RESOLVING / AVOIDING BUDGET OVERAGES IN DISTRICT LEVEL ACCOUNTS

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A "budget" represents the maximum authorized amount of expenditures in an expense account.

A "budget overage" is when the actual expenditures in an account exceed the budget.

When a budget overage has occurred, or is anticipated to occur, the overage may be corrected or avoided by recording a journal entry and/or a budget change.

Journal Entries (aka "Expenditure Corrections")
A "journal entry" is a way to move costs which have been recorded in one account to a completely separate account. Journal entries are retroactive, meaning they can only move costs that have already been recorded; it is not appropriate to record a journal entry to move purchases which have not yet been recorded. A journal entry will only affect the amounts in the "YTD Actual" column on your principal's report in SunGard.

Journal entries must balance; in other words, if expenditures are decreased in one account, expenditures in some other account(s) must increase by the same total amount.

When recording journal entries, it's important to consider these restrictions:

- Journal entries may not be appropriate based on the nature of the accounts affected. For example, it may be allowable to move a computer purchase from one equipment account to a different equipment account, but it would not be allowable to move the computer purchase to a travel account.
- Journal entries may be prohibited in some instances due to the nature of the program or funding source. For example, it would be inappropriate to move supplies costs from a general classroom supplies account to a Special Education supplies account, unless the costs being moved were for legitimate Special Education purposes.
- Journal entries are not allowed to increase the costs in any given account above and beyond the budget for that account.

To record a journal entry in SunGard,

1. Select the "Web Forms" tab.
2. Select "Expenditure Correction Request" (when it has been selected the words will appear yellow).
3. The fiscal year and posting date will automatically be filled in. You may change these fields if necessary.
4. Begin with the account which will have its expenditures increase as a result of the journal entry.
   a. Enter a brief description of the account (e.g. travel, supplies, equipment, etc.)
   b. In the "key" field, enter the first 10 digits of the account number.

      c.   In the "object" field, enter the last 3 digits of the account number.

      d.   In the "change amount" field,

5. Next, select "add line" and enter the same information for the account which will have its expenditures decrease as a result of the journal entry, only this time enter the amount as a negative amount.

6. Repeat steps 4 and 5 as necessary for additional accounts. If you need additional rows, select the "add line" button.

7. Once you have entered all account information, verify the "net change" amount is $0 (this shows the total expenditure increases match the total expenditure decreases).

8. In the "explanation of transfer" field, give an explanation for why the journal entry is being recorded. You should reference the PO number or some other identifier to specify the exact costs/purchases that are being moved. Add lines as needed.

9. Select the "add attachments" button to attach any document(s) that may be needed to explain or justify the journal entry.

10. Select "accept". The journal entry will then be submitted for approval through SunGard's workflow process. Make a record of the set ID number and reference number in case you need to track down the journal entry later on.

In other words, SunGard won't allow an expenditure correction that looks like this:

	Row	Description	GL Key	GL Object	Amt
✖	1	Supplies	1205100102	610	-200
✖	2	Supplies	1054100102	610	100
✖	3	Supplies	0050100102	610	100

ADD LINE   Net Change: 0

Instead, you would need to submit an expenditure correction that looks like this:

	Row	Description	GL Key	GL Object	Amt
✖	1	Supplies	1205100102	610	-100
✖	2	Supplies	1054100102	610	100
✖	3	Supplies	1205100102	610	-100
✖	4	Supplies	0050100102	610	100

ADD LINE   Net Change: 0

Budget Changes (aka "Budget Transfers")

A budget change increases or decreases the budget for a given account. Budget changes can be either proactive or retroactive, meaning they can be used correct existing budget overages, or to prevent budget overages from occurring in the future. A budget change will only affect the amounts in the "Budget" column on your principal's report in SunGard.

Budget changes should balance, meaning any budget change that increases one budget must also decrease some other budget(s) by the same total amount.

Budget changes may be subject to certain restrictions, or disallowed altogether, based on the nature of the accounts affected.

For example, budget changes may be allowed to increase, but not decrease, the budget for certain accounts.

In other instances, budget changes must have a net zero impact on a given program. For example, a budget change may be allowed to increase a school's Trust Lands equipment budget (5420100XXX-734) and decrease the Trust Lands Travel budget (5420100XXX-580). However, a budget change would not be allowed to increase the Instructional Supplies budget (0050100XXX-610) and decrease the Trust Lands supplies budget (5420100XXX-610).

For additional information on which budget change restrictions apply to which accounts, refer to the "*District Ledger Accounts*" section of the Finance & Accounting Manual, or contact the WCSD Business Department.

To record a budget change in SunGard,

1. Select the "Web Forms" tab.
2. Select "Budget Change Request" (when it has been selected the words will appear yellow).
3. The fiscal year and posting date will be automatically filled in. You may change these fields if necessary.
4. Begin with the account which will have its budget increase as a result of this budget change.
    a. Enter a brief description of the account (e.g. travel, supplies, equipment, etc.).
    b. In the "key" field, enter the first 10 digits of the account number.
    c. In the "object" field, enter the last 3 digits of the account number.
    d. In the "change amount" field, enter the amount as a positive amount.
5. Next, select "add line" and enter the same information for the account which will have its budget decrease as a result of this budget change, only this time enter the amount as a negative amount.
6. Repeat steps 4 and 5 as necessary. If you need additional rows, select the "add line" button.
7. Once you have entered all account information, verify the "net change" amount is $0.
8. In the "explanation of transfer" field, give an explanation for why the budget change is being recorded. Add lines as needed.
9. Select "accept". The budget change will then be submitted for approval through SunGard's workflow process. Make a record of the set ID number and reference number in case you need to track down the budget change later on.

Note: SunGard won't allow your budget change to have an odd number of rows, and each budget increase must have a corresponding budget decrease for the same amount.

In other words, SunGard won't allow a budget change that looks like this:

	Row	Description	Key	Object	Final Budget	Actuals Encumbrances	Change Amount	Available Remaining
✖	1	Maintenance Sup	1185262102	680	12.704	1.933	100	10.871
✖	2	Employee Travel	0050100102	581	6.921	650	-200	6.071
✖	3	PLC Supplies	1054100102	610	3.643	0	100	3.743

ADD LINE   Net Change: 0

Instead, you would need to submit an expenditure correction that looks like this:

	Row	Description	Key	Object	Final Budget	Actuals Encumbrances	Change Amount	Available Remaining
✖	1	Maintenance Sup	1185262102	680	12.704	1.933	100	10.871
✖	2	Employee Travel	0050100102	581	6.921	650	-100	6.171
✖	3	PLC Supplies	1054100102	610	3.643	0	100	3.743
✖	4	Employee Travel	0050100102	581	6.921	650	-100	6.171

ADD LINE   Net Change: 0