



BANNER BUDGET

1901 BUDGETED USE OF RESERVES

BR-101 Budget Reserves

Date Issued/Rev: 8/10/2015

General Description: This procedure explains how to make a 1901 Budgeted Use of Reserves entry and explains the business rules the entry is checked against in the approval process. The 1901 (Budgeted Use of Reserves) account code is used to budget current Unrestricted Funds only. The Contract and Grant Accounting Departments at the Main and HSC Campuses update the budgets for Restricted Funds.

At the end of the fiscal year, the remaining surplus or deficit in an index rolls into the new fiscal year and posts in the 1900 (Reserves) account code. Throughout the fiscal year, budgeted use of reserves entries (1901) can be processed; however, not every VP unit allows budgeted use of reserves during the year. Before budgeting a reserve, check with your VP unit first.

Responsible Manager: Office of Planning, Budget and Analysis
HSC Budget Office

Related: Rule class code BD4 requires the "Department Journaler" authorization role in order to enter and complete the 1901 budgeted use of reserves entry. Banner form FGIBDST has current 1900, 1901 and 1903 transaction information posted to the index. MyReports, FOROLDS - Operating Ledger Detail and Summary has transaction information from a requested date period.

Create a 1901 Budgeted Use of Reserves Entry

1. Logon to my.unm.edu
2. Select the "Employee Life" tab
3. Click on the "Internet Native Banner" link in the Transaction and Real-time Query Systems section and logon
4. In Banner Finance, use the FGAJVCQ, FGAJVCD or FGAJVCM form to process the entry

OR

1. Logon to my.unm.edu
2. Select the "Employee Life" tab **OR** select the "Finance" tab
3. Click on "LoboWeb"
4. If LoboWeb was accessed on the "Finance" tab, skip the next step and go to number 6
5. If LoboWeb was accessed on the "Employee Life" tab, select the "Finance" tab
6. Click on "Journal Voucher Entry" to initiate a Journal Voucher Entry form in Self Service

Complete the transaction information using the following business rules

- Budget only what you expect to spend and not the full 1900 account code amount

- Throughout the year, the Budget Offices will monitor Budget to Actual expenditures and identify those units with inflated budgeted expenditures due to a unit budgeting their full reserves (1900) amount. If departments budget what they expect to spend, budget to actual comparisons are more accurate and reporting for Administration is more meaningful.
- The Budget Offices will work with the VP Unit/College/Department to adjust inflated Budgeted Reserves and expenditures.
- Use the **BD4** rule class code
- Entry includes the 1901 account code and an offset to an expense account code(s) or another revenue account code(s)
- Budget whole dollars
- Enter the required text
- Do not use 1901 as a way to balance the budget in the index. 1901 budgets are a budgeted use of reserves.
- Indices with a deficit reserve must process a deficit (negative) 1901 **budget** entry
 - Clear the deficit with a 1903 (Changes in Reserves) actual entry or transfer the funds to the index using transfer account codes.
 - There must be sufficient revenue in the originating index to cover the deficit.
- The 1903 account code can only be used to transfer balances within the same Fund and Program. Please note: There are additional restrictions on State Appropriations, Clinical revenues, Non Endowed and Endowed spending indices. Please contact your Department's Fiscal Agent concerning specific index information and/or restrictions.
- The deadline for Budgeting Use of Reserves (BD4) entries for the current fiscal year is in March. Refer to the Finance Month End Close Schedule for exact deadline dates.

Required Document Text

- Populate the FOATEXT form in Banner or the Document/Commodity Text in Self Service
 - Main Campus departments must provide an explanation of how the money will be spent including a general description of the expenses and whether the expenses being funded are recurring or non-recurring. If it is for recurring expenditures, such as salaries, please indicate if permanent funding has been identified and the expected date the permanent funding will occur. If permanent funding for recurring expenditures has not been identified, please obtain EVP approval and indicate in text that the appropriate EVP has approved the use of reserves.
 - HSC departments must provide an explanation of why the reserves are being budgeted and a general description of the expenses it will be used to cover.

Example of a 1901 Over Budgeted Use of Reserves

Organization Budget Status Form FGIBDST 8.5 (BANP)

Chart: U
 Fiscal Year: [dropdown]
 Index: [dropdown]

Query Specific Account
 Include Revenue Accounts

Commit Type: Both

Organization:
 Fund:
 Program:
 Account:
 Account Type:
 Activity:
 Location:

The 1900 Reserves amount is \$8,519 and a 1901 Budgeted Use of Reserves was processed in the amount of \$9,000.

The 1901 Budgeted Use of Reserves is over budgeted by \$481.

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments	Available Balance
1000	R	Gifts Gen	2,665.00	0.00	0.00	2,665.00
1900	R	Reserves	0.00	8,519.00	0.00	-8,519.00
1901	R	Budgeted Use of Reserves	9,000.00	0.00	0.00	9,000.00
3720	E	Other Supply Costs Gen	600.00	0.00	0.00	600.00
6920	E	Other Professional Services Gen	600.00	0.00	1,900.00	-1,300.00
8060	E	Other Operating Costs Gen	10,349.00	0.00	0.00	10,349.00
80K0	E	Banner Tax	116.00	0.00	0.00	116.00
Net Total:			0.00	8,519.00	1,900.00	

Example of a 1901 Deficit (Negative) Budgeted Use of Reserves

Organization Budget Status Form FGIBDST 8.5 (BANP)

Chart: U
 Fiscal Year: [dropdown]
 Index: [dropdown]

Query Specific Account
 Include Revenue Accounts

Commit Type: Both

Organization:
 Fund:
 Program:
 Account:
 Account Type:
 Activity:
 Location:

The 1900 Reserves amount is in deficit (negative).

A negative 1901 Budgeted Use of Reserves was processed in the amount of \$(644).

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments	Available Balance
07Z0	R	Other Sales and Service Revenue	13,000.00	11,034.00	0.00	1,966.00
08Z0	R	Miscellaneous Gen	7,000.00	5,800.00	0.00	1,200.00
1180	R	Trsfr From Student Social Cultu	12,060.00	12,060.00	0.00	0.00
1640	R	Allocations Pooled Allocation Gen	27,195.00	27,195.00	0.00	0.00
1900	R	Reserves	0.00	-643.72	0.00	643.72
1901	R	Budgeted Use of Reserves	-644.00	0.00	0.00	-644.00
31B0	E	Food F&A Unallowable Gen	20,000.00	30,991.55	0.00	-10,991.55
38C0	E	External Vehicle Rental Gen	700.00	505.00	0.00	195.00
45Z0	E	Student Costs Other Gen	300.00	0.00	0.00	300.00
63A1	E	Event Fees	14,500.00	0.00	0.00	14,500.00
63B0	E	Rental Fees Gen	0.00	6,216.83	0.00	-6,216.83
63C0	E	Copying Gen	0.00	118.80	0.00	-118.80
Net Total:			0.00	-1,924.08	0.00	

Example of funds being moved out of the index using a 1903 Change in Reserves

Organization Budget Status Form FGIBDST 8.5 (BANP)

Chart: U
 Fiscal Year: [dropdown]
 Index: [dropdown]

Query Specific Account
 Include Revenue Accounts

Commit Type: Both

Organization: [blank]
 Fund: [blank]
 Program: [blank]
 Account: [blank]
 Account Type: [blank]
 Activity: [blank]
 Location: [blank]

Account	Type	Title	Adjusted Budget	YTD		
11L0	R	Trsfr To Student Aid Gen	-79,000.00			
1640	R	Allocations Pooled Allocation Gen	874,382.00	874,382.00	0.00	0.00
1660	R	Allocations Other Gen	-880,480.00	-846,850.00	0.00	-33,630.00
1900	R	Reserves	0.00	321,466.82	0.00	-321,466.82
1901	R	Budgeted Use of Reserves	154,500.00	0.00	0.00	154,500.00
1903	R	Change in Reserves	0.00	-27,388.25	0.00	27,388.25
2000	L	Faculty Salary Detail Gen	-81,000.00	0.00	0.00	-81,000.00
20SA	L	Salary Adjustments	302,802.00	0.00	0.00	302,802.00
80E0	E	Contingency Budget Gen	-152,400.00	0.00	0.00	-152,400.00
Net Total:			0.00	242,610.57	0.00	

Example of funds being moved into the index using a 1903 Change in Reserves

Organization Budget Status Form FGIBDST 8.5 (BANP)

Chart: U
 Fiscal Year: [dropdown]
 Index: [dropdown]

Query Specific Account
 Include Revenue Accounts

Commit Type: Both

Organization: [blank]
 Fund: [blank]
 Program: [blank]
 Account: [blank]
 Account Type: [blank]
 Activity: [blank]
 Location: [blank]

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments	Available Balance
11A0	R	Trsfr To Research Gen	-8,805.00	-8,805.00	0.00	0.00
11C0	R	Trsfr From Research Gen	480.00	480.44	0.00	-0.44
11E0	R	Trsfr To Public Service Gen	-81,140.00	-81,140.00	0.00	0.00
1602	R	F&A Distributions	1,900,000.00	1,938,137.96	0.00	-38,137.96
1620	R	Allocations Subsidy Gen	-190,448.00	-160,968.47	0.00	-29,479.53
1660	R	Allocations Other Gen	-60,000.00	-60,000.00	0.00	0.00
1661	R	Overhead-Internal Allocation	-1,160,908.00	-1,160,907.52	0.00	-0.48
1666	R	Intradepartmental Allocations	-201,103.00	-251,014.00	0.00	49,911.00
1900	R	Reserves	0.00	418,056.78	0.00	-418,056.78
1901	R	Budgeted Use of Reserves	200,000.00	0.00	0.00	200,000.00
1903	R	Change in Reserves	0.00	3,486.49	0.00	-3,486.49
3100	E	Office Supplies General	0.00	196.36	0.00	-196.36
Net Total:			0.00	628,527.64	92.17	

Examples of Required Document Text in Banner FOATEXT

General Text Entry Form FOATEXT 8.9 (BANP)

Type: Code: Default Increment:

Text	Print	Line
Start-up costs for new Faculty member. The 1901	<input type="checkbox"/>	<input type="text" value="10"/>
Budgeted Use of Reserves in the amount of \$15,000	<input type="checkbox"/>	<input type="text" value="20"/>
will cover the cost of travel, office and computer	<input type="checkbox"/>	<input type="text" value="30"/>
supplies. These expenses are non-recurring.	<input type="checkbox"/>	<input type="text" value="40"/>
Carol 7-1234	<input type="checkbox"/>	<input type="text" value="50"/>
	<input checked="" type="checkbox"/>	
	<input type="checkbox"/>	
	<input type="checkbox"/>	

General Text Entry Form FOATEXT 8.9 (BANP)

Type: Code: Default Increment:

Text	Print	Line
This is a recurring expense for one .75 FTE.	<input type="checkbox"/>	<input type="text" value="10"/>
Permanent funding has not been identified at this	<input type="checkbox"/>	<input type="text" value="20"/>
time. The EVP of Administration has approved this	<input type="checkbox"/>	<input type="text" value="30"/>
temporary funding solution.	<input type="checkbox"/>	<input type="text" value="40"/>
Mary 7-1234	<input checked="" type="checkbox"/>	
	<input type="checkbox"/>	

General Text Entry Form FOATEXT 8.9 (BANP)

Type: Code: Default Increment:

Text	Print	Line
This is a recurring expense for mandatory safety	<input type="checkbox"/>	<input type="text" value="10"/>
training for three employees in the department.	<input type="checkbox"/>	<input type="text" value="20"/>
The training cost will be \$75 to \$125 for each	<input type="checkbox"/>	<input type="text" value="30"/>
employee per year.	<input type="checkbox"/>	<input type="text" value="40"/>
Barbara 7-1234	<input checked="" type="checkbox"/>	<input type="text" value="50"/>
	<input type="checkbox"/>	
	<input type="checkbox"/>	

Processing Examples

A department has a reserve in account code 1900 in the amount of \$500.00. They would like to start spending the \$500.00. The department is budgeting what they expect to spend, \$150.00 for office supplies out of the \$500.00 reserve. The JV would look like this:

BD4 223344-1901 \$150.00 +

BD4 223344-3100 \$150.00 +

A department has a reserve in account code 1900. The amount is a deficit of \$500.00. They are required to budget the deficit. Keep in mind actual revenue must be available to budget the deficit. If your department or unit does not have the funds to cover the deficit in the new fiscal year, contact your VP unit to arrange a deficit reduction plan. The JV would look like this:

BD4 223344-1901 \$500.00 -

BD4 223344-3160 \$500.00 -

A department processed an estimated 1901 budgeted use of reserves in Budget Planner in the amount of \$500.00. The 1900 reserves entry posted after the fiscal year-end close. The department's 1900 reserves balance is \$100.00. The JV to correct the over budgeted use of reserves would look like this:

BD4 223344-1901 \$400.00 -

BD4 223344-3100 \$400.00 -

BR-101 1901 Budgeted Use of Reserves

A department has a deficit 1900 reserves of \$6,000 and received Actual Revenues (that was not already budgeted) of \$10,000 in 08Z0. They want to cover their deficit by using \$6,000 of the current Actual Revenues. The additional \$4,000 will be spent on office supplies. The JV would look like this:

BD4 223344-08Z0 \$10,000 +
BD4 223344-1901 \$ 6,000 -
BD4 223344-3180 \$ 4,000 +

A department processed an estimated 1901 budgeted use of reserves in Budget Planner in the amount of \$5,000.00. The 1900 reserves entry posted after the fiscal year end close. The department's 1900 reserves is \$7,000.00. The department is going to spend the full amount on office copies, in-state travel and training information, so an additional 1901 entry needs to be processed. The JV would look like this:

BD4 223344-1901 \$2,000.00 +
BD4 223344-31P0 \$ 800.00 +
BD4 223344-3800 \$ 900.00 +
BD4 223344-63C0 \$ 300.00 +

*** END ***