

# Chapter 1 - Budgeting

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## Chapter 1 - Budgeting

This chapter discusses the AFS budget module, including appropriations, the expense budget, and the revenue budget. The chapter is organized as follows:

**Budget Overview** -- The overview provides an introductory discussion of the AFS budget module, defines terms, and presents key AFS budgeting concepts.

**Appropriations** -- This section describes how appropriations are used in AFS. Options for establishing appropriations and related appropriation transactions are discussed in detail. For each transaction, logic tests, the accounting model, and associated table updates are described. The transaction addressed in this section is the Appropriation (AP) transaction.

**Expense Budgets** -- This section deals with the use of expense budgets in AFS. Expense budget options and associated transactions are discussed in detail. Logic tests, the accounting model, and table updates are described for each transaction. The transaction related to expense budgets addressed in this section is the Expense Budget (EB) transaction.

**Revenue Budgets** -- This section follows the same format as the section on expense budgets but, of course, addresses revenue budgeting within the context of AFS. The transaction related to revenue budgets addressed in the section is the Revenue (RB) transaction.

**Budget Inquiries** -- AFS provides a number of online inquiries that are maintained by the system and present real time budgetary information. Available budget inquiries are discussed within each of the above sections.

### Budget Overview

The AFS budget module does not require users to adapt to any particular budgetary method or concept. AFS can be used to perform standard line item budgeting, cost accounting budgeting, zero-based budgeting, and program isolation, as well as combinations of these methods.

Budgetary information is collected for entry into AFS via transaction input screens. Depending on the type of budgetary activity, users would process one of the following input transactions to enter or modify AFS budget data:

- Appropriation Transaction
- Expense Budget Transaction
- Revenue Budget Transaction

Budgetary data is recorded in AFS in several system-maintained application tables as well as in two budget ledgers. That is, whenever an AFS budget transaction is processed, the system automatically updates the appropriate budget application tables to reflect the activity and posts transaction records to ledgers to provide a detail audit history of the activity. AFS application tables and ledgers that are relevant to the budget module are:

- Appropriation Inquiry (Extended) (EAP2)
- Appropriation by Object inquiry (APOC)
- Appropriation by Revenue Source Inquiry (APRS)
- Expense Budget Inquiry (Extended) (EEX2)
- Expense Budget Summary Inquiry (Extended) (EESM)
- Expense Budget Detail Inquiry (Extended) (EEXD)
- Appropriation by Object Category Inquiry (APCT)
- Appropriation Expenditure Category Inquiry (ECAT)
- Organization by Object Inquiry (EORG)
- Expenditure Summary Inquiry (ORGE)
- Organization Rollups by Object Code (OROC)
- Organization Rollups by Revenue Source Code (ORRS)
- Revenue Budget Inquiry (REV2)
- Revenue Budget Summary Inquiry (RSUM)
- Organization by Revenue Source Inquiry (RORG)
- Revenue Summary Inquiry (ORGR)
- Budget Ledger

## Definition of Terms

The following terms are used throughout this chapter:

**Appropriation.** A dollar amount allocated by law for a specific purpose. Appropriations are generally broken down into one or more specific budget lines. In Louisiana, spending is controlled at the expenditure object category level within appropriations.

**Expenditure Control.** AFS controls spending by rejecting expenditure accounting transactions that will raise the obligated amount of a fund above a certain budgetary limit. The expenditure controls are discussed in this chapter because they affect the way that you enter budgetary transactions.

**Obligated Amount.** The amount obligated against a fund is:

Obligated Amount	=	Expended Amount	+	Encumbered Amount
---------------------	---	--------------------	---	----------------------

The expended amount is money actually spent during the current fiscal year; the encumbered amount is the sum of all outstanding purchase order amounts. For *requisition processing only*, the obligated amount includes pre-encumbrances, as follows:

Obligated Amount for Requisitions	=	Expended Amount	+	Encumbered Amount	+	Pre-encumbered Amount
--------------------------------------	---	--------------------	---	----------------------	---	--------------------------

Current values for expended, encumbered, and pre-encumbered amounts are maintained by the system in Expense Budget Inquiry (Extended) (EEX2) and Appropriation Inquiry (Extended) (EAP2); for expended and encumbered only, in Expense Budget Summary Inquiry (Extended) (EESM).

**Expense Budget.** Expense budgets are used to establish the spending side of a budget. They are optional in AFS and may be used to control spending or simply track and report it. Each line within the expense budget corresponds to an object of expenditure. Expense budgets are usually established to assist management in monitoring and controlling expenditures for an appropriation. Louisiana will require entry of expense budgets, except for Capital Outlay, which does not use organizations.

**Revenue Budget.** Revenue budgets are established to budget and account for revenues. They are optional in AFS, but when used are generally set up at the same level as expense budgets. Each budget line represents an expected source of revenue. Louisiana will require entry of revenue budgets, except for Capital Outlay, which does not use organizations.

## Key Concepts

### Budget Fiscal Year and Accounting Fiscal Year

AFS distinguishes between the accounting fiscal year and the budget fiscal year. This allows users to post accounting transactions to different accounting and budget fiscal years.

By distinguishing between the accounting fiscal year and the budget fiscal year, AFS allows transactions that are budgeted in a prior fiscal year, but not transacted until a subsequent accounting fiscal year, to be applied against the applicable budget. For example, a purchase order may be issued in one fiscal year but cleared by a payment voucher in the following fiscal year.

The fiscal year designation in AFS will coincide with the actual calendar year in which the fiscal year ends. For example, the state fiscal year 97-98 ends in June, 1998 and therefore would be designated as fiscal year 98 in AFS.

In AFS, the *accounting* fiscal year is the fiscal year in which the accounting transaction occurs and the *budget* fiscal year is the fiscal year in which the budgetary

effect occurs. For most transactions, the accounting and budget fiscal years are the same. For example, a direct payment associated with a regular appropriation that is processed during February of 1997 will be associated with accounting fiscal year 97 and budget fiscal year 97.

However, transactions associated with continuing appropriations may be associated with different accounting and budget fiscal years. For example, a direct payment associated with a continuing appropriation that is processed during February of 1997 will be associated with accounting fiscal year 97, but may be associated with a budget fiscal year other than 97 (e.g. budget fiscal year 93).

On most transactions, the fiscal year is not required coding because it is inferred from the transaction date. If the budget fiscal year is not entered on the accounting transaction, the fiscal year of the transaction date is assumed to be the budget fiscal year also. The budget fiscal year is required on all budget transactions. The year coded must exist in Fiscal Year (FSYR), and it must be open. It may be the previous year (if still open), the current year, or a future year.

A future budget fiscal year is permitted so that an entire budget (expense, revenue, and appropriations) can be entered, modified, and approved before the fiscal year has actually begun. Budget preparation transactions for a future year in no way affect the current year budget or current year accounting.

## Multi-Year Budgeting

Grants and other special projects often have budgets that span fiscal years. AFS provides two methods for handling grants, one of which provides for multi-year budgeting.

Under the first method, the grant is established in the system as an organization. This method does not allow for multi-year budgeting. The appropriation budget for the grant organization should be entered as a regular (appropriation type). Budget authority for the grant will end at the close of the budget fiscal year.

Budget authority for subsequent budget fiscal years may then be established by setting up another appropriation in the new budget fiscal year. This is done in the same manner as budgeting for any other organization.

When accounting and budget transactions reference multi-year appropriations, the fund, agency, organization, object, and revenue source codes on the transaction are validated against the *current* fiscal year entries in the respective tables.

A second method for handling grants on a multi-year basis is available through the AFS Federal Aid Subsystem. Under this method, budgets that span the life of the grant may be established and maintained separately from the appropriation budget structure. Refer to Chapter 9 of this volume for a detailed explanation of the Federal Aid Management Subsystem.

### **Manual Warrants and Full Control**

Unlike the other expenditure transactions, the Manual Warrant (MW) transaction may exceed full control budgeting at the appropriation level. Instead of an error message, the user receives an overrideable message. A user with a high enough level of authority (such as the State Treasurer's Office) must then apply an override to the error message. After this is done, the manual warrant will process, even though it drives the budget negative.

### **Entering Amounts on Budget Transactions**

All amounts entered in the system on AP transactions must be *whole dollars only*. Cents must not be entered, even as zeroes. The budgetary transaction processors ignore a decimal point if one is entered. For example, \$25 as a budgetary amount must be entered as "25". If "25.00" is entered, the decimal point is ignored and the zeroes are interpreted as hundreds of dollars. The "\$25.00" would be stored in the system as "2500". Entering decimals on an EB or RB transaction will cause the transaction to fail.

NOTE: This is true for budgetary amounts only. Amounts on accounting transactions must include cents.

### **Approved vs. Modified Budgets**

When a budget is officially approved by the Legislature, and when the officially approved figures agree with the amounts existing in the AFS budget tables (Appropriation Inquiry (Extended) (EAP2), Expense Budget Inquiry (Extended) (EEX2), and Revenue Budget Inquiry (REV2)), the budget approved indicator in Fiscal Year (FSYR) should be set to "Y."

This action permanently records in the system all budget amounts as originally approved by the Legislature. These amounts are identified in the budget tables as the approved budgeted amount (versus the current modified amount). The approved budgeted amounts provide a base for tracking budget modifications.

Before the budget approved indicator field is set to "Y," modifications to budgetary transactions affect both the approved budgeted amount and the current modified amount, and these two amounts are the same. After the budget approved indicator is set, budgetary modifications change only the current modified amount. All expenditure controls are governed by the current modified amount.

## Appropriations

An appropriation is a dollar amount designated for a specific purpose by law. For example, the Legislature may authorize a certain amount to be spent on highway improvements. In AFS, an appropriation refers to a set of expense budget lines, all governed by the same legislative authorization. You can, for example, establish an appropriation called highway improvements, which may be represented in your expense budget with three lines: new road construction, widening and repaving, and routine maintenance (repairing potholes, repainting lines, etc.).

New appropriations are added to the system through the Appropriation (AP) transaction. They are stored in a system-maintained table called Appropriation Inquiry (Extended) (EAP2). The expense budget lines are linked to the appropriation unit through the fund, agency, organization, and appropriation coded on the expense budget line.

Recording and maintaining appropriations is optional within AFS. However, they are required in Louisiana.

### Implementing Appropriations

The steps necessary to implement the AFS appropriation capability are:

- Establish unit of appropriation codes, assigning meaningful names and fund/agency relationships. Enter this data into the system through Appropriation (AP) transactions. Appropriation amounts may be entered simultaneously or postponed to a future date.
- Decide, for each fund, whether to institute appropriation full control, presence control, or no control. For Louisiana, full control will be established at the appropriation level. This means that a "C" will be recorded in Fund (FUN2). (See Chapter 4, "System Options and Controls", in the *ISIS/AFS User Guide, Vol I.*)
- Set the Appropriation Organization Option on Fund Agency (FGY2) to "A." This means that organizations will be required coding on accounting transactions, but will not be allowed on budget transactions.
- Build the expense budget around the unit of appropriation codes. It is especially important to think through the relationships between appropriations and budget lines for appropriations governing funds for which full control is chosen.

“Zero” dollar Appropriation Transactions (APs) are processed in advance of Budget Letters being sent to the agencies by the Office of Planning and Budget. These transactions populate the Appropriation Inquiry (Extended) (EAP2) tables with zero dollars. Populating this table with zero dollar budgets provides the “appropriation shell” in AFS that enables the agencies to set up grants for the upcoming fiscal year and to establish valid account code combinations for each grant through the completion of Federal Aid Inference (FAIT) entries.



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When the Operating Budget is enacted, modifying AP's will be processed to establish the approved dollars.

### Appropriation Transaction

Figure 1-1 is a sample Appropriation Transaction (AP). See the *ISIS/AFS Online Features* for coding instructions.

**Figure 1-1**  
*Sample Input - Appropriation (AP) Transaction*

FUNCTION:	DOCID: AP 011 R-10005		
STATUS:	BATID:	ORG:	000-000 OF
000	H- APPROPRIATION INPUT SCREEN		
APPR DATE:	ACCTG PRD: .. ..	BUDGET FY:	..
FUND: ....	AGENCY: ...	ORGN: ....	NET APPR AMOUNT: .....
			NET EST RECEIPT AMT: .....
ACT APPR UNIT TYPE	APPR END DATE	APPROPRIATION NAME	SHORT NAME
-----	-----	-----	-----
GRP		REV/ CAT	BOND B/A CHECK
CDE	APPR AMOUNT	I/D BCB CNTL EST RECEIPT AMT I/D	SERIES OPT CASH
-----	-----	-----	-----
01-	. . . . .	. . . . .	. . . . .
02-	. . . . .	. . . . .	. . . . .
03-	. . . . .	. . . . .	. . . . .
04-	. . . . .	. . . . .	. . . . .

### Defining Appropriations

An appropriation budget line written within a fund and agency is identified by an appropriation code. Appropriation lines are established in the system via appropriation (AP) transactions. Appropriation transactions can be entered without amounts so that new codes can be established in the system before actual amounts are available.

Modifying transactions can increase or decrease previously recorded appropriation amounts as long as the budget fiscal year is still open. Appropriations are established for an entire budget fiscal year and not for individual accounting periods. Appropriation transactions can be entered at any time during the budget fiscal year, and can also apply to a prior fiscal year as long as the year is still open. Annual closing prevents any further additions or modifications to appropriations for a closed year. Appropriation transactions are also accepted for budget preparation years (future budget fiscal years). Several future budget fiscal years may be maintained.

### Appropriations & Organizations

The level of detail at which appropriations are established in AFS can vary widely. Appropriations can relate one-to-one with object codes, fund a specific organization within a fund/agency, or fund an entire fund/agency. In Louisiana, appropriation refers to the Appropriated Program set forth in the Appropriation Act.

The Appropriation Organization Option on Fund Agency (FGY2) is set to "A." This means that the system requires organizations to be coded on all accounting transactions, but prevents the entry of organizations on budget transactions.

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### Appropriation Types

AFS provides the capability to identify appropriations by type. Valid appropriation types are identified in Figure 1-2. A complete discussion of each follows.

**Figure 1-2**  
*Appropriation Types*

Type Code	Appropriation Type
01	Regular
02	Continuing

**Regular (01).** Regular appropriations are, as the name implies, the most typical appropriation type. These appropriations normally begin with the fiscal year, end no later than the end of the fiscal year, are not based on special funding and are reviewed on an annual basis. A regular appropriation end date defaults to the last day in the 14th period of the coded budget fiscal year. For regular appropriations only, if a prior budget fiscal year is coded on the following documents, the accounting period must be either "13" or "14": JV, J1, J2, J3, J4, J5, J6, PV, P1, PVQ, CR, CRQ, C1, WV, and CX.

**Continuing (02).** Continuing appropriations are similar to regular appropriations except that the appropriation will not expire until a following fiscal year. If at year-end closing, the appropriation end date is greater than the fiscal year-end date, the appropriation remains open. With regular appropriations, budgetary, revenue, and expenditure transactions are closed out to the fund balance account. In contrast, however, continuing appropriation transactions are retained on the ledger to support the additional reporting requirements of continuing appropriations. Furthermore, the appropriation authority (and expense budget authority) remain available in future years until the appropriation expires. Some budgeting tables (ORGE, ORGR, EORG, and RORG) do not display data for continuing appropriations.

### Group Codes

Each appropriation must be assigned a group code - which must be valid on Appropriation Group Code (GRPC). The group code is a means to further define the appropriation and specify additional characteristics: the warrant indicator (if warrants may be processed for the appropriation) and the state general revenue indicator (if revenues are allowed).

In addition, there are reserved group codes which are specified procedurally. For example, group code 19, "Proceeds - Sale of Bonds," is the only group code that may be used with the Line of Credit revenue source. See the *ISIS Policies and Procedures Manual* for more information, or the *ISIS/AFS Online Features* for more information on Appropriation Group Code (GRPC).

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### Appropriation End Date and Multi-Year Appropriation Indicator

Each appropriation must be assigned an appropriation end date. The ending date determines how long an appropriation is to be active. Therefore, when a regular appropriation (Type 01) is entered on an appropriation transaction, the appropriation end date defaults to the last day in the 14th period of the coded budget fiscal year. This will allow the correct transaction date to be coded on all documents. Accounting transactions cannot reference an appropriation if the transaction date is greater than the Appropriation End Date.

The Multi-Year Indicator (MY) field on Appropriation Inquiry (Extended) (EAP2) is automatically set to 'Y' if the appropriation end date is greater than the fiscal year-end date (when the appropriation is established). Multi-year appropriations must be Type 02.

### Appropriation Control Options

The decision to use appropriation amounts as controls on spending affects the appropriation transactions that you code. The option to use appropriations as controls is chosen individually for each fund, and the choice for each fund is recorded in Fund (FUN2), in the field labeled Appropriation. The values recorded there are:

- **"C" for Full Control.** This means that total obligations against units of appropriation within the fund cannot exceed the budgeted authority amount. Therefore, you must enter appropriation transactions for the fund, including valid amounts. The value of the budgeted authority amount depends on the Budget Authority Option chosen for the unit of appropriation (see the relevant discussion below).
- **"P" for Presence Control.** This means that the fund requires appropriation budgets, but amounts are not checked; therefore, you must enter appropriation transactions for the fund, but amounts can be zero.
- **"N" for No Control.** This means that the fund does not use appropriation budgets; therefore, you cannot enter appropriation transactions for the fund.

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

### Appropriations and Expense Budgets

The relationship between appropriations and the expense budget can vary widely depending on the budgeting requirements of the organization. Appropriations will generally exist at a higher reporting level than the expense budget. The relationship between the units of appropriation and expense budget objects is established in Expense Budget Inquiry (Extended) (EEX2) with the Expense Budget (EB) transaction. An additional view of expenditures and budget exists on Appropriation by Object Inquiry (APOC). APOC provides a summary - by appropriation and object - of budgets, expenditures, encumbrances, pre-encumbrances, and the remaining budget. APOC is discussed later in this section. See the discussion on expense budgets later in this chapter for detail on constructing the expense budget.

The sum of all expense budget line amounts using a particular unit of appropriation can be generated by AFS standard reports. The total obligations and unobligated balances against appropriation budgets may also be displayed on hard copy reports.

**Encumbrance and  
Obligation Controls**

The expenditure accounting document processors enforce appropriation "full" or "presence" control. The account code structure of the transaction (i.e., fund, agency, organization, and appropriation) points to an expense budget line and its corresponding appropriation budget line. AFS first checks the transaction against the expense budget controls. If the transaction passes those budgetary controls, AFS then looks up the appropriation budget line in Appropriation Inquiry (Extended) (EAP2) based on the account code structure entered on the transaction.

If appropriation "Presence" control is in effect, the existence of a line in Appropriation Inquiry (Extended) (EAP2) which matches the transaction appropriation code is enough to satisfy the edit.

If "Full" control is in effect, the potential obligation and the current obligations against the unit of appropriation must not be greater than the appropriation ceiling amount. If it is, the transaction is rejected.

Note: See the discussion on Budget Authority later in this section for an explanation of how receipts are used in the calculation of budget authority.

When appropriations are used as limits to expenditures (full appropriation control), careful thought should be given to the set of expense budget lines to be governed by each appropriation budget.

**Category Control  
Options**

This option establishes the extent of control that the expense budget will exercise over object categories. Different levels of control may be chosen for multiple appropriations within a single fund. Control settings are entered on the Appropriation (AP) transaction and stored on Appropriation Inquiry (Extended) (EAP2). The various levels of control, and the codes to use in selecting them, are:

- **"C" for Full Control.** Total expenditures charged against the object category 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 an 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.

**Budget Authority Options**

The budget authority option defines the budgeted authority amount used as the limit on obligations when the Appropriation Control Option is "C" for Full Control. The budget authority option is chosen for each appropriation unit, and is recorded on the appropriation input screen. In Louisiana, budget will only be loaded into one field, either the appropriation amount or the estimated receipts amount, but never both. Valid budget authority option codes are:

- **"N" for Appropriation only.** This means that the budgeted authority for the appropriation is the appropriation amount. You need to code the appropriation amount on the appropriation transaction input screen.
- **"A" for Actual Receipts.** This means that the budgeted authority for the appropriation is the actual receipts against the appropriation. Both the estimated receipts and the appropriation amount will be zeroes.
- **"E" Estimated Receipts.** This means that the budgeted authority for the appropriation is the estimated receipts against the appropriation. You need to code the estimated receipt amount on the appropriation transaction input screen and the appropriation amount will be zeroes.
- **"L" for the Lesser of Actual Receipts or Estimated Receipts.** This means that the budgeted authority for the appropriation is either the actual receipts against the appropriation *or* the estimated receipts. The system computes both values and uses the *lesser* value. For this option, you need to code the estimated receipt amount on the appropriation transaction input screen.

You also need to code cash receipt transactions for this appropriation for the actual receipt amount to be updated.

Figure 1-3 shows an appropriation transaction input screen coded with estimated receipts. The budget authority option is "E", therefore the estimated receipt amount will control obligations and expenditures. This amount will be used for budget authority checks, even if actual receipts are less than estimated.

**Figure 1-3**  
*AP Coded for  
 Estimated Receipts*

FUNCTION:		DOCID: AP 011 R-10005		
000		BATID:	ORG: 000-000 OF	
H-		APPROPRIATION INPUT SCREEN		
APPR DATE:	ACCTG PRD:	BUDGET FY: 98		
FUND: 100	AGENCY: 100	ORGN:	NET APPR AMOUNT:	
		NET EST RECEIPT AMT: 400000		
ACT	APPR UNIT	END DATE	APPROPRIATION NAME	SHORT NAME
---	---	---	---	---
	GRP		REV/ CAT	BOND B/A CHECK
	CDE	AMOUNT	I/D BCB CNTL EST RECEIPT AMT I/D	SERIES OPT CASH
---	---	---	---	---
01-	A 006	01 12 31 98	FED - CMIA	FED - CMIA
	03		N 400000	E M
02-				
03-				
04-				

**Revenue Budgets  
 and Appropriations**

The unit of appropriation code can be used to link receipts to appropriations. This is done by using the unit of appropriation on the revenue budget line.

The actual receipt field in Appropriation Inquiry (Extended) (EAP2) will be updated by the amount of the cash receipts.

Appropriation by Revenue Source Inquiry (APRS) provides a summary of budgeted versus actual revenue - by appropriation and revenue source. APRS is discussed later in this section.

**Deactivating /  
 Reactivating  
 Appropriations**

A unit of appropriation may be deactivated to prevent further expenditure obligations against the appropriation (when appropriation control is "C" or "P"). This can be a useful measure for implementing temporary spending freezes.

When a unit of appropriation is deactivated, any transaction containing the deactivated appropriation code will be rejected.

Deactivation and reactivation are achieved with appropriation transactions by coding a "D" in the line action field. The status indicator column in Appropriation Inquiry (Extended) (EAP2) shows whether a unit of appropriation code is active ("A") or inactive ("I").

**Logic Tests on  
 Appropriation  
 Amounts**

Appropriation transaction amounts are subjected to the following tests:

- The following amounts must have a logical relationship:

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- the *current appropriation amount* (recorded in Appropriation Inquiry (Extended) (EAP2))
- the *new appropriation amount* (the current appropriation amount plus the increase/decrease amount recorded on the input document)
- the difference between *current* and *new amounts* (the increase/ decrease amount recorded on the input document)
- The following amounts must also have a logical relationship:
  - the *current estimated receipt amount* (recorded in Appropriation Inquiry (Extended) (EAP2))
  - the *new estimated receipt amount* (the current estimated receipt amount plus the increase/decrease amount recorded on the input document)
  - the difference between *current* and *new amounts* (the increase/decrease amount recorded on the input document)
- On decrease modifications when appropriation control is "C" for the fund, the new budget authority cannot be less than the amount already obligated against the appropriation. (Budget authority is defined by the budget authority option. Obligated amount is the sum of the expended and encumbered amounts from Appropriation Inquiry (Extended) (EAP2)).

### Accounting Model and the Ledger

When a new appropriation transaction with an appropriation amount is accepted by AFS, it is posted to the Budget Ledger in the following manner:

Dr    Fund Balance (Budgetary accounts only)  
    Cr    Appropriation (Budgetary accounts only)

However, this is not always the manner in which budgets are reported. Anytime a fund has organizations (ORGN OPTIONS on FGY2 for REVB and EXPB="Y"), the revenue budget and expenditure budget transactions are used for reporting budgets in the fund. For funds that do not have budgets (ORGN OPTIONS on FGY2 for REVB and EXPB="N"), appropriations are used for reporting.

For instance, if an appropriation is a Means-of-Financing appropriation (except General Fund) without an original fund, the budget would be reported as follows:

Dr    Estimated Revenue  
    Cr    Budgetary Fund Balance

If an appropriation is a General Fund Means-of-Financing appropriation, the budget would be reported as follows:

Dr Budgeted Revenue  
Cr Budgetary Fund Balance

If an appropriation is a Means-of-Financing appropriation, with an original fund, the budget would be reported as follows:

Original Fund

Dr Estimated Revenue  
Cr Budgetary Fund Balance  
Dr Budgetary Fund Balance  
Cr Estimated Revenue Transfer Out

Final Fund

Dr Estimated Revenue Transfer In  
Cr Budgetary Fund Balance

Operating Appropriations are reported as follows:

Dr Budgeted Obligations  
Cr Budgetary Fund Balance

**Tables**

**Appropriation Inquiry (EAP2) (Extended)**

The individual appropriation budgets for each fund, agency, and appropriation are recorded in Appropriation Inquiry (Extended) (EAP2). This system-maintained table captures all budgetary, expenditure, and receipt transactions that reflect activity against an appropriation. This includes status information, appropriation budget amounts, estimated and actual receipts, related expense budget amounts, and pre-encumbered, encumbered and expended amounts against each appropriation unit.

New appropriation lines are established in Appropriation Inquiry (Extended) (EAP2) for new units of appropriation through the Appropriation (AP) document. On modifying transactions, the appropriation budget fields are changed in the appropriate (existing) line. Accounting transactions relating to lines in the table also update fields in the table. Figure 1-4 is a sample of Appropriation Inquiry (Extended) (EAP2).



**Figure 1-4**  
*Appropriation Inquiry (Extended) (EAP2)*

```

ACTION: R 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= 98      FUND= 100  AGENCY= 100 ORGANIZATION=      APPR UNIT= 003
APPR TYPE: 01 MY IND: N  STATUS: A APPR END DATE: 12 31 98 BUD AUTH OPT: L
APPR NAME: GENERAL SERVICES - IAT      APPR SHORT NAME: GEN SERV
CAT CNTL: N GRPC: 02 CHECK CASH: M BOND SERIES NUMBER:
RECEIPTS: ORIG EST:      100,000.00 CUR EST: 150,000.00 ACT:      200,000.00
  APPROP:      ORIG:      0.00 CUR:      0.00 BEG DAY:      0.00

      BEGIN CASH BAL:      0.00 REVERTED AMT:      0.00
      TRANSFER IN AMT:      0.00 TRANSFER OUT AMT:      0.00

      BUD AUTH: 150,000.00 ALLOT:      0.00 EXP BUD:      0.00

      PRE-ENCUMBERED AMT:      750.00 BEGIN DAY AMOUNTS
      ENCUMBERED AMT:      10,000.00 600.00
      EXPENDED AMT:      23,524.00 9,729.00
      22,540.00

UNCOMMITTED:      115,726.00 / 77.15 % UNEXPENDED:      126,476.00 / 84.32 %
    
```

**Explanation of Appropriation Inquiry Example**

An explanation of Appropriation Inquiry (Extended) (EAP2) presented in Figure 1-4 follows. Each lettered discussion explains one aspect of the information provided in the table.

- A. The appropriation type (APPR TYPE) is "01," indicating that this is a regular appropriation, available for use for only one fiscal year.
- B. The status of this appropriation is Active.
- C. Since the state allows for transaction processing by control agencies through 12/31/YY for a given budget fiscal year, the appropriation end date must be set as 12/31/YY. For example, for Fiscal Year 98, the appropriation end date must be set to 12/31/98 for control agency processing.
- D. The current budget authority (the amount available for obligating) is \$150,000.00. Since the Budget Authority Option is "L", budget authority is computed as the lesser of the Estimated Receipts (\$150,000.00) or Actual Receipts (\$200,000.00).
- E. The Group Code is "02" for General Fund - IAT. This group code allows for the processing of warrants using the Warrant Voucher (WV) document.
- F. The check cash option is "M" - so available cash will be checked against this appropriation, not on Cash Available (CASH).
- G. The original Estimated Cash Receipts when the budget was approved was \$100,000.00. The Current Estimated Cash Receipt Amount has been adjusted to \$150,000.00. Total Actual Cash Receipts to date are \$200,000.00.

H. Current Amounts: The current outstanding purchase requisitions (pre-encumbered amount) referencing this appropriation total \$750.00. The current outstanding purchase orders (encumbered amount) referencing this appropriation total \$10,000.00. The Expended Amount is \$23,524.00. This total includes all payment vouchers, expenditure corrections and journal vouchers which reference this appropriation.

I. The Uncommitted Balance is \$115,726.00, calculated as follows:

Budget Authority	\$150,000.00
less: Pre-encumbered amount	<750.00>
Encumbered amount	<10,000.00>
Expended amount	<23,524.00>
	<u>115,726.00</u>

Percent Uncommitted is 77.15%.

J. The current Unexpended Balance is \$126,476.00, calculated as follows:

Budget Authority	\$150,000.00
less: Expended Amount	<23,524.00>
	<u>126,476.00</u>

The Percent Unexpended is 84.32%.

**Appropriation by  
Object and  
Appropriation by  
Revenue Source**

For proper management of appropriations in day to day operations, two additional tables are maintained to permit a review of the current status of an appropriation by object code and appropriation by revenue source code. These are Appropriation by Object Inquiry (APOC) and Appropriation by Revenue Source Inquiry (APRS). These tables are populated by a nightly process which summarizes the activity on the General Ledger and Budget Ledger.

APOC and APRS allow online inquiry by appropriation and object code or revenue source code for the current (modified) budget amounts versus year-to-date actual revenue (on APRS) or year-to-date actual expenditures, encumbrances, and pre-encumbrances (on APOC). Both tables compute and display the applicable remaining budget amount.

Both APOC and APRS summarize to the appropriation level.

Figures 1-5 and 1-6 show sample screens from Appropriation by Object Inquiry (APOC) and Appropriation by Revenue Source (APRS). Fields on these tables are detailed in Appendix B of the *ISIS/AFS Online Features*.

**Figure 1-5**  
*Appropriation  
 Object Inquiry  
 (APOC)*

```

ACTION: . SCREEN: APOC USERID:

          A P P R O P R I A T I O N   B Y   O B J E C T   I N Q U I R Y

BUD FY= .. FUND= .... AGENCY= ... ORGN= .... APPR UNIT= .....

          CURR MODIFIED
OBJT      BUDGET      EXPENDED AMT      ENCUMBERED AMT      PRE-ENCUMBERED
=====  -----  -----  -----  AMOUNT      REMAINING AMT
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
.....
    
```

**Figure 1-6**  
*Appropriation by  
 Revenue Source  
 Inquiry (APRS)*

```

ACTION: . SCREEN: APRS USERID:

          A P P R O P R I A T I O N   B Y   R E V E N U E
          S O U R C E   I N Q U I R Y

BUD FY= .. FUND= .... AGENCY= ... ORGN= .... APPR UNIT= .....

          CURR MODIFIED
          RSRC      BUDGET      ACTUAL REVENUE      UNCOLLECTED AMT
=====  -----  -----  -----
01- .....
02- .....
03- .....
04- .....
05- .....
06- .....
07- .....
08- .....
09- .....
10- .....
    
```

**Appropriation by  
 Object Category**

Implementation of category control necessitates close tracking of appropriations in day to day operations. The Appropriation by Category Inquiry (APCT) table permits a review of the current status of an appropriation by object category. APCT is created and updated by expense budget (EB) transactions, and is updated immediately as each accounting transaction is processed. While Payroll and other interface J5s and some manual warrants are allowed to process regardless of available budget, expenditure transactions are validated against APCT to ensure they will not exceed appropriation category budget.

APCT allows online inquiry by appropriation and object category for current versus begin day approved and current modified budget amounts, and pre-encumbrances, encumbrances, and expenditures. Uncommitted and unexpended balances are also computed and displayed. APCT summarizes to the appropriation level.

Figure 1-7 shows a sample screen from Appropriation by Object Category Inquiry (APCT). Fields on this table are detailed in Appendix B of the *ISIS/AFS Online Features*.

**Figure 1-7**  
*Appropriation by Object Category Inquiry (APCT)*

ACTION: S		SCREEN: APCT		USERID: IS03T32		08/21/01 04:10:19 PM	
A P P R O P R I A T I O N B Y O B J E C T C A T E G O R Y I N Q U I R Y							
BUDGET FY=		FUND=		AGENCY=		ORGANIZATION=	
APPR UNIT=		OBJECT CATEGORY=					
				CURRENT AMOUNTS		BEGIN DAY AMOUNTS	
				-----		-----	
APPROV BUDGETED AMT:							
CUR MOD BUDGETED AMT:							
PRE-ENCUMBERED AMT:							
ENCUMBERED AMT:							
EXPENDED AMT:							
OBJ CAT DESCR :							
				--- AVAILABLE FUNDS ---			
UNCOMMITTED BALANCE:				UNEXPENDED BALANCE:			
PERCENT COMMITTED:				PERCENT EXPENDED:			

## Expense Budget

The expense budget transaction records and maintains the expense budget for the current and future budget fiscal years. Prior year budgets, the current year budget and several future years' budgets can be maintained simultaneously in AFS. Continuing appropriations that do not use organization codes will not use Expense Budgets.

Expense budget transactions are used to initially establish the spending side of a budget and to modify this budget, as necessary. Each budget line represents an object of expenditure (goods or services). These lines are organized within fund/agency combinations.

Expense budget lines will be related to appropriation units. The unit of appropriation is one of the line-level codes on the expense budget transaction. The total of line amounts from expense budget lines containing a particular unit of appropriation will equal that appropriated programs appropriation.

The expense budget is stored in a system-maintained table, called Expense Budget Inquiry (Extended) (EEX2), on a line item basis. An audit trail of budget modifications is available from the Budget Ledger and Expense Budget Detail Inquiry (Extended) (EEXD).

You can look at the current state of the year's expense budget, including total obligations, in various detailed and summary levels through a series of AFS standard reports and online table views.

## Implementing an Expense Budget

The steps necessary to implement the AFS expense budget capability are:

- Decide, for each fund, whether to institute expense budget full control, presence control, or no control, and record the choices in Fund (FUN2). For Louisiana, the recorded choice is "N" for no control.
- Decide, for each fund/agency combination, whether expense budgeting is to be done by organization. Record these choices in Fund Agency (FGY2). For Louisiana, the recorded choice is "Y" which means that organizations are required coding on both accounting and budgeting transactions.
- Determine that the appropriate organization, appropriation, object, and revenue source codes have been established in the relevant tables.
- Submit Expense Budget (EB) transactions to establish budget lines.

When the budget as recorded in the system is accepted by the Legislature, the budget approved indicator will be set to "Y" in Fiscal Year (FSYR). The budget approved indicator also applies to the revenue budget, so some coordination with the revenue budget preparation office is recommended.

**Expense Budget (EB) Transaction**

Figure 1-8 is a sample expense budget input screen. See the *ISIS/AFS Online Features* for coding instructions.

**Figure 1-8**  
*Sample Input. - Expense Budget (EB) Transaction*

```

FUNCTION:                DOCID: EB   011 R-10005
STATUS:                  BATID:                ORG:                000-000 OF 000
H-                       EXPENSE BUDGET INPUT FORM

TRANS DATE:              ACCTG PRD: . . . . . BUDGET FY: . .
FUND: . . . . .          AGENCY: . . . . .    TOTAL REVISED EXP AMT: . . . . .
                                           CALCULATED REVISED EXP AMT:
LIN                               SUB SPD BUDGET
ACT ORG  APPR UNIT ACTV FUNC OBJ  OPT IND POSTNS REVISED AMT  INC/DEC AMT
-----
                                SERIES REVENUE SOURCE
                                NUMBER REF1 REF2 REF3  DESCRIPTION
-----
01- . . . . .
02- . . . . .
03- . . . . .
04- . . . . .
    
```

**Defining Expense Budget Lines**

Lines are added to Expense Budget Inquiry (Extended) (EEX2) in two ways:

- Through the processing of Expense Budget (EB) transactions.
- Through the processing of expenditure accounting transactions. AFS creates the budget table lines according to expenditures actually made. This permits summary obligation balances to be maintained even when the AFS budgeting facility is not used. This means that agencies not using the budgeting capabilities will have lines in Expense Budget Inquiry (Extended) (EEX2) recording expenditure accounting transactions in summary form.

**Expense Budgets and Expenditure Accounting**

Expense budget lines are associated with expenditure transactions based upon their accounting distributions. An expenditure "matches" a budget line when all codes on the budget line exist in the expenditure transaction. However, the expenditure line may be in more detail (have more codes) than the budget line and still "match".

When a match occurs, the budget line's pre-encumbered, encumbered, and/or expended amounts, whichever are appropriate, are adjusted in Expense Budget Inquiry (Extended) (EEX2) by the amount of the accounting transaction. For example, a new purchase order increases the encumbered amount on its "matching" budget line. If the purchase order references a requisition, the pre-encumbered amount is also reversed. A decrease adjustment to a previously entered purchase order causes a decrease to the encumbered amount.

**Options Affecting  
Expense Budget  
Transactions**

**Expense Budget Control Option.** Your government may decide to use expense budget amounts as controls on spending. When this option is used, AFS rejects any accounting transaction that would cause the total obligated amount to exceed the current modified budgeted amount for that budget line.

The option to use the expense budget as a spending control is chosen individually for each fund. The choices, which may affect the transactions you code on expense budget input screens, are recorded in Fund (FUN2), in the field labeled Expense Budget Control Option. The values recorded there are either:

- **"C" for Full Control.** This means that total obligations against the fund cannot exceed the budgeted amounts; therefore, you must enter expense budget transactions for the fund, including valid amounts. Full control is reduced to presence control when the expense budget line has a negative budget amount.
- **"P" for Presence Control.** This means that the fund requires an expense budget, but the budget amount may be exceeded; therefore, you must enter expense budget transactions for the fund, but amounts can be zero.
- **"N" for No Control.** This means that expense budgets are not used for the fund. AFS will, however, automatically generate expense budget lines from expenditure transactions processed by the system, and track expenditure activity against those lines.

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

You can implement a fourth expense budget control option when you code the Expense Budget (EB) transactions. When you are budgeting for funds that have presence or no control, you can override the control and implement full control for individual budget lines. For example, you may want to implement full control on travel expenses within a fund. This option is chosen with the *spending control indicator* field on the Expense Budget (EB) transaction.

For example, assume that no control is in effect for an agency's operating fund (fund 100), but for some internal reasons, the agency wants to restrict landscaping costs to a specific, budgeted amount. The agency can restrict spending on a line by line basis by using the spending control indicator on all budget lines concerning landscaping.

Figure 1-9 shows how the agency would code its budget input screen to accomplish this. The "Y" in the spending control indicator column imposes full control on those lines in which it appears. The column was left blank on line 4 because the agency does not want to impose full control on labor expenditures.

**Figure 1-9**  
*Illustration*  
*Expense Budget*  
*(EB) Transaction*

FUNCTION:		DOCID: EB 100 EB000000010	
STATUS:		BATID:	ORG: 000-000 OF 000
H-		EXPENSE BUDGET INPUT FORM	
TRANS DATE:		ACCTG PRD:	BUDGET FY: 98
FUND: 100		AGENCY: 100	TOTAL REVISED EXP AMT: 800550
		CALCULATED REVISED EXP AMT:	
LIN		SUB SPD BUDGET	
ACT	ORG	APPR	UNIT
ACTV	FUNC	OBJ	OPT
IND	POSTNS	REVISED	AMT
INC/DEC	AMT		
SERIES		REVENUE SOURCE	
NUMBER	REF1	REF2	REF3
DESCRIPTION			
01-	A	0500	100
			3100
			Y
			51000
			51000
			OFFICE SUPPLIES
02-	A	0500	100
			3120
			Y
			524050
			524050
			OPERATING SUPPLIES-COMPUTER
03-	A	0500	100
			3140
			Y
			115500
			115500
			OPERATING SUPPLIES-MEDICAL
04-	A	0500	100
			3160
			Y
			110000
			110000
			OPERATING SUPPLIES-FOOD

**The Sub-Object Option.** The sub-object option is chosen on a line by line basis on the Expense Budget (EB) transaction. If this field is "Y", all expenditure accounting transactions against the budget line must include a valid sub-object code. This option can enforce detail reporting for specific budget lines.

**Expense Budget Organization Option.** This option controls whether each fund/agency budgets expenditures by organization. The choice made for each fund/agency is recorded in Fund Agency (FGY2). The values recorded there are either:

- "Y" to require organization on expense budget transactions for the fund/agency.
- "A" to indicate that organization is required on accounting transactions but *must not be coded* on expense budget transactions for the fund/agency.
- "N" to indicate that organization must *not* be coded on expense budget transactions for the fund/agency.

Since the Expense Budget Organization Option is set to "Y" for Louisiana, the organization fields on Expense Budget (EB) transactions are required.

**Logic Tests**  
**on Expense**  
**Budget Amounts**

Expense budget transaction amounts are subjected to the following tests:

- The following three amounts must have a logical relationship:
  1. The *current modified budgeted amount* (recorded in Expense Budget Inquiry (Extended) [EEX2]).



2. The *new budgeted amount* (the revised amount recorded on the input screen).
  3. The difference between *current* and *new amounts* (the increase/decrease amount recorded on the input screen).
- On decrease modifications when the expense budget control option is "C" for the fund, the revised budgeted amount may not be less than the amount already obligated against the expense budget line. (The obligated amount is the sum of the expended and encumbered amounts from Expense Budget Inquiry (EEX2)).

**Accounting Model and the Ledger**

New expense budget lines post to the Budget Ledger in the following manner:

Cr Budgeted Obligations (memo only)

The amount posted is the increase/decrease amount from the expense budget transaction. Figure 1-10 illustrates the accounting model for expense budget transactions.

**Figure 1-10**  
*Accounting Model for Expense Budgets*

BUDGETED OBLIGATIONS						
524,050 <sup>1</sup>						
	FUND	AGCY	ORGN	APPR	OBJT	ACCT TYPE
Cr	100	100	0500	100	3120	41
Ledger Updates: CURRBD (Budget Ledger)						
<sup>1</sup> Budget \$ 524,050 of appropriation 022 to be spent for operating supplies-computer (object 3120) within the specified fund, agency, organization.						

**Tables**

**Expense Budget Inquiry (EEX2)**

New lines are established in Expense Budget Inquiry (Extended) (EEX2) when new lines coded on expense budget transactions are accepted or when expenditure accounting lines are accepted by the system and the expense budget control option is "N." On modify transactions, data elements are changed in the appropriate (existing) line. Expenditure transactions relating to lines in the table update the obligation data.

Figure 1-11 is a sample screen from Expense Budget Inquiry (Extended) (EEX2). This table is explained in Appendix B of the *ISIS/AFS Online Features*.

**Figure 1-11**  
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: ..... %
    
```

**Appropriation by  
Object Inquiry  
(APOC)**

Appropriation by Object Inquiry (APOC) provides a summary of budget and accounting activity at the appropriation level (regardless of the expense budget lines). Within budget fiscal year, fund, agency, and appropriation, this table provides end-of-day balances by object code of budgeted amounts and actual revenue. The table also computes and displays the remaining budget amount. More details on this table are available in the Appropriation section of this chapter.

**Organization Rollups by  
Object Code (OROC)**

Organization Rollups by Object Code (OROC) is created by summarizing records from Expense Budget Inquiry (Extended) (EEX2), but OROC maintains balances at rollup organization level. Within an organization, this table provides end-of-day balances by object of: budgeted amounts, expenditures, encumbrances, pre-encumbrances, and remaining budgets. The table also computes and displays the remaining budget amount.

When records from Expense Budget Inquiry (Extended) (EEX2) are extracted, a rollup process is performed by reading Organization (ORG2) for the organization code on each EEX2 record. The amounts for the EEX2 record are then written to OROC for **all** organization codes rolled to by the EEX2 organization, in addition to the record for the EEX2 organization.

For example, a level 3 organization code, which rolls up to 2 higher organization codes, would add data to 3 records on OROC: one for the EEX2 organization, and one for each of the 2 rollup organizations. All 3 records on OROC would be updated with the same dollar amounts (although OROC records for the higher level organizations would probably include amounts from other lower level organizations, and would therefore have higher totals).

Therefore, totals on OROC display not only amounts from the EEX2 records of the same organization, they also display amounts summed from all organizations that roll up to the OROC organization code. This provides an online view of budget and expenditures by rolled organization.

Figure 1-12 shows a sample screen of Organization Rollups by Object Code (OROC). This table is detailed in Appendix B of the *ISIS/AFS Online Features*.

OROC is maintained by two jobs, both of which are run each night. The combined effect of the jobs is to read and summarize information from EEX2 and inscribe it on OROC. The first job, the Organization Rollups Inquiry Sequential File, reads EEX2 and gathers rollup information. The second job, the Organization Rollups Inquiry Load, writes the rolled-up information onto OROC for the next day's inquiries. These same two jobs also maintain Organization Rollups by Revenue Source (ORRS) with data from Revenue Budget Inquiry (REV2).

**Figure 1-12**  
*Organization Rollups by Object Code (OROC)*

```

ACTION: . SCREEN: OROC USERID:
  O R G A N I Z A T I O N R O L L U P S B Y O B J E C T C O D E
BUDGET FY= .. FUND= .... AGENCY= ... ORGN= ....

```

OBJT	CURR MODIFIED BUDGET	EXPENDED AMOUNT	ENCUMBRANCE AMOUNT	PRE-ENCUM AMOUNT	REMAINING BUDGET
====	-----	-----	-----	-----	-----
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....
.....	.....	.....	.....	.....	.....

## Revenue Budgets

The revenue budget facility records and maintains expected revenues for an entire budget fiscal year. Prior year budgets, the current year budget and several future years' budgets can be maintained simultaneously. Continuing appropriations that do not use organization codes will not use Revenue Budgets.

Revenue budget transactions are used to initially set up the revenue (receiving) side of a budget and to modify this budget, as necessary. Each budget line represents a source of revenue expected to be received. These lines are organized within fund/agency combinations; that is, all lines specifying amounts to be received by one fund/agency may be entered on the same input screen and will appear together in reports. The results of revenue budget transactions are maintained in Revenue Budget Inquiry (REV2). An audit trail of budget modifications is available from the Budget Ledger.

### Implementing Revenue Budgets

The steps necessary to implement the AFS revenue budget capability are:

- Decide, for each fund, whether to institute revenue budget presence control or no control, and record the choices in Fund (FUN2). For Louisiana, the recorded choice is "N" for no control.
- Decide, for each fund/agency, whether revenue budgeting is to be prepared by organization. Record these choices in Fund Agency (FGY2). For Louisiana, the recorded choice is "Y" which means that organizations are required coding on both accounting and budgeting transactions.
- Determine that the appropriate organization and revenue source codes have been established in the relevant tables.
- Submit Revenue Budget (RB) transactions to establish budget lines. Budget amounts are not required.
- When the entire budget is officially approved, the budget approved indicator will be set to "Y" in Fiscal Year (FSYR). The budget approved indicator also applies to the expense budget, so some coordination with expense budget preparation office is recommended.

### Revenue Budget (RB) Transaction

Figure 1-13 is a sample Revenue Budget (RB) transaction. See *ISIS/AFS Online Features* for coding instructions.

**Figure 1-13**  
*Sample Input -  
 Revenue Budget  
 (RB) Transaction*

FUNCTION:		DOCID: RB 011 R-10005					
STATUS:		BATID:		ORG: 000-000 OF 000			
H-		REVENUE BUDGET INPUT FORM					
TRANS DATE:		ACCTG PRD: .. ..		BUDGET FY: ..			
FUND: ....		AGENCY: ...		TOTAL REVISED REVENUE AMT: .....			
		CALCULATED REVISED REVENUE AMT:					
LIN	ACT	ORGN	ACTV	REV SRCE	APPR UNIT	REVISED AMT	INC/DEC AMT
---	---	---	---	---	---	---	---
DESCRIPTION							
-----							
01-	.	.....	.....	.....	.....	.....	.....
02-	.	.....	.....	.....	.....	.....	.....
03-	.	.....	.....	.....	.....	.....	.....
04-	.	.....	.....	.....	.....	.....	.....

**Defining Revenue Budget Lines**

Lines are added to Revenue Budget Inquiry (REV2) in two ways:

- Through the processing of Revenue Budget (RB) transactions.
- Through the processing of revenue accounting transactions. AFS creates the revenue budget table lines according to revenues actually received. This permits a summary recognized amount to be maintained even when the AFS revenue budgeting facility is not used. This means that agencies not using the budgeting capability will have lines in Revenue Budget Inquiry (REV2).

**Revenue Budgets and Accounting Transactions**

Revenue budget lines are associated with revenue accounting transactions through their accounting distributions. A revenue transaction matches a budget line when all codes on the budget line exist in the accounting transaction. However, the revenue accounting entry may be in more detail (have more codes) than the budget line and still match. For example, it may contain a sub-revenue source code while the budget is at the revenue source level of detail.

When a match occurs, the budget line's recognized amount is adjusted appropriately. For example, a new cash receipt document increases the recognized amount on its "matching" line. Modifications to previously entered transactions are also reflected in the recognized amount.

## Original Funds and Final Funds

If a revenue budget line is defined with an organization code that has an original fund, then the revenue budget must pass through the original fund before it is recorded against the final fund. Although multiple postings occur to the budget ledger and Revenue Budget Inquiry (REV2), the net effect for the original fund revenue budgets will be zero. As with all other original fund/final fund postings, transactions creating the postings will have document descriptions indicating the action taking place (e.g. "EST REV TRF OUT" or "EST REV TRF IN RVSL").

## Appropriation Code

AFS provides the capability to specify an appropriation code that is associated with a given revenue budget line. The appropriation code can identify a revenue budget line as expected revenue for an appropriation. If an appropriation code is used on a revenue budget line, then actual revenues received against that line will be recorded as receipts against the appropriation. The actual receipt amount for the appropriation is maintained in Appropriation Inquiry (Extended) (EAP2) as receipts are recorded.

When appropriation units are used on revenue budget lines, the budget amounts on those lines usually would reflect the total estimated receipt amount for the unit of appropriation with an estimated receipt amount.

## Options Affecting Revenue Budgets

**Revenue Budget Control Option.** Your government may decide to use revenue budget lines to control acceptance of revenues. When this option is used, it means that before a revenue transaction can be recorded in the General Ledger, it must match a line in the revenue budget.

Revenue budget lines never have to have amounts recorded in the system for processing, but amounts obviously make the budget and related reports more meaningful.

The option of whether or not to use the revenue budget as a control is chosen individually for each fund in your system. The choices, which may affect the way you code revenue budget transactions, are recorded in Fund (FUN2) in the field labeled Revenue Budget Control Option. The values recorded there are either:

- **"P" for Presence Control.** This means that revenue transactions against this fund require a revenue budget line; therefore, you must enter revenue budget transactions for this fund.
- **"N" for No Control.** This means that revenue budgets are not used for this fund. AFS will, however, automatically create revenue budget lines based on revenue transactions and track revenues against those lines.

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

**Revenue Budget Organization Option.** This option controls whether each fund/agency budgets revenues by organization. The choice made for each fund/agency is recorded in Fund Agency Inquiry (FGY2). The values recorded there are either:

- "Y" to require that organization be coded on revenue budget transactions for the fund/agency
- "A" to preclude organization from being coded on revenue budget lines for the fund/agency, but make it required coding on accounting transactions.
- "N" to indicate that organization must not be coded for the fund/ agency. (Organization may still be coded on revenue accounting transactions, however.)

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

### Logic Tests on Revenue Budget Amounts

Revenue Budget (RB) transaction amounts are subjected to the following criteria:

- The following three amounts must have a logical relationship:
  - The *current modified budgeted* amount (recorded in Revenue Budget Inquiry (REV2)).
  - The *new budgeted amount* (revised amount recorded on the document)
  - The difference between the *current* and *new amounts* (the increase/decrease amount recorded on the document).

### Accounting Model and the Ledger

New revenue budget lines are posted to the Budget Ledger in one of two ways, depending on whether the revenue budget organization is linked to an original fund. If the organization does not use an original fund, then the posting is as follows:

Dr    Estimated Revenue (Budgetary accounts only)  
       Cr    Fund Balance (Budgetary accounts only)

The amount posted is the increase/decrease amount from the revenue budget transaction. Figure 1-14 illustrates the accounting model for revenue budget transactions without an original fund.

**Figure 1-14**  
*Accounting Model  
 for Revenue Budgets  
 without Original Funds*

ESTIMATED REVENUE			FUND BALANCE		
20,000			20,000 <sup>1</sup>		
FND	AGCY	ORGN	RSRC	BS ACCT	ACCT TYPE
Dr 125	125	0505	1575		51
Cr 125	125			6675	03
Ledger Updates:			CURRBD (Budget Ledger)		
<sup>1</sup> Establishes a budget of \$20,000 to track estimated revenues accruing from motor vehicle - title fees (revenue source 1575) within the specified fund/agency/organization.					

If the revenue budget organization is linked to an original fund, then the budget is automatically transferred from the original fund to the final fund, as follows:

```

Dr   Estimated Revenue (Budgetary accounts only) FOR ORIGINAL FUND
Cr   Fund Balance (Budgetary accounts only)   FOR ORIGINAL FUND

Dr   Fund Balance (Budgetary accounts only)   FOR ORIGINAL FUND
Cr   Estimated Revenue Transfer Out           FOR ORIGINAL FUND

Dr   Estimated Revenue Transfer In            FOR FINAL FUND
Cr   Fund Balance (Budgetary accounts only)   FOR FINAL FUND
  
```

The amount posted is the increase/decrease amount from the revenue budget transaction. Figure 1-15 illustrates the accounting model for revenue budget transactions with an original fund.



**BUDGETING**

**Figure 1-15**  
*Accounting Model  
 for Revenue Budgets  
 with Original Funds*

ESTIMATED REV ORIGINAL FUND		FUND BALANCE ORIGINAL FUND		ESTIMATED REV FINAL FUND		FUND BALANCE FINAL FUND	
10,000			10,000 <sup>1</sup>	10,000			10,000 <sup>3</sup>
	10,000 <sup>2</sup>	10,000					

Fund 125 is the final fund, fund B01 is the original fund linked to organization 0600.

	<u>FND</u>	<u>AGCY</u>	<u>ORGN</u>	<u>RSRC</u>	<u>BS ACCT</u>	<u>ACCT TYPE</u>
Dr	B01	125	0600	1575		51
Cr	B01	125			6675	03
Dr	B01	125			6675	03
Cr	B01	125	0600	1575		51
Dr	125	125	0600	1575		51
Cr	125	125			6675	03

Ledger Updates: CURREB (Budget Ledger)

<sup>1</sup> Establishes a \$10,000 budget for the original fund (B01)  
<sup>2</sup> Transfers the \$10,000 budget from the original fund (B01)  
<sup>3</sup> Transfers the \$10,000 budget to the final fund (125)

**Tables**

**Revenue Budget  
 Inquiry (REV2)**

New lines are established in Revenue Budget Inquiry (REV2) when new revenue budget transactions are accepted or when revenue accounting lines are accepted by the system and the Revenue Budget Option is "N" on Fund (FUN2).

Figure 1-16 is an example of a revenue budget line on REV2. This table is explained in Appendix B of the *ISIS/AFS Online Features Manual*.

**Figure 1-16**  
*Example of Revenue  
 Budget Inquiry  
 (REV2)*

```

ACTION: . SCREEN: REV2 USERID:

      R E V E N U E   B U D G E T   I N Q U I R Y

BUDGET FY= 97          FUND= 125.          AGENCY= 125
ORGANIZATION= 0505    ACTIVITY=          REVENUE SOURCE= 1575

DESCRIPTION: MOTOR VEHICLE-TITLE FEES

APPROPRIATION: 002    STATUS: A

                                CURRENT AMOUNTS          BEGIN DAY AMOUNTS
                                -----
APPROVED BUDGET:         24000.00          24000.00
CURRENT MODIFIED BUDGET: 20000.00          24000.00
RECOGNIZED:              1600.00
UNRECOGNIZED:            18400.00
  
```



**Appropriation by Revenue Source (APRS)**

Appropriation by Revenue Source (APRS) provides summary budget and accounting activity at the appropriation level (regardless of the revenue budget lines). Within budget fiscal year, fund, agency, and appropriation, this table provides end-of-day balances by revenue source of budgeted amounts and actual revenue. The table also computes and displays the remaining budget amount. More details on this table are available in the Appropriation section of this chapter.

**Organization Rollups by Revenue Source Code (ORRS)**

Organization Rollups by Revenue Source Code (ORRS) is created by summarizing records from Revenue Budget Inquiry (REV2), at the rollup organization level. Within an organization, this table provides end-of-day balances by revenue source of budgeted amounts and actual revenue. The table also computes and displays the remaining budget amount.

When records from REV2 are extracted, a rollup process is performed by reading Organization (ORG2) for the organization code on each REV2 record. The amounts for the REV2 record are then written to ORRS for **all** organization codes rolled to by the REV2 organization, in addition to the record for the REV2 organization.

For example, a level 3 organization code, which rolls up to 2 higher organization codes, would add data to 3 records on ORRS: one for the REV2 organization, and one for each of the 2 rollup organizations. All 3 records on the ORRS would be updated with the same dollar amounts (although the ORRS records from the higher level organizations would probably include amounts for other lower level organizations, and would therefore have higher totals).

Therefore, totals on ORRS display not only amounts from the REV2 records of the same organization, they also display amounts summed from all organizations that roll up to the ORRS organization code. This provides an online view of budget and revenue by rolled organization.

Figure 1-17 shows a sample screen of Organization Rollups by Revenue Source Code (ORRS). This table is detailed in Appendix B of the *ISIS/AFS Online Features*.

**Figure 1-17**  
*Organization Rollups  
 by Revenue Source  
 Code (ORRS)*

```

ACTION: . SCREEN: ORRS USERID:

      O R G A N I Z A T I O N   R O L L U P S   B Y   R E V E N U E
      S O U R C E   C O D E

BUDGET FY= .. FUND= .... AGENCY= ... ORGN= ....

      CURR MODIFIED          ACTUAL          REMAINING
      RSRC   BUDGET          REVENUE          BUDGET
      ====   -----          -----          -----

01- .....
02- .....
03- .....
04- .....
05- .....
06- .....
07- .....
08- .....
09- .....
10- .....
  
```

ORRS is maintained by two jobs, both of which are run each night. The combined effect of the jobs is to read and summarize information from REV2 and inscribe it on ORRS. The first job, the Organization Rollups Inquiry Sequential File, reads the REV2 and creates records for each rollup organization inferred from Organization (ORG2). If the REV2 record had no organization, it is not included in the output file. The second job, the Organization Rollups Inquiry Load, writes the prepared information onto ORRS for the next day's inquiries. These same two jobs also maintain Organization Rollups by Object Code (OROC) with data from Expense Budget Inquiry (Extended) (EEX2).

## Other Budget Inquiry Tables

New lines are established on the Monthly Budget Inquiry Screens (RORG, EORG, ORGR, ORGE) when accounting transactions are accepted. Continuing appropriations are not included on these tables. Also, Warrant Voucher (WV) transactions recording activity for a warrant organization (type = "4" on ORG2) do not update this table. Transactions update the actual fields for appropriate (existing) budget lines. Figures 1-18 through 1-21 are examples of the period budget inquiry screens. The tables are explained in Appendix B of the *ISIS/AFS Online Features*.

**Figure 1-18**  
*Example of  
 Organization by  
 Revenue Source  
 Inquiry (RORG)*

```

ACTION: . SCREEN: RORG USERID:

      O R G A N I Z A T I O N   B Y   R E V E N U E   S O U R C E   I N Q U I R Y

FISC YEAR= 97  FUND= 125  AGENCY= 125  ORGN= 0505  APPR= 002          RSRC= 1615
ORGANIZATION NAME:
REV SOURCE NAME:

      YTD ACTUAL:   10,600.00

PERIOD      ACTUAL AMT          PERIOD      ACTUAL AMT
-----      -
01           3900.00           08           0.00
02           4000.00           09           0.00
03           2700.00           10           0.00
04             0.00           11           0.00
05             0.00           12           0.00
06             0.00           13           0.00
07             0.00           14           0.00
    
```

**Figure 1-19**  
*Example of  
 Organization by  
 Object Inquiry  
 (EORG)*

```

ACTION: . SCREEN: EORG USERID:

      O R G A N I Z A T I O N   B Y   O B J E C T   I N Q U I R Y

FISC YEAR= 97  FUND= 125  AGENCY= 125  ORGN= 0500  APPR= 100          OBJECT= 3100
ORGANIZATION NAME:
OBJECT NAME:

      PRE ENCUMBERED:
      ENCUMBERED:
      YTD ACTUAL:   8,400.00

PERIOD      ACTUAL AMT          PERIOD      ACTUAL AMT
-----      -
01           2900.00           08           0.00
02           3500.00           09           0.00
03           2000.00           10           0.00
04             0.00           11           0.00
05             0.00           12           0.00
06             0.00           13           0.00
07             0.00           14           0.00
    
```

**Figure 1-20**  
*Example of Revenue Summary Inquiry (ORGR)*

```

ACTION: . SCREEN: ORGR USERID:

                R E V E N U E   S U M M A R Y   I N Q U I R Y

FISC YEAR= 97  FUND= 125  AGENCY= 125  ORGN= 0505  APPR= 002
ORGANIZATION NAME:

                YTD ACTUAL:  69,000.00

PERIOD      ACTUAL AMT          PERIOD      ACTUAL AMT
-----      -
01           24000.00           08           0.00
02           26000.00           09           0.00
03           19000.00           10           0.00
04              0.00           11           0.00
05              0.00           12           0.00
06              0.00           13           0.00
07              0.00           14           0.00
    
```

**Figure 1-21**  
*Example of Expenditure Summary Inquiry (ORGE)*

```

ACTION: . SCREEN: ORGE USERID:

                E X P E N D I T U R E   S U M M A R Y   I N Q U I R Y

FISC YEAR= 97  FUND= 125  AGENCY= 125  ORGN= 0500  APPR= 100
ORGANIZATION NAME:

                PRE ENCUMBERED:
                ENCUMBERED:
                YTD ACTUAL:  58,000.00

PERIOD      ACTUAL AMT          PERIOD      ACTUAL AMT
-----      -
01           25000.00           08           0.00
02           21000.00           09           0.00
03           12000.00           10           0.00
04              0.00           11           0.00
05              0.00           12           0.00
06              0.00           13           0.00
07              0.00           14           0.00
    
```

## Internal Budgeting

An internal accounting transaction occurs when one governmental entity purchases goods or services from another governmental entity. Usually, you do not know whether a purchase is going to be internal or from an outside vendor when the budget is being developed. You simply budget for the expense, and then when the purchase is actually made, it can be recorded as internal in the accounting transactions (the requisition, purchase order, and payment voucher). The obligation will be applied against the same budget line, whether it is internal or not.

If strict internal budgeting and control is desired, it can be implemented by establishing separate budget lines for internal purchases using: (1) separate object and revenue source codes for internal lines; or (2) separate organization codes set up as lower levels in the organization reporting hierarchy.

Figure 1-22 shows an example of separate expense budget lines with different object codes for printing services that will be outsourced and printing services to be performed in-house.

**Figure 1-22**  
*Sample*  
*Governmental*  
*Budgeting Screens*

FUNCTION:		DOCID: EB 100 EB0000000016					
STATUS:		BATID:		ORG:		000-000 OF 000	
H- EXPENSE BUDGET INPUT FORM							
TRANS DATE:		ACCTG PRD:		BUDGET FY: 98			
FUND: 100		AGENCY: 100		TOTAL REVISED EXP AMT: 15,000			
				CALCULATED REVISED EXP AMT:			
LIN		SUB SPD BUDGET					
ACT	ORG	APPR	UNIT	ACTV	FUNC	OBJ	OPT IND POSTNS REVISED AMT INC/DEC AMT
-----							
		SERIES		REVENUE SOURCE		DESCRIPTION	
		NUMBER		REF1 REF2 REF3			
-----							
01-	A	1234	300		9100	Y	5,000 5,000
							IN-HOUSE PRINTING
02-	A	1234	300		9110	Y	10,000 10,000
							OUTSIDE PRINTING
03-							
04-							