Budget Transaction Cycle
& Postings

The cycle

- Entry of Budget
- Creation of Purchase Requisition
- Creation of Purchase Order
- Entry of Goods Receipt
- Entry of Invoice Receipt
- Payment of Invoice
- Clearing of Payment
- Year End Carryforward

Accounting Systems Affected

- Financial Accounting - FI
  – FI-GL
  – AP
  – AR
  – Assets
- Cost Accounting - CO
  – Cost Centers
  – Projects
  – Work Orders
- Budgetary Accounting - FM
  – Funds
  – Funds Centers
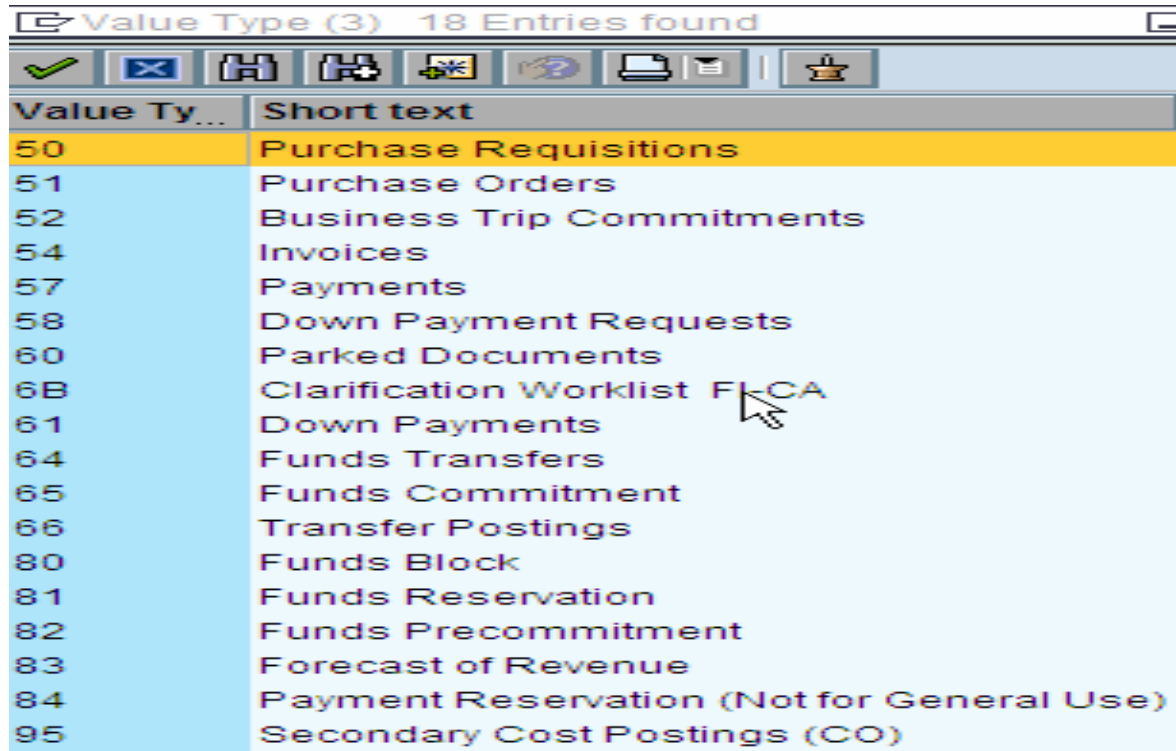 – Functional Areas
  – Commitment Items

Which Postings Affect Which Accounting Systems?

- Budget Posting – FM
- Purchase Requisition – FM
- Purchase Order – FM
- Goods Receipt – FM, FI, CO
- Invoice Receipt – FM, FI
- Payment of Invoice – FI
- Clearing of Payment – FI
- Year End Carryforward of Budget - FM

Postings to FM

- Budget Entry

- Budget Consumption Postings Complex
  - Value Type (Status)
    - Purchase Requisition – Internal Commitment
    - Purchase Order – External Obligation
    - Invoice - Actual
  - Amount Type
    - Original
    - Reduce

FM – Value Type

Value Ty...	Short text
50	Purchase Requisitions
51	Purchase Orders
52	Business Trip Commitments
54	Invoices
57	Payments
58	Down Payment Requests
60	Parked Documents
6B	Clarification Worklist FI-CA
61	Down Payments
64	Funds Transfers
65	Funds Commitment
66	Transfer Postings
80	Funds Block
81	Funds Reservation
82	Funds Precommitment
83	Forecast of Revenue
84	Payment Reservation (Not for General Use)
95	Secondary Cost Postings (CO)

Value Type (3)   18 Entries found

The value types in this example are: 50 (PR); 51 (PO); and 54 (INV). The other value types commonly used at County of _____ are: 66 – Journal Entry; and 60 – Parked documents

FM – Amount Type

Amount ty...	Short text
0100	Original
0110	Approved in Workflow (Workflow ledger 9D only)
0120	Not approved in Workflow (Workflow ledger 9D only)
0150	Change
0200	Reduction
0210	Reduction Cheque Clearing
0220	Change by Revaluation
0250	Paid
0260	Paid Cheque Clearing
0300	Previous Year Carryforward (Commitments)
0350	Following year carryforward (commitments)
0351	Commitment Carryforward: Carryforward Consumed Amount
0352	Commitment Carryforward: Reduction of Consumed Amount
0400	Block Entry
0500	Adjustment by Follow-on Document
0600	Reassignment Sender
0650	Reassignment Receiver
0700	Settlement of Retirements
0750	Settlement of Acquisitions

The Amount types in this example are: 100 (Original) ; 200 (Reduction) ; 300; and 350. The amount types commonly used at County of _____ are: 150 – deleted in procurement and 500 – changed in procurement.

Budget Posting

Entry Document

Header | Additional Data

Document	100000000	Status	Posted	Document Year	2007 FM Ar
Process	Enter	Total	657,994,019.00	USD	
BCS Value Type	Budget				
Budget Category	Payment	Version	0	Fiscal Year	2007
Document type	FM01	Document Date	06/20/2006		
Doc Family	100000000				

Year | Periods

Line	Grant	Fund	Funds Ctr	Cmmt Item	Functional Area	Funded Prg	Type	Amount (USD)	DK
000521	NOT RELEVANT	10000	1000084000	5220800	9999999999999999	DEFAULT	BT01	45,541.00	

Budget is usually entered at a higher level for commitment items. There are commitment items 5220810 and 5220820 where the budget is consumed and expenses are realized.

Purchase Requisition

Display Purchase Req. 10001499

St...	Item	A	I	Short Text	Quantity	Unit	C	Delivery Date	Matl Group	Plant	Stor. Loc.	PGr	Des.Vendor	Total Value
	1	K		Sprint card for EPI	500.00	$	D	10/23/2006	COMMUNICA	Health & Huma	HS-Epi	071	1000385	500.00

Item 1 [1] Sprint card for EPI

Material Data | Quantities/Dates | Valuation | **Account Assignment** | Source of Supply | Status | Contact Person | Texts | Delivery Addre

AccAssCat K Cost center Distribution Single account assignme CoCode 1MAR County

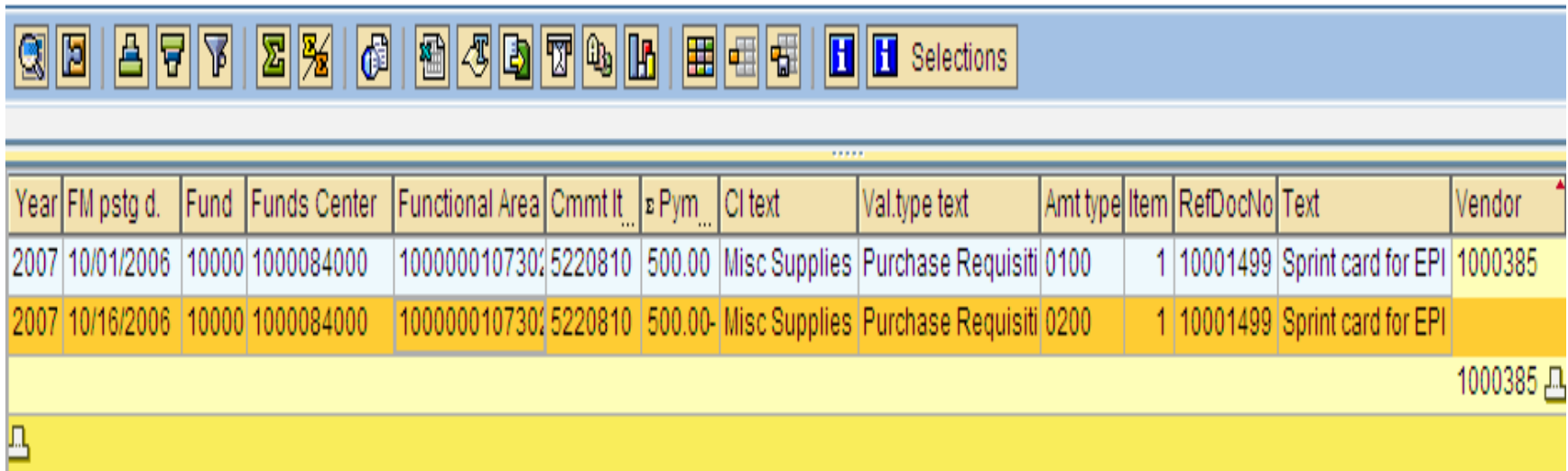|	
Unloading Point	Recipient
G/L Account	5220810
Business Area	1000
CO Area	1MAR
Cost Center	1000084100
Order	
Fund	10000	Grant NOT RELEVANT
Functional Area	1000000107302000
Funds Center	1000084000	Commitment Item 5220810

The cost center number is different than the funds center.

A functional area was specified. Budget is not controlled by functional area.

Purchase Requisition
FM Postings

Document Journal

Year	FM pstg d.	Fund	Funds Center	Functional Area	Cmmt It...	Σ Pym...	CI text	Val.type text	Amt type	Item	RefDocNo	Text	Vendor
2007	10/01/2006	10000	1000084000	100000010730:	5220810	500.00	Misc Supplies	Purchase Requisiti	0100	1	10001499	Sprint card for EPI	1000385
2007	10/16/2006	10000	1000084000	100000010730:	5220810	500.00-	Misc Supplies	Purchase Requisiti	0200	1	10001499	Sprint card for EPI	
													1000385

The first item shows the consumption of budget when the purchase requisition was entered (amount type 100).

The second item shows the budget consumption for the purchase requisition being reduced to nothing. This occurred when the purchase requisition was converted to a purchase order.

Purchase Order

Purchase Order
FM Postings

Document Journal

Year	FM pstg d.	Fund	Funds Center	Cmmt Item	Functional Area	⌐ Pymt Bdgt	Text	RefDocNo	CI text	Val.type text	Amt type	Item	Vendor
2007	10/16/2006	10000	1000084000	5220810	1000000107302000	500.00	Sprint card for EPI	4500001804	Misc Supplies	Purchase Orders	0100	1	1000385
						500.00							1000385
						500.00							

Note that the FM posting date is the same as the reduction of budget
consumption for the purchase requisition. This PO (original) posting is made at
the simultaneous to the PR (reduction) posting. The budget consumption is
now is the status (value type) of purchase order.

Goods Receipt/Invoice Receipt

An overview of the goods receipts and invoice receipts associated with the purchase order is available on the Purchase Order History tab within PO display.

Goods Receipt

Display Material Document 5000007184 - HWOLCOTT

| Show Overview | | | Hold | Check | Post | | **i** Help |

A04 Display | R02 Material Docum | 5000007184 | 2007
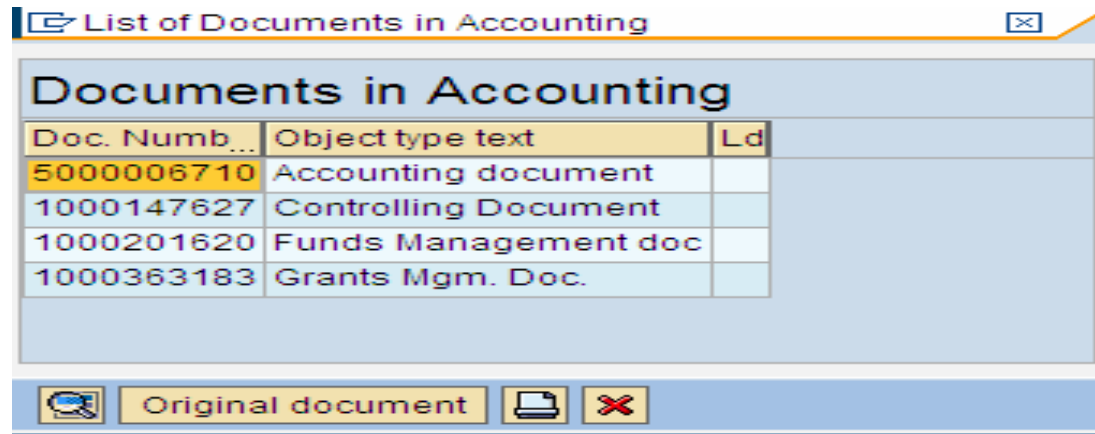
| General | Vendor | | Doc. info |

			FI Documents
Entered By	REBECCA LARSON		
Created On	02/20/2007	11:40:27	
Transaction Code	Goods Movement		MIGO_GR

Line	Mat. Short Text	Qty in UnE	E...	SLoc	Cost Center	Bus...	G/L Account
1	Sprint card for EPI	282.81	$		1000084100	1000	5220810

| Material | Quantity | Where | Purchase Order Data | Partner | Account Assignment |

Qty in Unit of Entry	282.81	$		
	0.000			
Qty in Delivery Note	282.81	$	Amount in LC	282.81
Quantity Ordered	500.00	$		
Quantity Received	282.81			

Goods Receipt Postings

Documents in Accounting

Doc. Numb...	Object type text	Ld
5000006710	Accounting document	
1000147627	Controlling Document	
1000201620	Funds Management doc	
1000363183	Grants Mgm. Doc.	

There are documents produced for FI (General Ledger Accounting), CO (Cost Center Accounting) and FM (Budgetary Accounting)

Goods Receipt Postings - GL

The general ledger posting records the expense and the liability.

The liability is against the GR/IR account. This is because at the time of goods receipt, the vendor may not be known. The organization that delivers the goods or services may not be the same one that will invoice.

Goods Receipt Postings - CO

The cost accounting posting records the expense against the cost center.

Goods Receipt Postings - FM

Display FM Document: Overview

FM Doc. No.	It..	Fund	Funds Center	Cmmt Ite...	Stat.Ind.	FMAC	FMAC Amnt	Ledger	Year	Per	FM pstg d.	FI doc.no.	It...	Value type	Amt type
1000201620	1	10000	1000084000	5220810		USD	282.81	Payment Budget	2007	8	02/20/2007	5000006710	1	Invoices	Original

The consumption of budget for the amount of delivered goods or services reaches a status of Invoice (an actual).

Simultaneous to this posting the consumption of budget for the purchase order is reduced by the invoice amount. See below

Document Journal

Year	FM pstg d.	Fund	Funds Center	Functional Area	Cmmt Ite	Commitment Item	∑ Pymt Bdgt	Text	RefDocNo	Val.type text	Amt type	Item	Vendor
2007	10/16/2006	10000	1000084000	1000000107302000	5220810	Misc Supplies	500.00	Sprint card for EPI	4500001804	Purchase Orders	0100	1	1000385
2007	02/20/2007	10000	1000084000	1000000107302000	5220810	Misc Supplies	282.81-	Sprint card for EPI	4500001804	Purchase Orders	0200	1	
							∎ 217.19						1000385
							∎∎ 217.19						

Note that $217.19 of budget is still being consumed by the PO.

Invoice Receipt

Invoice Receipt Postings

There are documents produced for FI (General Ledger Accounting), and FM (Budgetary Accounting).

Invoice Receipt Postings - GL

Display Document: Data Entry View

Taxes | Display Currency | General Ledger View

Data Entry View
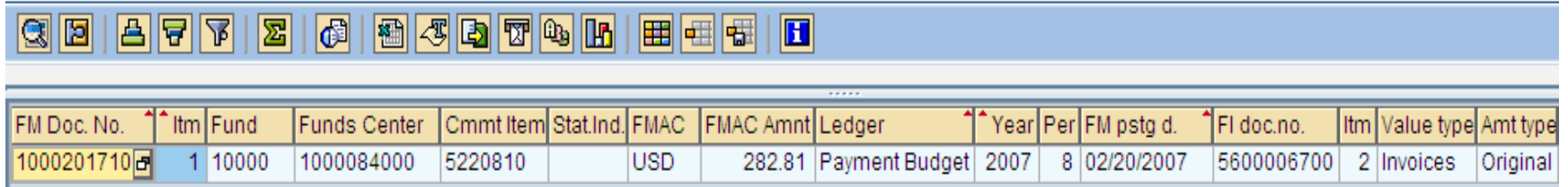
Document Number	5600006700	Company Code	1MAR	Fiscal Year	2007
Document Date	02/05/2007	Posting Date	02/20/2007	Period	8
Reference	0605115839-2	Cross-CC no.		
Currency	USD	Texts exist	☐	Ledger Group	

C...	Itm	PK	S	D	Account	Description	Σ	Amount	Fund	BusA	Grant	Functional Area	Cost Center	Text	Funds Center
1MAR	1	31		H	1000382	SPRINT CONFERENCE L		282.81-		1000		9999999999999		*ACCT#0605115839-2	
	2	86		S	2120040	Goods/Invoice RecClr		282.81	10000	1000	NOT RELEVA	100000010730	1000084100		1000084000
							▪	0.00							

This posting moves the liability from the GR/IR account to the vendor

Invoice Receipt Postings - FM

Display FM Document: Overview

FM Doc. No.	Itm	Fund	Funds Center	Cmmt Item	Stat.Ind.	FMAC	FMAC Amnt	Ledger	Year	Per	FM pstg d.	FI doc.no.	Itm	Value type	Amt type
1000201710	1	10000	1000084000	5220810		USD	282.81	Payment Budget	2007	8	02/20/2007	5600006700	2	Invoices	Original

The consumption of budget Stays in a status of Invoice (an actual).
Simultaneous to this posting the consumption of budget for invoice for the goods receipt is reduced. See below:

Display FM Document: Overview

FM Doc. No.	Itm	Fund	Funds Center	Cmmt Item	Stat.Ind.	FMAC	FMAC Amnt	Ledger	Year	Per	FM pstg d.	FI doc.no.	Itm	Value type	Amt type
1000201620	1	10000	1000084000	5220810		USD	282.81	Payment Budget	2007	8	02/20/2007	5000006710	1	Invoices	Original
		10000	1000084000	5220810		USD	282.81-			8		5000006710	1	Invoices	Reduction

The FM posting for Invoice Receipt has no net effect on budget, two offsetting entries are created.

Payment of Invoice – FI Only

Display Document: Data Entry View

Display Currency   General Ledger View

Data Entry View

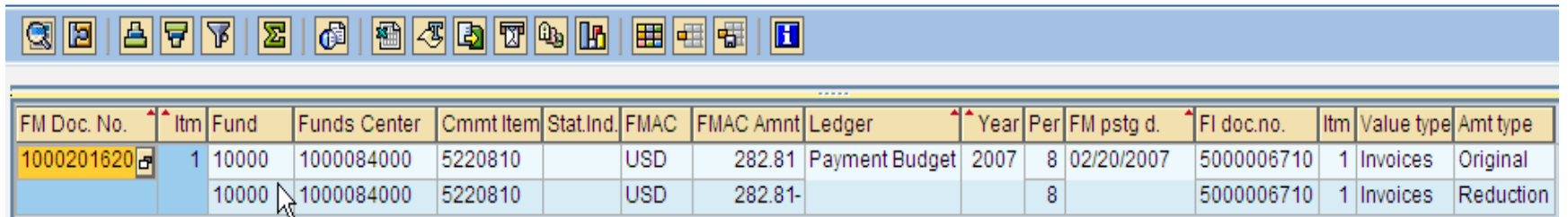|				
Document Number	2000045063	Company Code	1MAR	Fiscal Year	2007
Document Date	02/21/2007	Posting Date	02/21/2007	Period	8
Reference		Cross-CC no.			
Currency	USD	Texts exist	☐	Ledger Group	

C...	Itm	PK	S	D	Account	Description	Σ	Amount	Fund	BusA	Assignment	Grant	Functional Area
1MAR	1	25		S	1000382	SPRINT CONFERENCE L		282.81		1000			9999999999999
	2	50		H	1110510	Gen Rev-Out/Go Chcks		282.81-					9999999999999
							■	0.00					

Payment of the invoice clears the liability to the vendor and reduces the amount of cash (outgoing checks).

Clearing of Payment – FI Only

Clearing of payments reduces the amount of the 'Primary' cash account and clears the entry from the outgoing checks clearing account.

General Ledger view

The general ledger postings have been shown in the entry view. To see full information, including fund, business area, and grant, look at the General Ledger View

The fields are filled in by the splitter and entries are either split or balanced by fund, business area, and grant. When balancing is necessary, postings are made to account 1110110 – Cash Clearing

Year End Carryforward of PO

The purchase order and budget for the purchase order are carried into the new year.

When the purchase order is carried forward, FM postings are made to move the remaining budget commitment from FY2007 to FY 2008.

Document Journal

Year	FM pstg d.	Fund	Funds Ctr	Functional Area	Cmmt Item	CI text	Σ Pymt Bdgt	Text	RefDocNo	Val.type text	Amt ty...	Ite...	Vendor
2008	07/01/2007	10000	1000084000	1000000107302000	5220810	Misc Supplies	217.19	Sprint card for EPI	4500001804	Purchase Orders	0350	1	1000385
2007	06/30/2007	10000	1000084000	1000000107302000	5220810	Misc Supplies	217.19-	Sprint card for EPI	4500001804	Purchase Orders	0300	1	
													1000385

Year End Carryforward of PO Budget

Display Fiscal Year Change Documents

Follow-On Documents

Fiscal Year Change Document

FYC Doc	Se	RefDocNo	D	It	Ref	Val.type text	Open Amt	Send	S FundsCtr	Sndr Clte	Sender Func. Area	Rcvr	R. FdsCtr	R Cmm	Receiver FnArea
100001154	2007	4500001804	20	1	PORD	Purchase Or	217.19	10000	1000084000	5220810	1000000107302000	10000	1000084000	5220810	1000000107302000

This document moves the budget obligation from FY 2007 to FY2008

See below for the budget posting produced by the same process which moves the remaining budget from FY2007 to FY 2008

Entry Document

Header | Additional Data

Document	100002754	Status	Posted		Document Year	2008	FM Area	1MAR
Process	Carry Over	Total Sender	217.19	USD		
BCS Value Type	Budget	Total Receiver	217.19	USD		
Budget Category	Payment	Version	0		Sender Year	2007
Document type	FM01	Document Date	06/30/2007		Receiver Year	2008

Year | Periods

Line	-	Fund	Funds Center	Commitment Item	Functional Area	Type	Year	Amount (USD)	D	Text
000001	+	10000	1000084000	5220810	1000000107302000	CFWD	2008	217.19	6	Carryforward of Appropriations for PO
000002	-	10000	1000084000	5220810	1000000107302000	CFWD	2007	217.19		Carryforward of Appropriations for PO

Summary of FI Postings

<u>GR</u>

Dr Expense   Cr GR/IR

<u>IR</u>

Dr GR/IR   Cr   Vendor

<u>Payment</u>

Dr   Vendor   Cr   Outgoing Checks

<u>Payment Clearing</u>

Dr   Outgoing Checks   Cr   Cash

Summary of CO Postings

Occurs at time of goods receipt

Dr   Expense for cost center

Summary of FM Consumption Postings

Transaction	FY	Amount	Value Type	Amount Type	Available Balance
Enter Budget	2007	500.00	Budget	-NA-	500.00
Create PR	2007	500.00	PR	0100	0.00
Convert PR to PO	2007	-500.00	PR	0200	
		500.00	PO	0100	0.00
Receive Goods	2007	-282.81	PO	0200	
		282.81	INV	0100	0.00
Receive Invoice	2007	-282.81	INV	0200	
		282.81	INV	0100	0.00
Carryforward PO and Budget	2007	-219.19	PO	0300	
		-219.19	Budget	-NA-	0.00
	2008	219.19	Budget	-NA-	
		219.19	PO	0350	0.00

The enter budget amount in the summary is intentionally different than the screen display shown earlier.

The FM postings for each transaction happen simultaneously