( E X T E N D E D )

BUDGET FY= ..      FUND= ....  AGENCY= ...  ORGANIZATION= ....  APPR UNIT= .....
APPR TYPE: ..  MY IND: .  STATUS: .  APPR END DATE: ..  BUD AUTH OPT: .
APPR NAME: .....  APPR SHORT NAME: .....
CAT CNTL: .  GRPC: ..  CHECK CASH: .  BOND SERIES NUMBER: .....
RECEIPTS: ORIG EST: .....  CUR EST: .....  ACT: .....
  APPROP:      ORIG: .....  CUR: .....  BEG DAY: .....

  BEGIN CASH BAL: .....  REVERTED AMT: .....
  TRANSFER IN AMT: .....  TRANSFER OUT AMT: .....

  BUD AUTH: .....  ALLOT: .....  EXP BUD: .....

  PRE-ENCUMBERED AMT: .....  CURRENT AMOUNTS  BEGIN DAY AMOUNTS
  ENCUMBERED AMT: .....
  EXPENDED AMT: .....

UNCOMMITTED: ..... / ..... %  UNEXPENDED: ..... / ..... %
    
```

**Figure 4-4**  
*Balance Sheet Account (BAC2)*

```

ACTION: . SCREEN: BAC2 USERID:

          B A L A N C E   S H E E T   A C C O U N T

01-
FISCAL YEAR= ..          BS ACCOUNT= ....
NAME: ..... SHORT NAME: .....
CLASS: ... CATEGORY: .. TYPE: .. GROUP: ..
VALID FUND/BS ACCOUNT IND: . REPT CAT OPT: . CASH IND: .
ADMN FUND: .... CONTRIBUTION IND: . SWEEP IND: . FASB CLASS: .

02-
FISCAL YEAR= ..          BS ACCOUNT= ....
NAME: ..... SHORT NAME: .....
CLASS: ... CATEGORY: .. TYPE: .. GROUP: ..
VALID FUND/BS ACCOUNT IND: . REPT CAT OPT: . CASH IND: .
ADMN FUND: .... CONTRIBUTION IND: . SWEEP IND: . FASB CLASS: .

03-
FISCAL YEAR= ..          BS ACCOUNT= ....
NAME: ..... SHORT NAME: .....
CLASS: ... CATEGORY: .. TYPE: .. GROUP: ..
VALID FUND/BS ACCOUNT IND: . REPT CAT OPT: . CASH IND: .
ADMN FUND: .... CONTRIBUTION IND: . SWEEP IND: . FASB CLASS: .
    
```

**Figure 4-5**  
*Expense Budget Inquiry (EEX2)*

```

ACTION: . SCREEN: EEX2 USERID:

          E X P E N S E   B U D G E T   I N Q U I R Y   ( E X T E N D E D )

BUDGET FY= ..          FUND= ..... AGENCY= ... ORGANIZATION= ....
APPR UNIT= ..... ACTIVITY= .... FUNCTION= ..... OBJECT= ....
BUDGETED POS: ..... SPENDING CONTROL IND: . REV SOURCE REF 1: ....
STATUS IND: . SUB-OBJECT OPT: . REV SOURCE REF 2: ....
REV SOURCE REF 3: ....

          CURRENT AMOUNTS          BEGIN DAY AMOUNTS
          -----          -----

APPROV BUDGETED AMT: .....
CUR MOD BUDGETED AMT: .....
PRE-ENCUMBERED AMT: .....
ENCUMBERED AMT: .....
EXPENDED AMT: .....
LINE DESCRIPTION: .....

          --- AVAILABLE FUNDS ---
UNCOMMITTED BALANCE: ..... UNEXPENDED BALANCE: .....
PERCENT COMMITTED: ..... % PERCENT EXPENDED: ..... %
    
```

**Figure 4-6**  
Fund Agency  
(FGY2)

```

ACTION: . SCREEN: FGY2 USERID:

                                F U N D   A G E N C Y

FISC YEAR= ..                FUND= ....                AGENCY= ...
PLAN FREQ: .                JOB/PROJ IND: .

----- ORGANIZATION OPTIONS -----
EXPENSE BUDGET: .                REVENUE BUDGET: .
APPROPRIATION: .                ALLOTMENT: .

----- ACTIVITY OPTIONS -----
EXPENSE BUDGET: .                REVENUE BUDGET: .

----- FUNCTION OPTIONS -----
EXPENSE BUDGET: .

----- FEDERAL AID OPTIONS -----
FA IND: .                ORGANIZATION: .                OBJECT CLASS: .
ACTIVITY: .                FUNCTION: .                REVENUE CLASS: .
    
```

**Figure 4-7**  
Fund (FUN2)

```

ACTION: . SCREEN: FUN2 USERID:

                                F U N D

FISCAL YEAR= ..                FUND= ....

NAME: .....                SHORT NAME: .....
CLASS: ...                CATEGORY: ..                TYPE: .                GROUP: .
STATE/BOND: .                BANK ACCT CODE: ..

----- CONTROL OPTIONS -----
EXPENSE BUDGET: .                REVENUE BUDGET: .                APPROPRIATION: .
BS ACCT BALANCE: .                ALLOTMENT: .                ALLOTMENT FREQUENCY: .
FUND BALANCE: .                CASH EDIT IND: .                CASH EDIT POOL FUND: ...
SWEEP IND: .                MEMO DEPRECIATION: .                NEGATIVE EQUITY IND: .

SUMB OPTIONS --> ORG: . APPR: . ACTV: . FUNC: . CLASS: . CATEGORY: . TYPE: .
SUMR OPTIONS --> ORG: .                ACTV: .                CLASS: . CATEGORY: . TYPE: .

----- ORDER TO PAYMENT TOLERANCE -----
AMOUNT: .....                IND: .                %: ..
    
```

**Figure 4-8**  
*Appropriation  
 Group Code  
 (GRPC)*

```

ACTION: . SCREEN: GRPC USERID:

          A P P R O P R I A T I O N   G R O U P   C O D E
GROUP    WARRANT   ST GEN REV
CODE     INDICATOR INDICATOR
=====
01- .. .....
02- .. .....
03- .. .....
04- .. .....
05- .. .....
06- .. .....
07- .. .....
08- .. .....
09- .. .....
10- .. .....
11- .. .....
12- .. .....
13- .. .....
14- .. .....
    
```

**Figure 4-9**  
*Revenue Source  
 (RSR2)*

```

ACTION: . SCREEN: RSR2 USERID:

          R E V E N U E   S O U R C E

01-
FISCAL YEAR= .. REVENUE SOURCE= ....
NAME: ..... SHORT NAME: .....
CLASS: ... CATEGORY: .. TYPE: .. GROUP: ..
FHWA REVENUE CREDIT: . OPER/NON-OPER IND: .
PROJECT FUND TYPE: .. OFFSET BILL RECV ACCT: ....
USE TAX OPTION: . SUB-REV SOURCE OPTION: .
FASB CLASS: .

02-
FISCAL YEAR= .. REVENUE SOURCE= ....
NAME: ..... SHORT NAME: .....
CLASS: ... CATEGORY: .. TYPE: .. GROUP: ..
FHWA REVENUE CREDIT: . OPER/NON-OPER IND: .
PROJECT FUND TYPE: .. OFFSET BILL RECV ACCT: ....
USE TAX OPTION: . SUB-REV SOURCE OPTION: .
FASB CLASS: .
    
```

**Figure 4-10a**  
*System Control Options (SOPT)*  
 (1 of 2)

```

ACTION: .  SCREEN:  SOPT   USERID:

      S Y S T E M   C O N T R O L   O P T I O N S   ( 1   O F   2 )

FISCAL YEAR= ..

----- EXPENDITURE ACCOUNTING -----
INTERNAL CASH VOUCHER OPTION: .          VENDOR/COMM CONTROL OPTION: .
PAYMENT TOLERANCE AMOUNT: .....        PAYMENT TOLERANCE %: ..
      SYSTEM PAYMENT LAG: ...           SUMMARIZE DISBURSEMENTS: .
      PENALTY OPTION: .                 PENALTY LAG: ... %: ..
      SCHEDULE DISCOUNT DATE: .       VENDOR CONTROL OPTION: .
STOP VENDOR PAYMENT OPTION: .          BFY MUST EQUAL FY IND: .
      WARRANT OPTION: .                 WARRANT CLEARING FUND OPTION: .
VIEW VOIDED CHECKS OPTION: .           NUMBER OF PRENOTE DAYS: ...
BACKUP WITHHOLDING OPTION: .           BACKUP WITHHOLDING RATE: ..
EXPIRATION OF FUNDS OPTION: .

----- ACCOUNTS RECEIVABLE -----
FINANCE CHARGE OPTION: .              USE TAX OPTION: .
    
```

**Figure 4-10b**  
*System Control Options (SOP2)*  
 (2 of 2)

```

ACTION: .  SCREEN:  SOP2   USERID:

      S Y S T E M   C O N T R O L   O P T I O N S   ( 2   O F   2 )

FISCAL YEAR= ..

----- GENERAL ACCOUNTING OPTIONS -----
PRIOR DOC REFERENCE: .                 VENDOR NAME: .
      VERIFY: .                         JV PAYROLL ENCUMBRANCE: .
      OBLIGATION CARRY: .               NOTE DAYS: ...
UPDATE APPR FROM EB: .                 REAL TIME LEDGER: .
      PROJECT ACCOUNTING: .             JV CASH FLOW IND: .
FASB/GASB INSTITUTION: .              ALLOTMENT AMOUNT DEFAULT: .
      NACUBO: .

----- SUBSYSTEM OPTIONS -----
      JOB COST: .                       FLEET MANAGEMENT: .
EXTENDED PURCHASING: .                 INVENTORY CONTROL: .
ADVANCED BUDGET PREP: .                 FA HISTORY FLAG: .
ADVANCED RECEIVABLES: .                 DEBT MGMT WITH INVESTMENT: .
      ADVANCED GRANTS: .                 PROJECT BILLING: .
AUTOMATED GRNTS ENTRIES: .
    
```

## Budgetary Controls

The AFS budgetary controls establish the extent of control that the budgetary structure, created via the AFS budget module, is to have over accounting transactions.

In AFS, all expense budget lines, revenue budget lines, and units of appropriation may exist in two statuses: active or inactive. The active status is the normal state and prevails until a budget line or unit of appropriation is specifically made inactive. Obligation/revenue transactions cannot be recorded against inactive lines if control at the fund level is set to "Full Control". A budget line or unit of appropriation is rendered inactive by a special code used on the appropriate transaction input screen. An inactive line is made active again in the same manner. Inactive lines are available for online inquiry and reporting. The status of any budget line or unit of appropriation can be seen in the appropriate budgetary master table.

## Appropriation Control Option

This option establishes the extent of control that appropriations are to exercise over obligations. A different level of control may be chosen for each fund in the system. The controls chosen are specified in Fund (FUN2). The various levels of control and the respective codes to use in selecting them are:

- **"C" for Full Control.** Total obligations charged against the unit of appropriation cannot exceed the budgeted authority amount.
- **"P" for Presence Control.** All expenditure transactions within the fund must be associated with an appropriation code, but the appropriation amount may be exceeded.
- **"N" for No Control.** Units of appropriation may not be established within the fund.

Each of these options is discussed in more detail below.

## Appropriation Full Control

When this option is chosen, pre-encumbrances (requisitions), encumbrances (purchase orders) and most expenditures (payment vouchers, payroll vouchers, and expenditure journal vouchers) cannot exceed the budgeted authority amount. The exceptions are Manual Warrant (MW) transactions, which may exceed the appropriation amount with a high-level override. See page 4-17 for more detail on determining the budgeted authority amount.

The **Appropriation Full Control** Option can be overridden when processing payment voucher documents. When the amount of a payment voucher exceeds the current budgeted or unobligated amount from the appropriation table, an overrideable error message is issued. This error message can be overridden and a payment voucher can be processed by a person with override authority. J5 interface documents will override full control; i.e., no error message is issued.

Obligations are the sum of encumbrances plus expended amounts, except when requisitions are being processed. If requisitions are processed, the obligated amount is the sum of pre-encumbrances, encumbrances, and expended amounts. All of these amounts are maintained in Appropriation Inquiry (EAP2).

The advantages of choosing this option are:

- In conjunction with expense budget presence control, it provides a means of encumbrance and expenditure control at a higher level than the object of expenditure (expense budget full control). Ensures a controlled budget by rejecting transactions that exceed appropriations, while providing budgetary flexibility at the line item level.
- Encourages the development of a realistic budget.

The disadvantages are:

- Where the budget is not realistic, a significant number of transactions could be rejected.
- Users coding expenditure transactions must, to some extent, understand the budget structure.

**Appropriation  
Presence Control**

This option requires that there is an active appropriation budget (in Appropriation Inquiry [EAP2]) that corresponds to the accounting line coded on the expenditure transaction. The availability of funds within the appropriation is not checked.

The advantage of choosing this option is that it ensures that expenditures are aligned with appropriations. The disadvantage is that obligations must be monitored manually to ensure a controlled budget.

**Appropriation  
No Control**

This option does not require obligations to have any relationship to appropriations. It should be chosen when a fund is not governed by appropriations. Expense budget lines for funds with this option may not contain a unit of appropriation code, and units of appropriation may not be established for those funds.

The Appropriation Control Option is set to "C" for Louisiana.

## Category Control Option

This option establishes the extent of control that the expense budget is to exercise over object categories. A different level of control may be chosen for multiple appropriations within a single fund. The controls chosen are specified on the Appropriation Input Form (AP) and are stored on Appropriation Inquiry (EAP2). The various levels of control and the respective codes to use in selecting them are:

- **"C" for Full Control.** Total expenditures charged against the object category budget cannot exceed the remaining available budget amounts on Appropriation by Object Category Inquiry (APCT). This setting is used for ISIS Operating Appropriations in Louisiana.
- **"P" for Presence Control.** All expenditure transactions within the appropriation unit must be associated with a pre-defined object category budget on APCT, but the budget amount may be exceeded. This setting is currently not used in Louisiana.
- **"N" for No Control.** Expenditure transactions are not checked against the object category budget. In Louisiana, all Means of Financing and Non-ISIS Operating Appropriations have Category Control set to "N".

The system maintains Appropriation By Object Category Inquiry (APCT) according to actual transactions processed, so that total pre-encumbrance, encumbrance, and expended amounts by accounting distribution are available for online inquiry.

Each of these options is discussed in more detail below.

## Category Full Control

When this option is chosen, pre-encumbrances (requisitions), encumbrances (purchase orders) and most expenditures (payment vouchers, payroll vouchers, and expenditure journal vouchers) cannot exceed the budgeted authority amount. The exception is the Manual Warrant (MW) transaction, which may exceed the appropriation amount with a high-level override.

The advantages of choosing this option are that it:

- Ensures a controlled budget by rejecting transactions that exceed budgetary amounts, while providing budgetary flexibility at the object category level.
- Encourages the development of a realistic budget.

The disadvantages are:

- Where the budget is not realistic, a significant number of transactions could be rejected.
- Users coding expenditure transactions must, to some extent, understand the budget structure.

**Category  
Presence Control**

This option requires that an active object category budget exist on Appropriation By Object Category Inquiry (APCT) that corresponds to the accounting line coded on the expenditure transaction. The availability of funds within the object category budget is not checked.

The advantage of choosing this option is that it ensures that expenditures are aligned with established object category budgets. The disadvantage is that obligations must be monitored manually to ensure a controlled budget.

**Category  
No Control**

This option does not require expenditures to have any relationship to budgets at the object category level.

With the "No Control" option, the system maintains Appropriation By Object Category Inquiry (APCT) according to actual transactions processed. This provides total pre-encumbrance, encumbrance, and expended amounts by accounting distribution for online inquiry.

**Expense Budget  
Control Option**

This option establishes the extent of control that the expense budget is to exercise over obligations. Different levels of control may be chosen for different funds in your system. The controls chosen are specified in Fund (FUN2), in the column labeled Expense Budget Control. The various levels of control and the respective codes to use in Fund (FUN2) are:

- **"C" for Full Control.** Total obligations (sum of encumbrances and expenditures) charged against a budget line cannot exceed the current modified budgeted amount.
- **"P" for Presence Control.** A budget line with the same accounting distribution that is coded on the expenditure transaction must exist for the expenditure transaction to be valid, but the current modified budgeted amount may be exceeded.
- **"N" for No Control.** Expenditure transactions are not checked against the expense budget. The system maintains the Expense Budget Table according to actual expenditures made, so that total encumbrance and expended amounts by accounting distribution are available for online inquiry.
- **Optional Full Control.** This is a fourth option that enforces full control for selected expense budget lines. This option is implemented by performing both of the following:
  - coding "P" or "N" in the Expense Budget field on Fund (FUN2)

- choosing the full control lines by coding a "Y" in the "spending control indicator" column on the expense budget transaction input form. This column should remain blank on lines for which presence or no control is to remain in effect.

Each of these options is discussed in more detail below.

**Expense Budget  
Full Control**

When this option is chosen, all pre-encumbrances (requisitions), encumbrances (purchase orders) and expenditures (payment vouchers, manual warrants, payroll vouchers, and expenditure journal vouchers) must be coded to match existing budget lines, *and* the total obligations recorded against the budget line cannot exceed the current modified budgeted amount. In other words, this option ensures that adequate funds exist to cover the obligation.

The **Expense Budget Full Control** Option can be overridden only when processing payment voucher or journal voucher documents. When the amount of a payment voucher exceeds the current budgeted or unobligated amount from the expense budget table, an overrideable error message is issued. This error message can be overridden and a payment voucher can be processed by a person with override authority.

Obligations are the sum of encumbrances plus expended amounts, except when requisitions are being processed. If requisitions are processed, the obligation amount is the sum of pre-encumbrances, encumbrances, and expended amounts. All of these amounts are maintained in the Expense Budget Inquiry (EEX2).

This option is the strictest type of encumbrance and obligation control in AFS. It requires not only that the budgetary structure be designed with care, but also that the budgetary line amounts accurately reflect requirements. It requires regular monitoring and updating of the budget, to ensure that the budgetary amounts agree with newly evolved policies and requirements. Budget line amounts may have to be adjusted periodically to redistribute available funds.

The advantages of choosing this option are:

- Strict encumbrance and obligation controls are implemented.
- Encourages realistic budget preparation. Calls attention to original budget inadequacies.

The disadvantages are:

- May increase the number of rejected expenditure transactions.
- Requires constant budget monitoring. Unbudgeted expenditures must be incorporated into the budget before the obligation will be accepted by AFS.

- Users coding expenditure transactions must, to some extent, understand the budget structure.

**Expense Budget  
Presence Control**

When this option is chosen, all pre-encumbrances, encumbrances, and expenditures must be coded to match existing budget lines, but there is no check on the availability of funds.

This option provides a reasonable level of control on invalid types of expenditures, since expenditures must be aligned within the budget structure. Since this level of control does not check against budgeted amounts, the individual line amounts do not have to be monitored once the budget is established. In fact, budgetary line amounts may be zero.

The advantages of choosing this option are:

- Ensures that expenditures are aligned within the budgetary structure.
- Can be used in combination with line item full control to implement strict control over particular areas of concern within the fund, while maintaining flexibility for the rest of the fund. (See the discussion of the fourth expense budget control option.)

The disadvantages are:

- Users coding expenditure transactions must, to some extent, understand the budget structure.
- Lines must be added to the budget before the obligation will be accepted by AFS.

**Expense Budget  
No Control**

When this option is chosen, no checks are made against the budget structure before expenditure transactions are accepted. Also, an expense budget may not be established by the user - although actual expenditures are maintained.

When expense budget no control is chosen, the system automatically creates budget lines in Expense Budget Inquiry (EEX2) that match the accounting distributions used on expenditure accounting transactions. Thus, summary obligation balances will be available for online inquiry and reporting, even though the AFS budgeting facilities at this level are not used. Lines created by the system in this manner contain zero dollar budget line amounts.

The advantages of choosing this option are:

- An expense budget document does not have to be prepared.
- A line item budgetary structure will exist for the next year, based on the previous year's obligations.

- Can be used in combination with line item full control to implement strict control over particular areas of concern within the fund, while maintaining flexibility for the rest of the fund. (See the discussion of the fourth expense budget control option.)

The disadvantage is the absence of any budgetary guidelines.

**Expense Budget Full/Presence Control**

This option permits full control on specific budget lines in a fund for which presence or no control is chosen. It is used to fully control obligations on one or several specific lines without imposing full control on the entire fund. For example, you may want to strictly control travel obligations within a fund, but allow freer spending for other obligations.

Since line item full control is implemented on expense budget transactions, some guidelines should be established to direct the use of this feature by the users who code the budget transactions.

**Other Notes on Expense Budget Control**

Expense budget presence control, in combination with appropriation and/or allotment full control, provides an encumbrance and obligation control at the unit of appropriation level instead of the expense budget line. At the same time, the expense budget presence control option ensures that expenditures are aligned with the budgetary structure.

The Expense Budget Control Option is set to "N" for Louisiana.

**Revenue Budget Control Option**

This option establishes whether the revenue budget is to exercise any control over the way in which revenue is posted. This option is chosen by fund, in Fund (FUN2). The two levels of control and the respective codes to use in selecting them are:

- **"P" for Presence Control.** A budget line with the same codes as the revenue to be recognized must exist for the revenue transaction to be valid, but the budgeted amount may be exceeded. By using Revenue Budget Inquiry (REV2), AFS validates combinations of codes used on revenue accounting transactions. This ensures that revenue is posted to established accounts.
- **"N" for No Control.** No checks are made against the budget structure before revenue accounting transactions are accepted. For funds with this option, the system automatically creates budget lines with zero budget amounts as revenue is recorded on accounting transactions. This provides summary revenue recognition balances for online inquiry and reporting purposes, even for funds not using the revenue budgeting facilities.

The Revenue Budget Control Option is set to "N" for Louisiana.

**Budget Authority Option**

This option defines the budget authority amount used as the basis for the check for available amounts when Appropriation Full Control is chosen. This option is chosen individually for each appropriation. The choice is made when the appropriation is established with the appropriation transaction. It is stored in Appropriation Inquiry (EAP2). In Louisiana, amounts are never entered in both the appropriation amount and the estimated receipt amount. The five types of budget authority are:

- **"N" for Appropriation Only.** This means that the budget authority for the appropriation is the appropriation amount.
- **"A" for Actual Receipts.** This means that the budget authority for the appropriation is the actual receipts against the appropriation.
- **"E" for Estimated Receipts.** This means that the budget authority for the appropriation is the estimated receipts against the appropriation.
- **"L" for Lesser of actual or estimated receipts.** This means that the budget authority for the appropriation is either the actual receipts against the appropriation or the estimated receipts, whichever is smaller.

Each of these options is discussed in more detail below.

This option applies only when appropriation full control is in effect. If appropriation full control is in effect and the budget authority option field is not coded on the appropriation transaction, it defaults to "N".

**Appropriation Only**

When this option is chosen, the appropriation full control check on available amounts uses the current modified appropriation amount as the obligation limit. You will probably want most of your operating funds to be governed with this option.

The advantages of choosing this option are:

- Appropriation control is based strictly on legislated amounts.
- Reference appropriation codes do not have to be coded in the revenue budget.

**Actual Receipts**

This option permits revenue received from taxes, fees, fund-raising, gifts, etc., to be considered by the expenditure control process. Revenues are linked to units of appropriation through the revenue budget, similar to the way in which expenditures are linked to appropriations through the expense budget. The actual receipt amount collected against a unit of appropriation is maintained in Appropriation Inquiry (EAP2).

The advantages of this option are:

- Expenditure control is more realistic for appropriations that depend on considerable outside revenue.
- An expense budget that includes all sources of spending authority (both appropriated budget and revenue receipts) can be established.

**Estimated Receipts**

This option permits *anticipated* revenue to be received from taxes, fees, fundraising gifts, etc. to be considered by the expenditure control process. Estimated receipts are entered when the appropriation transaction is processed and recorded on Appropriation Inquiry (EAP2). As actual receipts are collected, they can also be recorded against the appropriation. Thus, estimated can be compared to actual receipts and adjusted as needed throughout the budget year.

The advantage of this option is that expenditures may be limited to an estimated receipt amount.

The disadvantage is that actual receipts may fall short of estimated receipts, creating a situation where expenditures have been made without the corresponding funding to support them. When this happens, funding from other sources will need to be transferred to cover any deficit.

**Lesser of Actual or Estimated Receipts**

This option uses actual receipts as the limit on expenditures until the actual receipts become greater than the estimated receipts. Then the estimated receipts becomes the expenditure control limit. The actual receipts are accumulated from revenue transactions through the revenue budget, as mentioned above. The estimated receipt amount may be entered on the appropriation transaction. It is maintained in Appropriation Inquiry (EAP2).

The advantages of this option are:

- By limiting expenditures to the estimated receipts, you can establish a point where expenditure priorities should be reexamined because receipts are much greater than expected.
- It may be easier to establish the expense budget when receipts have been estimated. (This point can be an advantage of the other options as well. Estimated receipts can be entered into the system for any appropriation, even if this option is not chosen.)

The disadvantage is that when actual receipts exceed estimated amounts, expenditures will be rejected when enough cash exists to cover them.

**Spending Control**

This option is selected on the Expense Budget (EB) document and stored on Expense Budget Inquiry (EEX2). This option permits full control on specific budget lines. It is used to fully control obligations on one or several specific lines without imposing full control on the entire fund. For example, you may want to strictly control travel obligations within a fund, but allow a more liberal spending policy for other types of obligations.

Since line item full control is implemented on expense budget transactions, guidelines for using this feature should be established for the users who enter the budget transactions.

**Entry Options**

This group of options governs the minimum requirements for coding of different data attributes on budgeting and/or accounting transactions. They are described in detail below.

**Appropriation Organization Option**

This option specifies whether an appropriation budget is to be established by organization. A decision must be made for each fund/agency combination and the choices recorded in Fund Agency (FGY2). The following options are available:

- "Y" requires the coding of organization on all appropriation and expenditure accounting transactions.
- "A" requires an organization code on all appropriation and expenditure accounting transactions, but precludes the coding of organization codes on appropriation transactions.
- "N" makes organization codes optional on all expenditure accounting transactions and precludes the coding of organization on appropriation transactions.

The "Y" option must be chosen when funds are appropriated at the organizational level. If "Y" is chosen, the organization coded on the appropriation transaction must be defined as an appropriation level organization in Organization (ORG2).

When organizational units have been set up within an agency for other than budgetary purposes, then the "N" option may be desirable. Note that when "N" is chosen, expense budgets may still be established by organization.

The Appropriation Organization Option is set to "A" for Louisiana.

**Expense Budget  
Organization  
Option**

This option specifies whether the expense budget is to be established by organization. A decision must be made for each fund/agency combination and the choices recorded in Fund Agency (FGY2). The Expense and Revenue Budget Organization options must be set to the same value. The following options are available:

- "Y" requires the coding of organization on all expense budget and expenditure accounting transactions.
- "A" requires an organization code on all accounting transactions, but precludes the coding of organization codes on budget lines.
- "N" makes organization codes optional on all expenditure accounting transactions and precludes the coding of organization on expense budget transactions.

The "Y" option must be chosen when an agency budgets at the organizational level. If "Y" is chosen, the organization coded on the expense budget transaction must be defined as an expense budget level organization in Organization (ORG2).

The "A" option should be selected by agencies that budget by organization but require activity cost accounting records. No activity budgeting may be performed when this option is chosen.

When organizational units have been set up within an agency for other than budgetary purposes, then the "N" option may be desirable. Note that when "N" is chosen, budgeting cannot be done by organization.

The Expense Budget Organization Option is set to "Y" for Louisiana.

**Revenue Budget  
Organization  
Option**

This option establishes whether the revenue budget is to be established by organization. A decision must be made for each fund/agency combination, and the choices recorded in Fund Agency (FGY2). The Expense and Revenue Budget Activity options must be set to the same value. The following options are available:

- "Y" requires organization codes on all revenue budget and revenue accounting transactions.
- "A" requires an organization code on all accounting transactions, but precludes the coding of activity codes on budget lines.
- "N" makes organization codes optional on revenue accounting transactions and precludes the coding of organization on revenue budget transactions.

The decisions made for this option depend on the purpose of the organizational unit within an agency and its associated reporting requirements.

The Revenue Budget Organization Option is set to "Y" for Louisiana.

**JV Cash Flow  
INA Option**

Select this option on System Control Options (SOP2). When this option is set to "Y", an entry is required in the Cash field on the Journal Voucher.

The JV Cash Indicator Required in set to "Y" for Louisiana.

**Reporting  
Category  
(Spending &  
Revenue  
Transactions)**

These options establish whether the reporting category code is required as part of the accounting distribution by agency and transaction category. A transaction category is either revenue or spending. The options are made for each agency, by transaction category, and the choices recorded on Agency (AGC2). Options available under each transaction category are listed below. In Louisiana, this option is always set to "N".

Note that under the spending transaction category, code requirements affect all subsequent transactions in the document processing chain. For example, option 1 implies that the attribute is required on pre-encumbrance, encumbrance and expenditure transactions; option 2 covers expenditure as well as encumbrance transactions.

Spending Category (SP)	
"N"	Code is optional.
"1"	Code is required on pre-encumbrance transactions (RQ).
"2"	Code is required on encumbrance transactions (PO).
"3"	Code is required on expenditure transactions (PV, P1, MW, JV Acct Types 22, 23, and 24)

Revenue Category (RV)	
"Y"	Code is required.
"N"	Code is optional.

**Sub-Object Option** This feature is not used in Louisiana. Sub-objects are always optional coding elements on expenditure transactions. This option establishes whether the sub-object code is required as part of the accounting distribution on expenditure accounting transactions. The decision must be made for each expense budget line when the expense budget is established, in the sub-object option field. The choices made are stored in Expense Budget Inquiry (EEX2). The options are:

- "Y" on the expense budget line requires that sub-object be coded on all accounting transactions submitted against the budget line. This option should be chosen for those budget lines for which detailed reporting is desired.
- "N" or blank means that the sub-object code is optional on transactions submitted against the budget line.

**Sub-Revenue Source Option**

This feature is not used in Louisiana. Sub-revenue sources are optional coding elements on revenue transactions. This option establishes whether the sub-revenue source code is required as part of the accounting distribution on revenue accounting transactions. The decision must be made for each revenue source, and the choices recorded in Revenue Source (RSR2). Thus, the sub-revenue source code may be required for some revenue sources, and left optional for others. The following options are available:

- "Y" requires a sub-revenue source code to accompany the revenue source code on revenue accounting transactions.
- "A" requires a sub-revenue source code on all accounting transactions, but precludes the coding of sub-revenue source codes on budget lines.
- "N" makes a sub-revenue source code optional for the revenue source code.

The decisions made for this option depend on the reporting and tracking requirements associated with each revenue source.

## Expenditure Cycle Controls

This group of options governs the expenditure transaction process. For example, they determine whether disbursements will be summarized, where available cash will be checked at the time of disbursement, etc. These options are described in detail below.

### Check Cash Indicator

The Check Cash Indicator dictates where available cash will be determined when a transaction or automated disbursement processes. This indicator is set for each appropriation individually. There are three options for this indicator: "C" (CASH table), "M" (the Means of Financing appropriation), or "N" (no cash check). Cash balances on the CASH and appropriation tables are impacted by the following documents: AD, CR, CI, CRQ, CX, C1, DS, EF, JV, J1, J2, J3, J4, J5, J6, MW, OC, P1, PV (types 1 or 2 only), PVQ, TR, and WV. The following documents perform a cash check before processing: AD, CI, EF, J4, J6, OC, PV (types 1 or 2 only), and TR. If there is insufficient cash, the user will receive an error message.

When the Automated Disbursement cycle (including Electronic Funds Transfers [EFT]) processes payments for disbursement, the appropriation unit is referenced from Appropriation Inquiry (EAP2). If the appropriation's Check Cash Indicator is "C", then a check is made on the CASH table for the Available Cash balance for the appropriate fund/cash account combination. If the Check Cash Indicator is "M", then the available cash for the appropriation (actual receipts - current expenditures) is compared to the disbursement. If the Check Cash Indicator is "N", then no cash check occurs. If the disbursement (or EFT) does not have sufficient Available Cash, it will not process. Manual Warrant (MW) transactions and J5 interfaces are not subject to this edit. They process even without sufficient cash.

### Internal Cash Voucher Option

This option specifies whether the offsetting entries generated for internal vouchers should be cash entries or whether they should be posted in the due to and due from accounts. The option is selected system-wide, and is recorded in System Control Options (SOPT). Valid codes for this option are:

- "Y" causes the transaction to be posted directly to cash accounts. The accounts used are the cash account inferred through the organization.
- "N" causes the transaction to be posted to due to and due from accounts. These accounts are specified in System Special Accounts (SPEC).

If an offset liability account is coded on the payment voucher, that account will be used, regardless of the value of the I/G cash voucher option. The coded account could be a cash account, to override the default cash account associated with the fund, or it could be a due to account, to override the system-wide default due to account. Similarly, if an offset receivables account is coded on the input form, that

account will be used on the seller's receivable transaction, regardless of the value of the I/G cash voucher option. It could be a cash account or a due from account.

The advantage of choosing the cash option is the elimination of the extra accounting step to clear the due to and due from accounts. (Due to and due from accounts must be cleared, usually at the end of the accounting period, using journal voucher transactions.)

The disadvantage of choosing the cash voucher option is that it does not strictly meet governmental accounting principles requiring the use of due to and due from accounts.

The Internal Cash Voucher Option is set to "Y" for Louisiana.

**Object is Related to Payroll Option**

This option is issued with the JV Payroll Encumbrance option on System Control Options (SOP2). It indicates whether an object is related to the payroll. This indicator must not be changed during a fiscal year. Requisitions and purchase orders must not be submitted using a payroll object code.

**Tolerance Percent or Amount**

This option establishes an upper limit that may be used to close outstanding purchase order lines. The purpose of this control is to allow you to specify the percentage or amount of variance you want to tolerate between purchase orders and final payments. A low tolerance, specified by a low percent figure and/or a low dollar, does not allow final payment for goods/services to be much over the recorded purchase order amount. The lowest tolerance is zero percent or zero dollars, which specifies that final payment may not exceed the purchase order amount. A high percent or amount, on the other hand, permits a greater variance and constitutes a freer control.

The same tolerance percent or amount is used system-wide, for all vendors and funds.

They are specified in System Control Options (SOPT). Valid percent values are two digits, from "00" for 0% to "99" for 99%. Tolerance dollars are represented from zero dollars to 9999999999.99. Either or both the percent or dollars tolerance option can be coded. When both are coded, the higher of the two is the chosen tolerance option.

In Louisiana, payment tolerance percentage is set at 10%, with the tolerance amount set to \$0.00.

The option works on a line basis. Individual lines on a purchase order are identified by line numbers, and references to purchase orders on payment vouchers must include this line number. The total of all payment voucher lines referencing a particular purchase order line may not exceed the tolerance limit, computed by the system as follows:

Maximum Amount Allowed to Close a PO	=	PO Amount	+	Percentage (using the tolerance percent) of PO Line Amount
--	---	--------------	---	--

Figures 4-15 and 4-16 show a sample purchase order and related payment voucher. If the tolerance percent option is chosen at 5%, the first payment voucher line, which references the first purchase order line, would be rejected, because it exceeds the tolerance (\$200.00 + \$10.00).

**Figure 4-15**  
*Tolerance Percent Example - PO*

FUNCTION:	DOCID: PO 014 PO000000019										
STATUS:	BATID:		ORG:								
H-	PURCHASE ORDER INPUT FORM										
PO DATE:	04 15 84	ACCTG PRD:	BUDGET FY:								
ACTION:	E	ORDER TYPE:	1	PART/FINAL:	COMMENTS:						
VENDOR:	19424568	NAME:	OFFICE FURNITURE INC.								
INT IND:	SELLER FUND:		SELLER AGENCY:								
CALCULATED DOC TOTAL:		DOC TOTAL: 1600.00									
LN NO	REF RQ NUMBER	LN	FUND	AGY	ORG/SUB	APPR	UNIT	ACTV	FUNC	OBJ/SUB	JOB NUMBER
TEXT RPTG		UNITS	DESCRIPTION						AMOUNT	I/D	
01- 01			014	014	0114					0914	
			TYPING TABLE AND CHAIR						200.00		
02- 02			014	014	0114					0914	
			DESK CHAIRS						400.00		
03- 03			014	014	0114					0920	
			DESKS						1000.00		

**Figure 4-16a**  
*Tolerance Percent*  
*Example - PV*

```

FUNCTION:                DOCID: PV   014 PV000000034
STATUS:                 BATID:                ORG:
H-                      PAYMENT VOUCHER INPUT FORM

PV DATE: 05 25 84   ACCTG PRD:                BUDGET FY:
ACTION: E          PV TYPE: 1   ACT DEL DT: 05 23 84 SCH PAY DATE:
OFF LIAB ACCT:    FA IND:                DOCUMENT TOTAL: 245.96
EFT IND: N   APPLICATION TYPE:                USE TAX AMT:
                                           CALC DOC TOTAL:
VENDOR CODE: 19425468   CHECK CATEGORY:    SINGLE CHECK FLAG:
VENDOR NAME: OFFICE FURNITURE, INC.                TAX CODE:
  ADDR1:
  ADDR2:
  ADDR3:
FREIGHT IND:                FREIGHT TOT:                FREIGHT I/D:
TOTAL AMT:                TOT AMT I/D:                CALC TOT AMT:
TOTAL QTY:                TOT QTY I/D:                CALC TOT QTY:
SELLER: FUND:                AGCY:                ORG:                SUB-ORG:
APPR UNIT:                ACTV:                FUNC:                REV SRC:                SUB-REV:
JOB NO:                RCAT:                OBJECT:                SUB-OBJ:
OFF REC ACCT:                BS ACCT:
    
```

**Figure 4-16b**  
*Tolerance Percent*  
*Example - PV*

```

FUNCTION:                DOCID: PV   014 PV000000034
STATUS:                 BATID:                ORG:
LN  REFERENCE          COM  VENDOR  INV
NO CD NUMBER          LN  LN   INVOICE  LN      DESCRIPTION
-----
D          SUB          FUNC  SUB REV SUB
T FUND AGCY ORG ORG APPR UNIT ACTV TION OBJ OBJ SRC REV JOB NO
-----
BS
REPT CAT ACCT  QUANTITY  I/D FREIGHT AMOUNT I/D  AMOUNT  I/D
-----
TAX CODE  TAX AMOUNT  TOTAL AMOUNT  P/F
-----
01- 01 PO 014 P0000000019 01          19425468-001  TYP. TABLE & CHAIR
      014 014 0114    100                0194
                                           245.96

02-
    
```

**Scheduled Payment Options**

The automated cash disbursement cycle uses a "scheduled payment date" to select vouchers for payment. This scheduled payment date is stored in the Open PV Header Inquiry (OPVH) along with other data concerning the voucher. There are three ways that AFS can figure a scheduled payment date. They are used in the following order:

- If a scheduled payment date is coded on the payment voucher form, that date is used.
- If a date is not coded on the payment voucher the system uses the *system payment lag* as a default.
- If the Schedule Discount Date option on SOPT is set to "Y", the system calculates the optimum payment date for each payment voucher. This date is the last possible day on which the voucher can be paid, and all the discounts still taken.

**System Payment Lag**

This is the default payment lag, recorded in System Control Options (SOPT). The payment lag is the number of days after the voucher date when payment should be scheduled. The lag is specified as three digits and can range from 0 to 90 days ("000" to "090"). Blank is *not* valid. A zero payment lag results in the scheduled payment date being the same as the voucher date.

In Louisiana, the Scheduled Payment Lag is set to 30 days after the Payment Voucher acceptance date.

Using the payment voucher in Figure 4-16 as an example, if the system payment lag is "15", the scheduled payment date would be June 9 (15 days after the voucher date of May 25).

**Schedule Discount Date**

This is an option on Systems Control Options (SOPT). If it is set to "Y", each time a payment voucher that does not already have a scheduled payment date is processed by the system, the system calculates an optimum scheduled payment date for the voucher. This date takes into account any discounts that are available and is the last possible date on which the voucher can be paid without any of the discounts being lost.

You can override the optimum scheduled payment date on any payment voucher by entering your own scheduled payment date. Also, if no discount types are coded on the payment voucher lines, the optimum scheduled payment date will not be calculated.

### **Summarize Disbursements Option**

This option controls whether detail or summary ledger records are generated by the automated disbursement process. When this option is "N" on System Control Options (SOPT) all records generated by the disbursement process have a transaction code of "AD", a transaction number equal to the check number and the dollar amount of that check. However, to conserve disk space, this option can be set to "Y" on System Control Options (SOPT) which will cause the disbursement records to be summarized to the fund/agency level. This record will have a transaction code of "AD", a transaction number equal to the check date and the dollar amount of the entire check run.

The advantage of selecting this option is that the affected ledgers will not fill up as fast as if individual records were being posted. The disadvantage of selecting this option is that the detail from the disbursement process will not be available for future reference.

The Summarize Disbursements Option is set to "N" for Louisiana.

### **Vendor Control Option**

This option establishes whether a vendor code is required on expenditure transactions or if it is an optional code. The option is chosen system-wide, (i.e., your entire installation is governed by the same vendor control policy), rather than on a fund or fund/agency basis. Vendor control is specified in System Control Options (SOPT). Valid values are:

- "Y" to make vendor codes required on expenditure transactions (purchase orders, payment vouchers, manual warrants, and expenditure journal vouchers; vendor codes do not appear on requisitions).
- "N" to make vendor codes optional on expenditure transactions.

When the Vendor Control Option is "Y," all documents in the expenditure processing chain must use the same vendor code. For example, a payment voucher referencing a purchase order must use the same vendor code as was used on the purchase order.

When a vendor code is used on a transaction, the vendor's name and address will be looked up in Vendor (VEN2) for use on reports and for check printing, whether the vendor control option is "Y" or "N." Also, the expended amount column in Vendor (VEN2) will be updated.

The advantages of choosing the vendor control option are:

- It facilitates the accumulation of the total amounts paid to individual vendors in the expended amount column in Vendor (VEN2). When vendor control is "N" and a code is not used, there is no way to record the expended amounts in the table.

- The requirement that all transactions in an expenditure processing chain use the same vendor code acts as an accuracy check on the vendor codes used, keeping the possibility of incorrect payments to a minimum.

The disadvantages are:

- Users must be aware of the vendor codes and miscellaneous codes, and make sure they code them correctly.
- Maintenance on Vendor (VEN2) becomes more important, to add new vendors and keep other information current.

Vendor Control is set to "Y" for Louisiana.

### **Vendor/ Commodity Control Option**

This option controls whether vendor codes and commodity codes can be deleted online if YTD expenditures exist, and whether vendor codes can be deleted offline through the Vendor Table Maintenance program (see Chapter 6 of the *User Guide, Volume II*) if year-to-date expenditures exist. Vendor/Commodity control is specified on System Control Options (SOPT) and the following values are valid:

- "V" indicates that control is desired on the Vendor Table only;
- "C" indicates that control is desired on the Commodity Table only;
- "Y" indicates that control is desired on both the Vendor and Commodity Tables; and,
- "N" or blank indicates that no control is desired.

When this option is set to "V" or "Y" and a delete action is attempted on Vendor (VEN2), the system will first check to see if there are any open items for this vendor on the Open Purchase Order Header Inquiry (OPOH) and Open Payment Voucher Header Inquiry (OPVH). If no open items are found, it then checks the year-to-date amount field on Vendor (VEN2). If this field is zero, the vendor will be deleted. Should an open item be encountered or the year-to-date amount field not be zero, an error message will be generated and the vendor will not be deleted.

When this option is set to "C" or "Y" and a delete action is attempted on Commodity (COMT), the system will check the YTD amount field. If the YTD amount field is zero, the commodity is deleted. If the YTD amount field is not zero, an error message is generated and the commodity is not deleted.

This option can be useful in preventing vendors from being accidentally deleted when the information from that vendor may be needed for year-end reporting, i.e. 1099s. It will also prevent deletion of vendors which are needed to relieve an

outstanding purchase order or needed for the automated disbursement process. Similarly, it will prevent deletion of commodity codes needed to relieve outstanding purchase orders or needed for reporting purposes.

### **Stop Vendor Payment Option**

This option specifies whether payments to non-miscellaneous vendors who have not supplied a Federal ID Number (FEIN/SSAN) should be stopped. The option is system-wide and is recorded in the System Control Options Master Table. Valid codes for this option are:

- "Y" causes all payments to non-miscellaneous vendors who have not supplied an FEIN/SSAN to be withheld.
- "N" all payments will be made regardless of whether the vendors have supplied an FEIN/SSAN Numbers or not.

The advantages of using this option are:

- 1099 reporting is made easier and more accurate because no payments will have been made to vendors whose FEIN/SSAN is not known.

The disadvantages of using this option are:

- Non-miscellaneous vendors who have not supplied an FEIN/SSAN will not be paid during the automated disbursements process. Payment vouchers for these vendors will be left open and unpaid.

The Stop Vendor Payment Option is set to "Y" for Louisiana.

### **Federal Aid Options**

These options are related to the Federal Aid Subsystem. If your installation does not intend to use that subsystem, these options should be coded to reflect that fact, as detailed below in the explanation of each option.

### **Federal Aid Installed Option**

This option defines whether the Federal Aid Subsystem can be used by a particular fund/agency combination. It is recorded in Fund Agency (FGY2) and should be coded as follows:

- "Y" if the fund/agency wants the option to use the subsystem,
- "N" if the fund/agency does not use the subsystem.

When the option is set to "Y" and a reporting category is coded on a AFS transaction, the Federal Aid Number will be inferred from Federal Aid Inference (FAIT) if the reporting category is tied to a Federal Aid Number. A sample layout of FAIT is provided in Figure 4-21.

The accounting distribution used to infer the Federal Aid Number from Federal Aid Inference (FAIT) is determined by the manner in which the following options are coded on Fund Agency (FGY2):

- Federal Aid Organization Option
- Federal Aid Object Class Option
- Federal Aid Revenue Class Option

Each of these options is discussed separately below. Additional information on these options and the Federal Aid Subsystem in general may be found in Chapter 9 of the *ISIS/AFS User Guide, Volume II*.

**Figure 4-21**  
Federal Aid  
Inference (FAIT)

ACTION: . SCREEN: FAIT USERID:													
F E D E R A L A I D I N F E R E N C E													
	EXP/								OBJ/				CMIA
	FY	REV	FUND	AGCY	ORGN	APPR	UNIT	ACTV	FUNC	CLASS	CATG	FED AID NUMBER	EXP
==	==	==	==	==	==	==	==	==	==	==	==	-----	----
01-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
02-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
03-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
04-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
05-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
06-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
07-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
08-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
09-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
10-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
11-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
12-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.
13-	..	.	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.

**Federal Aid  
Organization  
Option**

This option defines the level of organization that will be used to access Federal Aid Inference (FAIT). The option is controlled on Fund Agency (FGY2) and should be coded as follows:

- "A" the appropriation level organization associated with the organization coded on the transaction will be used,
- "B" the expense or revenue (depending on the nature of the transaction) budget organization will be used, or
- "N" the organization coded on the transaction will be used.

Note: In the case where organization is not required as part of the transaction accounting distribution, no organization code will be used to access Federal Aid Inference (FAIT).

The Federal Aid Organization Option is set to "A" for Louisiana.

**Federal Aid  
Object Class  
Option**

This option determines whether object class will be used to access Federal Aid Inference (FAIT). The option is controlled on Fund Agency (FGY2) and should be coded as follows:

- "Y" object class, as inferred from the object coded on the transaction, will be used, or
- "N" object class will not be used as part of the key to access Federal Aid Inference (FAIT).

The Federal Aid Object Class Option is set to "N" for Louisiana.

**Federal Aid  
Revenue Class  
Option**

This option determines whether revenue class will be used to access Federal Aid Inference (FAIT). The option is controlled on Fund Agency (FGY2) and should be coded as follows:

- "Y" revenue class, as inferred from the revenue source coded on the transaction, will be used, or
- "N" revenue class will not be used as part of the key to access Federal Aid Inference (FAIT).

The Federal Aid Revenue Class Option is set to "N" for Louisiana.

## Miscellaneous Options

### Account Balance Option

This option makes available all balance sheet account balances within the funds for which it is chosen. These balances are stored in Balance Sheet Account Balance (BBAL), where they are available for online inquiry or a hardcopy report. An alternate view of this table exists on Balance Sheet Account Balances by Balance Sheet Account (BBAB), where balances are displayed by balance sheet account and fund.

This option is selected by fund, in Fund (FUN2). Valid values are:

- "Y" to select the option. Initial account balances must then be input into Balance Sheet Account Balance (BBAL) for accounts within the fund.
- "N" to reject the option.

Figure 4-17 is a sample Balance Sheet Account Balance (BBAL) online screen, and figure 4-18 is a sample Balance Sheet Account Balances by Balance Sheet Account (BBAB) online screen.

When this option is initially chosen for a fund, the opening account balances within the new fund must be set up in Balance Sheet Account Balance (BBAL). Thereafter, the account balances are automatically carried forward year after year by AFS. These initial balances are entered in the system via master table maintenance actions. (See the *ISIS/AFS Online Features Guide*.)

Account balances are also tracked against established minimum and maximum levels for some balance sheet accounts. If this detail is desired, the balance sheet account/fund combination, along with the selected minimum and maximum levels, must be established on Minimum/Maximum BS Account Balance (MBAL). After the creation of an MBAL record, the system automatically updates MBAL with the current account balance from BBAL. (More detail on this process is available in chapter 4 of the *ISIS/AFS User Guide, Vol II*).

The Account Balance Option is set to "Y" for Louisiana.

**Figure 4-17**  
*Balance Sheet  
 Account Balance  
 (BBAL)*

```

ACTION: . SCREEN: BBAL USERID:

      B A L A N C E   S H E E T   A C C O U N T   B A L A N C E

      FUND   BS ACCOUNT   SHORT NAME   BS ACCOUNT   BEGIN DAY   ACCOUNT   EXCEPT
      =====   =====   =====   BALANCE     BALANCE     TYPE      IND
01- .....   .....
02- .....   .....
03- .....   .....
04- .....   .....
05- .....   .....
06- .....   .....
07- .....   .....
08- .....   .....
09- .....   .....
10- .....   .....
11- .....   .....
12- .....   .....
13- .....   .....
14- .....   .....
    
```

**Figure 4-18**  
*Balance Sheet  
 Account Balances  
 by Balance Sheet  
 Account Inquiry  
 (BBAB)*

```

ACTION: . SCREEN: BBAB USERID:

      B S A C C O U N T B A L B Y B S A C C O U N T I N Q U I R Y

      BS ACCOUNT FUND   BALANCE     BEGIN DAY BAL ACCT NAME   AT
      =====   =====   =====
01- .....   .....
02- .....   .....
03- .....   .....
04- .....   .....
05- .....   .....
06- .....   .....
07- .....   .....
08- .....   .....
09- .....   .....
10- .....   .....
11- .....   .....
12- .....   .....
13- .....   .....
14- .....   .....
15- .....   .....
    
```

**Backup Withholding Indicator**

This option is displayed on VEN2. This option determines if a vendor is subject to backup withholding. The valid choices are:

- "Y" The vendor is subject to backup withholding.
- "N" The vendor is not subject to backup withholding.
- "N/A" This option is not applicable.

**Backup Withholding Option**

This option indicates if users will employ the Backup Withholding functionality. While the Stop Vendor Payment Option (discussed above) only stops payments to vendors who lack an FEIN/SSAN in the ISIS system, Backup Withholding also impacts vendors who have an incorrect or invalid FEIN/SSAN. The specific criteria that determine if Backup Withholding apply are detailed in Chapter 2 of the *ISIS/AFS User's Guide, Volume II*.

The Backup Withholding option is system-wide, and is recorded in System Control Options (SOPT). Valid codes for this option are:

- "Y" causes payments to vendors who meet Backup Withholding criteria to be partially withheld.
- "N" all vendors are paid in full regardless of whether they meet other Backup Withholding criteria.

The Backup Withholding Option is set to "Y" for Louisiana.

**Backup Withholding Rate**

Select this option on System Control Option (SOPT). This option controls the percentage of the disbursements for 1099-reportable objects that is withheld for payment to the IRS. The percentage entered for Louisiana is 28%.

**Note Days**

Select this option on System Control Options (SOP2). The value entered in this field determines the number of days that text remains on Note Pad Text (NOTE).

**Number of Prenote Days**

Select this option on System Control Options (SOPT). When a vendor has requested to be paid through electronic funds transfer (EFT), his bank and account information is entered onto Electronic Funds Transfer (EFTT). During the next nightly cycle when AFINEFPN (EFT Prenote Process) is run, the vendor's information is sent to the bank for verification. The number of days in which the bank must respond is the prenote lag days. This number should be mutually agreed upon by the user and the bank. If no action is taken to remove the vendor from EFTT or place the vendor on hold within those days, the prenote process will automatically set the vendor's EFT status to Active.

**Prior Document Reference Option**

The Prior Document Reference Option affects the way transactions are coded. The option is chosen in System Control Options (SOP2), and is either "Y" or "N". If it is "Y", it affects coding requirements in the following manner:

- The accounting distribution does not have to be coded on original entries when a previous document is referenced. For example, if a payment voucher references a purchase order, the agency, object, etc., do not have to be coded on the referencing transaction. The system will infer the accounting distribution from the referenced document. If the accounting distribution is coded, all codes must match the codes on the referenced document.

More codes may be added to expand the accounting distribution. For example, optional codes such as sub-object and reporting category may be added to the accounting distribution.

- The accounting distribution does not have to be coded on modifying transactions. For example, if a modification against a previously accepted requisition is entered, the fund, agency, object, etc., do not have to be coded. The system will infer the accounting distribution from the original line. If the accounting distribution is coded, it must match the original line. Previously entered codes in the accounting distribution cannot be changed and new codes cannot be added on modifying transactions. (This is true whether the Prior Document Reference Option is "Y" or "N". If you want to change the accounting distribution, you must cancel the line entry and reenter it as a new line.)

The Prior Document Reference Option is set to "Y" for Louisiana.

**Project Accounting Option**

This option refers to the AFS Project Accounting module. It appears in System Control Options (SOP2) and should be coded as follows:

- "Y" if your installation maintains AFS Project Accounting.
- "N" if your installation does not maintain Project Accounting.

When this option is "Y", project codes are a valid part of the AFS account code structure (along with organization, sub-object, etc.). Note that project codes and general reporting categories are mutually exclusive.

The Project Accounting Option is set to "Y" for Louisiana.

**Vendor Name Option**

The vendor name option provides the user with an alternate way to view Vendor (VEN2), which is in sequential order by vendor code. This option allows the user to see vendors in alphabetical order by name. A "leafing" facility is provided between Vendor Name Inquiry (VNAM) and Vendor (VEN2). If this option is selected, you

can leaf from the desired vendor name to the Vendor (VEN2) entry for that specific vendor. The vendor name option on System Control Options (SOP2) can be set to:

- "Y" Vendor Name Inquiry is supported at this installation.
- "N" Vendor Name Inquiry is not supported.

The Vendor Name Option is set to "Y" for Louisiana.

### **EPS Installed Option**

This option refers to whether or not you are using the Extended Purchasing Subsystem and how you are using the Extended Purchasing Subsystem. It appears in System Control Options (SOP2) and should be coded as follows:

- "N" or blank indicates that the Extended Purchasing Subsystem has not been installed and/or is not being used.
- "L" indicates that the Extended Purchasing Subsystem has been installed, is being used, and the ability to link accounting lines to commodity lines on purchase order documents is enabled. This linking option can be overridden on the document when the data is being entered. (See Chapter 6 of the *ISIS/AFS User Guide, Volume II* for further discussion of the linking option.)
- "Y" indicates that the Extended Purchasing Subsystem has been installed and is being used, but the ability to link accounting lines to commodity lines on purchase order documents is not allowed.

The EPS Installed Option is set to "Y" for Louisiana.

### **Inventory Control Installed Option**

This option, which is coded on System Control Options (SOPT), indicates whether or not you have acquired and are using the AFS Inventory Control Subsystem, which is an add on module to the Extended Purchasing Subsystem. It should be coded with a "Y" or an "N" accordingly.

The EPS Inventory Control Installed Option is set to "N" for Louisiana.

**Warrant  
Indicator**

The warrant indicator field is located on Appropriation Group Code (GRPC). It indicates whether warrants are allowed against the appropriation group.

**State General  
Revenue Indicator**

The state general revenue indicator is located on Appropriation Group Code (GRPC). It indicates whether revenues can be recorded against the appropriation group.