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.
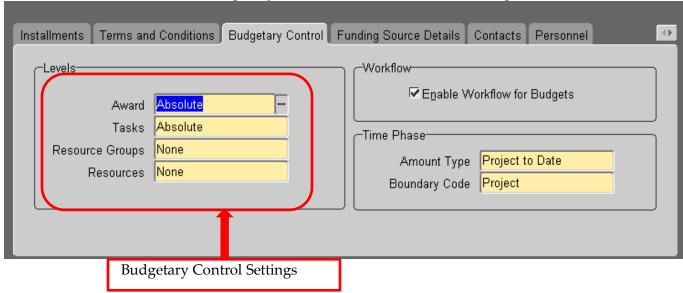
Budgetary Control Settings

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
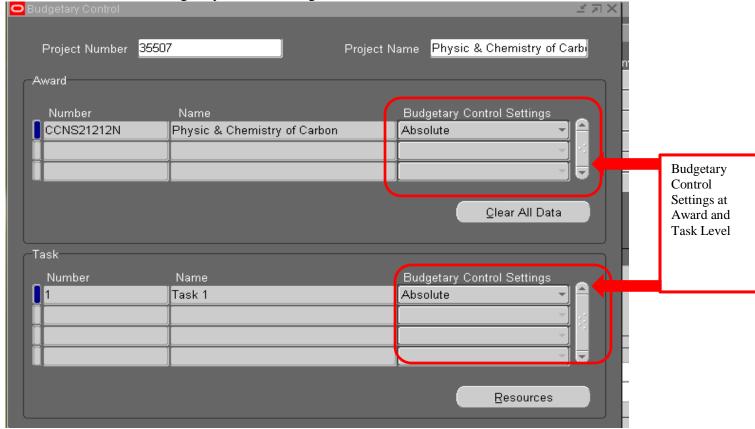

Budgetary Control Settings

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

Budgetary Control Settings at Award and Task Level

Screen shot shows the budgetary control level set for Resource group

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.