



**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 HSC and Main Campus Contract and Grant Accounting Departments 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, all of the Main Campus transactions require pre-approval by the department's Org Level 2 EVP area. To submit a 1901 Budgeted Use of Reserves transaction, follow the instructions regarding the internal process provided by the Org Level 2 EVP contact person.

All budgeted use of reserves should be consistent with the plan entered into the Categorization of Reserves (CAR) system. See [UAP 7000 Policy](#) for more information.

**Responsible Manager:** Office of Planning, Budget and Analysis, and 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. Click on the "Banner 9 Forms" link in the UNM Business Applications area of your employee life view
3. In Banner 9, use the FGAJVCQ, FGAJVCD or FGAJVCM form to process the entry

OR

1. Logon to my.unm.edu
2. Logon to LoboWeb using one of the options below:
  - Click on "ENTER LOBOWEB" in the LoboWeb (Employees) section. Then select the "Finance" tab
  - Click on "Finance" in the Quick links
3. Click on "Journal Voucher Entry" to initiate a Journal Voucher Entry form in Self Service

### Business rules used to complete the 1901 transaction

- Main Campus must obtain pre-approval from your department EVP area, following the instructions provided from the President's Office, Office of the Provost, and the Main Campus Budget Office to submit an entry
- Budget only what you expect to spend and not the full 1900 account code amount
- 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 document text (see below section)
- Indices with a deficit reserve must process a deficit (negative) 1901 budget entry
  - Clear the deficit with a 1903 (Change 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 and Non Endowed / Endowed spending indices. Contact your Department's Fiscal Agent concerning specific index information and/or restrictions
- The deadline for Budget use of Reserves (BD4) entries for the current fiscal year is in March. Refer to the Finance Month End Close Schedule or Budget Office Budget Development Calendar for exact deadline dates.

### **Required Document Text**

- Populate the FOATEXT form in Banner or the Document/Commodity Text in Self Service
  - Indicate that prior authorization has been obtained and include the name of the person providing the authorization
  - 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
  - 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
- 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 include the name of the person providing the authorization.
- 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



**Example of a 1901 Over Budgeted Use of Reserves**

Organization Budget Status FGIBDST 9.3.6 (BANP)

Chart: U University of New Mexico Fiscal Year: 22 Index: [REDACTED] Query Specific Account:  Include Revenue Accounts:  Commit Type: Both

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

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments
0514	R	Sample Testing	61,302.00		64,150.00
0820	R	Miscellaneous Gen	8,000.00		47,450.00
11A0	R	Trsfr To Research Gen	-151,000.00		-151,000.00
1900	R	Reserves	0.00		3,520.05
1901	R	Budgeted Use of Reserves	151,000.00		0.00
2020	L	Administrative Professional Gen	637.00		532.22

The 1900 Reserves amount is \$3,520.05 and a 1901 Budgeted use of Reserves was processed in the amount of \$151,000. The 1901 Budgeted use of Reserves is over budgeted by \$147,479.95.

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

Organization Budget Status FGIBDST 9.3.6 (BANP)

Chart: U University of New Mexico Fiscal Year: 24 Index: [REDACTED] Query Specific Account:  Include Revenue Accounts:  Commit Type: Both Organization: [REDACTED] Fund: 2U0224 MU I & G

Program: [REDACTED] Account: [REDACTED] Account Type: [REDACTED] Activity: GNACTV General Activity Location: [REDACTED]

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments	Availa
11H0	R	Trsfr To Internal Services Gen	-272,500.00	0.00	0.00	0.00
1640	R	Allocations Pooled Allocation Gen	4,713,546.00	4,713,546.00	0.00	0.00
1900	R	Reserves	0.00	-195,837.18	0.00	0.00
1901	R	Budgeted Use of Reserves	-195,837.00	0.00	0.00	0.00
2020	L	Administrative Professional Gen	131,167.00	90,296.74		9,188.66
2040	L	Technician Salary Detail Gen	2,675,522.00	2,192,178.99		529,514.01
2060	L	Support Staff Salary Detail Gen	280,168.00	192,209.48		32,521.64
20SU	L	Pooled Union Staff Compensation	0.00	0.00		0.00
2110	L	Fica Gen	195,636.00	183,232.20		0.00
2140	L	Retirement Gen	451,412.00	449,175.27		0.00
2160	L	Group Insurance Gen	364,784.00	340,918.52		0.00

The 1900 amount is deficit (negative). A negative 1901 Budgeted use of reserves was processed in the amount of -\$195,837.

**Example of funds being moved OUT OF an index using a 1903 Change in Reserves**

Organization Budget Status FGIBDST 9.3.6 (BANP)

Chart: U University of New Mexico Fiscal Year: 24 Index: [REDACTED] Query Specific Account:  Include Revenue Accounts:  Commit Type: Both

Organization: [REDACTED] Fund: [REDACTED] Program: P201 Auxiliaries Account: [REDACTED] Account Type: [REDACTED] Activity: [REDACTED] Location: [REDACTED]

Account	Type	Title	Adjusted Budget	YTD Activity	Commitments
0510	R	Merchandise Sales Revenue Gen		268,049.00	269,066.99
0512	R	Sales Discounts/Allowances		0.00	-36.90
1660	R	Allocations Other Gen		-49,826.00	0.00
1900	R	Reserves		0.00	71,909.87
1903	R	Change in Reserves		0.00	-71,909.87
8040	E	Cost of Goods Sold Gen		218,223.00	220,531.04
Net Total				0.00	48,499.05



**Examples of Required Document Text in Banner FOATEXT form**

General Text Entry FOATEXT 9.3.16 (BANP)		
Type: JV Code: [REDACTED] Default Increment: 10	Start Over	
Text	Print *	Line
budget of reserves for purchase of computer	<input type="checkbox"/>	10
monitors, ~\$2,200, req: 182218276. expenses are	<input type="checkbox"/>	20
non recurring. [REDACTED]	<input type="checkbox"/>	30
Use of reserves reviewed by A&S Dean's Office	<input type="checkbox"/>	40
EVP approval [REDACTED] (VP)	<input type="checkbox"/>	50

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General Text Entry FOATEXT 9.3.16 (BANP)		
Type: JV Code: [REDACTED] Default Increment: 10	Start Over	
Text	Print *	Line
Budget Adjustment to reduce partial negative	<input checked="" type="checkbox"/>	10
actual FY23 reserves of \$180,572 in index [REDACTED]	<input checked="" type="checkbox"/>	20
Our plan is to try and makeup this amount in the	<input checked="" type="checkbox"/>	30
current FY24.	<input checked="" type="checkbox"/>	40
Reducing 1901 \$180,572	<input checked="" type="checkbox"/>	50
Reducing 8042 \$60,191	<input checked="" type="checkbox"/>	60
Reducing 8043 \$120,381	<input checked="" type="checkbox"/>	70
Requested and approved by [REDACTED]	<input checked="" type="checkbox"/>	80
Financial Officer	<input checked="" type="checkbox"/>	90
[REDACTED]	<input checked="" type="checkbox"/>	100

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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:

Seq *	Type *	Status	COA *	Index	Acct	Amount *	Debit/Credit
1	BD4	Postable	U	[REDACTED]	1901	150.00	+ Plus
2	BD4		U	[REDACTED]	3100	150.00	+ Plus

A department has a deficit reserve of \$500.00 in account code 1900. 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:

Seq *	Type *	Status	COA *	Index	Acct	Amount *	Debit/Credit
1	BD4	Postable	U	[REDACTED]	1901	500.00	- Minus
2	BD4		U	[REDACTED]	3100	500.00	- Minus

A department has 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 non-capital equipment. The JV would look like this:

Seq *	Type *	Status	COA *	Index	Acct	Amount *	Debit/Credit
1	BD4	Postable	U	[REDACTED]	08Z0	10,000.00	+ Plus
2	BD4	Postable	U	[REDACTED]	1901	6,000.00	- Minus
3	BD4	Postable	U	[REDACTED]	3180	4,000.00	+ Plus

A department may decide to transfer use of reserves to another index in a different fund type (I&G to Internal Services) they would first need to obtain appropriate approval to use reserves for a transfer and state that in the document text. The JV would look like this:

Seq *	Type *	Status	COA *	Index	Acct	Amount *	Debit/Credit
1	JET	Postable	U	[REDACTED]	11H0	5,000.00	Debit
2	BDT	Postable	U	[REDACTED]	11H0	5,000.00	- Minus
3	BDT	Postable	U	[REDACTED]	1901	5,000.00	+ Plus
4	JET	Postable	U	[REDACTED]	1120	5,000.00	Credit
5	BDT	Postable	U	[REDACTED]	1120	5,000.00	+ Plus
6	BDT	Postable	U	[REDACTED]	8060	5,000.00	+ Plus

\*\*\* END \*\*\*