

UNDERSTANDING BUDGETARY CONTROL AND FUNDS CHECKING

BUDGETARY CONTROL

Budgetary control is the process of applying actual and encumbrance transactions against a funding budget to determine funds available in order to control spending on an award budget.

FUNDS CHECK

Funds check is a feature of budgetary control that is used to verify available funds against a budget before processing a transaction. Funds check immediately updates funds available for approved transactions.

The funds available amount is calculated by subtracting actual expenditures and encumbrances from the budget amount. Funds check operation is based on the specified budgetary control settings.

Budgetary Control Settings

Budgetary control settings determine spending limits at the award, task, resource group (Expenditure Category), and resource (Expenditure Type) levels in a project. They regulate how funds are reserved for transactions. Default budgetary control settings are entered in the Budgetary Control tab of the Award Management form.

The options for Budgetary Control Settings are:

- Absolute – transactions will be rejected unless funds are available
- Advisory – transactions will be approved even when no funds or insufficient funds are available, but a message will be shown that “funds checking passed in advisory mode”.
- None – all transactions will be approved and there is no funds check

The screenshot below is the Budgetary Control tab of the Award Management Form

The screenshot displays the 'Budgetary Control' tab of the Award Management Form. The 'Levels' section is highlighted with a red box and labeled 'Budgetary Control Settings'. It contains the following settings:

Level	Setting
Award	Absolute
Tasks	Absolute
Resource Groups	None
Resources	None

Other sections include:

- Workflow:** Enable Workflow for Budgets
- Time Phase:** Amount Type: Project to Date, Boundary Code: Project

BUDGETARY CONTROL WINDOW

Note: Departmental users do not have access to the Budgetary Control Window. If you have questions about your budgetary control, contact your OVPR SPA.

Another place where budgetary control can be set for an award is the Budgetary Control window. Some awards may require custom budgetary control settings to be set up. In that case, OVPR will update the budgetary control settings for the award on this form. Please note that not all awards will be shown on this form. Only those that have custom budgetary control settings set up will be shown.

Screen shots shows the budgetary control settings for Award and Task Level

The screenshot shows the 'Budgetary Control' window. At the top, 'Project Number' is 35507 and 'Project Name' is 'Physic & Chemistry of Carbon'. Below this, there are two sections: 'Award' and 'Task'. Each section contains a table with columns for 'Number', 'Name', and 'Budgetary Control Settings'. In the 'Award' section, the first row has 'CCNS21212N' for Number and 'Physic & Chemistry of Carbon' for Name, with 'Absolute' selected in the settings dropdown. In the 'Task' section, the first row has '1' for Number and 'Task 1' for Name, also with 'Absolute' selected. A red box highlights the 'Budgetary Control Settings' dropdowns in both sections, with a red arrow pointing to a text box on the right that says 'Budgetary Control Settings at Award and Task Level'. A 'Clear All Data' button is located below the Award table, and a 'Resources' button is below the Task table.

Number	Name	Budgetary Control Settings
CCNS21212N	Physic & Chemistry of Carbon	Absolute

Number	Name	Budgetary Control Settings
1	Task 1	Absolute

Budgetary Control Settings at Award and Task Level

Screen shot shows the budgetary control level set for Resource group

The screenshot shows the 'Budgetary Control - Resources' window. At the top, it displays 'Project Number' 35507, 'Project Name' 'Physic & Chemistry of Carbon', 'Award Number' 'CCNS21212N', 'Award Name' 'Physic & Chemistry of Carbon', 'Task Number' 1, and 'Task Name' 'Task 1'. Below this, 'Resource List' is set to 'Standard'. The main section is 'Resource Groups', which contains a table with columns for 'Group', 'Alias', and 'Budgetary Control Settings'. The first row is 'Unclassified' for Group and Alias, with 'None' selected in the settings dropdown. The second row is 'COMPENSATION' for Group and Alias, with 'None' selected. The third row is 'FRINGE BENEFITS EXPENS' for Group and Alias, with 'None' selected. A red box highlights the 'Budgetary Control Settings' dropdowns in this table, with a red arrow pointing to the 'None' selection. Below the Resource Groups table is a 'Resources' table with columns for 'Name', 'Alias', and 'Budgetary Control Settings'. The first row has 'None' selected in the settings dropdown.

Group	Alias	Budgetary Control Settings
Unclassified	Unclassified	None
COMPENSATION	COMPENSATION	None
FRINGE BENEFITS EXPENS	FRINGE BENEFITS EXPENSE	None

Name	Alias	Budgetary Control Settings
		None

Conclusion

Most awards will use default budgetary control settings that are on the Budgetary Control tab of the Award Management Form. For those awards, the funds checking operation will be based on these default budgetary control settings.

However, for the awards that have custom budgetary control settings set up on the Budgetary Control window, the settings on Budgetary Control window will be used for the funds checking. So, for the awards that have custom budgetary control settings, change of budgetary control should be done on Budgetary Control Window.

Resolving Funds Checking Errors:

If your award does not have enough funds to process a transaction:

1. Check the award budget and make sure that the budget is equal to the funding amount for your award
2. Check your PI Dashboard, GM-408, or GM-139 report to find any erroneous transactions, or outstanding encumbrances that should be liquidated.
3. If you do not have adequate funds, then the transaction will need to be charged elsewhere – via DCF (AP invoices) or Labor Redistribution (Payroll transactions).

If you think your award has enough funds, but the transaction is still failing:

1. Make sure you have accurately calculated the associated fringe (for labor transactions) and Indirect Costs associated with your transaction. (Fringe and IDC are included when EAS is checking funds)
2. Contact your OVPR SPA to find out what the budgetary control settings are for your award
3. Check Award Status Inquiry to find out the balance that EAS has for your award.