General Description: This procedure explains how to analyze and correct an NSF condition in Banner.

Responsible Manager: Office of Planning, Budget and Analysis (OPBA)
HSC Budget Office

How Banner Calculates NSF

Total Accumulated Expense Budget (Original and Revisions)
Less: Fiscal YTD Actual Expenditures
Less: Fiscal YTD Expense Commitments (Encumbrances and Reservations)
Less: Pending Expense Transactions (Unposted Commitments)
Equals: Budget Available for Spending

NSF checking is done at the Fund Level and Organization Level 5 using I&G funds, unrestricted Research and Public Service indices, including non-endowed foundation indices. Athletics checking is at Organization Level 6.

Why Am I Getting an NSF Error Message?

The NSF error is a result of insufficient expense budget recorded in Banner to cover Fiscal YTD Actual Expenditures, Fiscal YTD Expense Commitments and Pending Expense Transactions recorded in Banner.

Transactions Subject to NSF Checking

All documents initiated in Banner, including:

- Journal Vouchers
- Invoices
- Requisitions from LoboMart
- Purchase Orders
- General Encumbrances
- P-card reallocations
Any feeds into Banner:
- Payroll
- P-card
- Banner tax
- Telecommunications
- Internal Sales Feeds (such as Bookstore)

**Transactions Not Subject to NSF Checking**

Steps to Find Out What is Causing the NSF

1. Go to the Banner Form FGIBAVL and pull up the index that is getting a NSF error. Even though you input an index value in the form, NSF Checking is done at the Fund level and Organization level 5. The fund and organization codes are in the Control Keys section of the form.

   A negative available balance means the fund/org combination in the Control Keys Section is in NSF status. All indices under this fund/org combination are in NSF Status.
2. Go to MyReports and run the FBRBAVL - Budget Availability Detail and Summary report found in the Finance\F All Campus Reports folder for the Level 5 Organization noted in the Control Key Section. Find Values and select report view Department Summary or Department Detail.

The report will give you all the Current Unrestricted Funds associated with the organization and will give subtotals for each fund and a grand total for all funds at the bottom. For the purposes of this exercise, we are only interested in fund 2U0224 and its subtotals.

The Available Balance total for fund 2U0224 should be the same as form FGIBAVL. Exception: MyReports data is as of 5pm the previous day.
3. **Analyze the Budget - Revenues and Expenses.** Remember, the first piece of the NSF Calculation is:

**Total Accumulated Expense Budget (Original and Revisions)**

For each index listed as being in NSF, analyze the budget and look for:

a) Negative Expense Budget Totals  
b) Unbudgeted Revenues  
c) Unbudgeted Reserves (Note: Departments should budget only what they expect to spend, not their full reserves.)

### a) Negative Expense Budget Totals

![Image of a financial spreadsheet showing negative expense budget totals.]

### b) Unbudgeted Revenues

![Image of a financial spreadsheet showing unbudgeted revenues.]

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The PDF includes two images of spreadsheets, one showing a financial spreadsheet with highlighted negative expense budget totals, and the other showing a spreadsheet with unbudgeted revenues highlighted.
4. **Analyze Year-to-Date Actual Expenses.** Remember the second piece of the NSF Calculation is:

**Less:** Fiscal YTD Actual Expenditures

For each index listed as being in NSF, analyze the YTD Actual Expenses and look for expenses hitting the indices such as:

a) Incorrect Labor Distributions  

b) Inappropriate Telecommunication charges, etc.

c) Other inappropriate charges

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4. Analyze Year-to-Date Actual Expenses. Remember the second piece of the NSF Calculation is:

**Less:** Fiscal YTD Actual Expenditures

For each index listed as being in NSF, analyze the YTD Actual Expenses and look for expenses hitting the indices such as:

- Incorrect Labor Distributions
- Inappropriate Telecommunication charges, etc.
- Other inappropriate charges
5. **Analyze Posted Commitments.** Remember the third piece of the NSF Calculation is:

**Less:** Fiscal YTD Expense Commitments (Encumbrances and Reservations)

For each index listed as being in NSF, analyze the YTD Commitments and look for commitments hitting the indices such as:

a) Incorrectly encumbered Labor Distributions
b) Incorrectly encumbered Purchase Orders (PO’s)
c) Multi-year PO’s and Encumbrances – The entire amount of a multi-year PO will be encumbered for the fiscal year in which it was initiated. Determine the amount that will actually be paid during the current fiscal year and submit a Change PO form to reduce the PO amount (encumbrance) accordingly. **Remember to submit a Change PO at the beginning of the next fiscal year to increase the PO amount to cover what will be paid during that fiscal year.**

6. **Analyze Unposted Commitments.** Remember the fourth piece of the NSF Calculation is:

**Less:** Pending Expense Transactions (Unposted Commitments)

For each index listed as being in NSF, analyze the Unposted Commitments and look for commitments hitting the indices such as Completed but Unapproved:

a) Invoices
b) Purchase Orders (PO’s)
c) Requisitions
d) Unapproved Journal Vouchers (JV’s) - Completed or Incomplete with a status of “P” (postable)
7. After going through the above steps and identifying and fixing the problems, if there is still an NSF condition, talk to your Fiscal Agent and/or VP Unit Representative because your revenue streams do not match spending levels. An alternative funding source must be identified or your department needs to reduce spending to match revenue streams.