Budget Adjustment (BA)

Description: A financial planning tool that allows an organization to adjust the current and/or base budget amounts for a given account as circumstances change throughout the fiscal year, or to create a budget for a new account established after the beginning of the fiscal year.

Access: Any KFS user can initiate a Budget Adjustment document.

KFS Module: Budget.

Routing:

1. Upon submission, the BA document routes to the Fiscal Officer or delegates of all accounts involved.
2. The document then follows any pre-defined organizational routing.

On This Page: Common Uses | Business Rules | Document Layout | Generation of Fringe Benefit Amounts | Examples

Read about KFS document layout, including standard KFS document components, on the FMS website.

Click a screenshot below to view the full-sized image in a new tab.

Common Uses

BA documents are often used to:

- Reallocate current budget as necessary throughout the fiscal year.
- Move spending authority from one general fund account to another.
- Establish budget lines in new accounts created after the fiscal year begins.
- Make long-term adjustments to the base budget.

The BA document allows for the establishment of monthly budgeted amounts for users that want to maintain budget information at this level.

Note: BAs should be processed when the variance on an account is negative.

Business Rules

- For General Fund accounts, the "To" and "From" sides of the document may change accounts and/or sub-accounts. For all other fund groups, the object codes and/or sub-object codes will change.
- Negative amounts are not allowed.
- A BA cannot be used to move base or current budget across charts or fund groups.
- Increases and decreases must balance with relation to object code types. For example, increases in income may be balanced by decreases in other income lines or by increases in expenditures.
- Not for use with Budgeting Recording Levels of No Budget; BA documents cannot be used on a non-budgeted account.
- Not for use with object sub-type codes CR (Cost Recovery Restricted) or AR (Accounts Receivable).

If the following conditions are met, *except* that the document is not initiated by the Fiscal Officer, the document will route to Final upon the Fiscal Officer's approval.

- The document adjusts only a single account.
- The document adjusts only the current budget amount.
- The document's initiator is the Fiscal Officer for the account.

- The account is not a Contracts and Grants account.
- The total decrease amount is not greater than the current budget balance for the object code being decreased.

Document Layout

In addition to the standard KFS document components, the BA document's Document Overview and Accounting Lines tabs have several fields that are unique to this document.

Document Overview Tab

Use the required **Year** dropdown to select the fiscal year to which the budget adjustment should apply.

If you change the fiscal year, click **Refresh** to ensure that all fields on the BA document are available for that fiscal year. For example, the base budget may be locked down for a specific fiscal year. Clicking **Refresh** will ensure that the Base Budget fields on the BA are disabled.

Accounting Lines Tab

Instead of one 'Amount' field on the BA document, there are two amount fields: **Current Amt** and **Base Amt**. Users may adjust current budget only, base budget only, or both. Note that, unlike many KFS documents, the "From/Decrease" and "To/Increase" sides of the document do not contain totals.

Additionally, the Accounting Lines tab includes a **Monthly Lines** option. Clicking **Show** will open a series of twelve

monthly periods in which a user can specify how much of the current amount from the account line should be distributed to each month. **Monthly Lines** allows for the establishment of monthly budgeted amounts for users that wish to maintain budget information at this level. the total of all monthly distributions must equal the total current amount for the accounting line.

Generation of Fringe Benefit Amounts

When a user submits a BA document that includes a labor object code, KFS will recognize the labor object code and ask if it should automatically generate the associated benefits.

You have entered Labor Object codes. Do you want to automatically generate the associated benefits?

Yes   No

If the user selects:

- **No**: The document routes without generating any additional accounting lines.
- **Yes**: The user will return to the document, where KFS will have added the appropriate benefit lines and amounts, as determined by entries in the Labor Object Benefit and Labor Calculations tables. Note that if the object codes used on the document generate fringe benefits, the user may need to manually enter an accounting line to balance the document.

Upon clicking **Submit** a second time, the user will be asked a second time if associated benefit lines should be generated. Since there is no need to generate the benefit lines twice, click **No** to route the BA document.

Examples

Example 1: During the current fiscal year, an organization overspends their budget on Object Code A and wants to move some budget from Object Code B to cover the deficit.

Example 2: A department promotes a staff member, Jane, from a BW1 to PAO position. Instead of hiring a replacement for the BW1 position, the department decides to reallocate the salary and benefits from the BW1 position to the PAO position. They use a BA document to move the current budget and base budget associated with Jane's previous salary and benefits from one account and set of object codes to another.