



OPERATING BUDGETS in WORKDAY

Frequently Asked Questions

(Includes Gifts. Excludes Grants and Capital projects)

Budget and Planning Website: See policy and procedure documents, forms, and Workday job aids. See the Contact list, if you would like to contact the Budget liaison for your division.

Workday Security Role Questions: Contact your supervisor or your division budget manager regarding the Workday functional role(s) and department access you should be assigned.

Technical System Questions: Email the itservicesdesk@montclair.edu

Quick Vocabulary:

- Budget = An approved forecast or plan of future revenues and expenses.
- Actual = The real revenue earned or costs incurred, as compared to the Budget plan.
- Revenue = A source of funding coming into the University such as sales, tuition, etc.
- Expense = University spending such as salaries, supplies, equipment, etc.,
- Fund = A financial worktag that identifies the policies that a budget follows.
- Cost Center = A worktag in which to track financials for a department, program, etc.
- Gift = Restricted funding from a private donor for a specific purpose. A Gift worktag is needed when tracking the gift funds coming in and being spent.
- Ledger Account = Classifies what type of revenue or type of expense.
- Spend Category = A more detailed classification of a purchase. Multiple spend categories may roll up to a given ledger account.

Questions:

1. How can I view my budget?

- Run the report, *Operating Budget Variance for Cost Center (R002)*. For more information on the report, see the Workday Job Aid in the resources section of the Budget and Planning website.
- To view the budget for a Gift, use *Operating Budget Variance for Gifts (R002GF)*

2. How are budgets controlled?

Workday budget check process compares your purchase to your budget. If the below criteria are met, your requisition or transaction will pass budget check:

- There is budget in the same combination of Fund, Cost Center, and other worktags (e.g. Gift), as that of your purchase.
- The ledger account on your purchase is part of a ledger summary pool* that has budget remaining.
- The amount of your purchase is less than or equal to the remaining unspent budget.

*Ledger accounts roll up to a Ledger Account Summary or “budget pool.” They include:

- General Operating
- Indirect Cost
- Participant Expense
- Utilities
- Travel
- Advertising and Marketing
- Food and Dining Services
- Financial Aid
- Internal Chargeback
- Credit Card Expense Clearing
- Equipment and Capital Expense
- Transfer
- Debt Service
- Reserves

Within each of these pools are multiple ledger accounts. For example, a purchase of Books will be checked against the remaining budget in the General Operating pool because ledger account 60110:Books, is part of that pool. Clothing Expense which is also part of that pool, can be over budget so long as other accounts are under budget.

	<i>(Orig + Amendments)</i>	<i>Posted expenses</i>	<i>Purchase Orders</i>	<i>Requisitions</i>	<i>Revised Budget minus Actuals, Obligations, and Commitments</i>
	Revised Budget	Actuals	Obligations	Commitments	Remaining
General Operating	12,650.00	2,788.43	1,762.23	455.99	7,643.35
60101:Materials & Supplies	8,000.00	288.43	1,762.23	-	5,949.34
60110:Books	2,500.00	-	-	455.99	2,044.01
60115:Clothing Expense	2,150.00	2,500.00	-	-	(350.00)

Budget available for transactions to accounts in the General Operating pool.

Individual accounts may go over budget, so long as the total in the pool has enough budget remaining.

3. How do I know which ledger accounts roll-up to which ledger account summaries (pools)?

Report R002 Operating Budget Variance will initially display the cost center’s budgets and actuals summarized by budget pools. Click the arrow to expend the pool down to individual ledger accounts that belong to that pool. In addition, when entering requisitions or other transactions, the Spend Category selection will display what budget pool the transaction will be checked against. If you have no budget in that pool, you first need to submit a budget amendment to transfer budget before proceeding with the transaction.

4. What is a Budget Amendment and how do I enter one?

A budget amendment is a transfer of budget from one ledger account to another in a different ledger account summary (pool), or a different cost center. Budget amendments are needed when you do not have enough budget for an upcoming expense. For instructions on entering a budget amendment, see *Workday Job Aid - Budget Amendments*.

Note. Once a budget amendment is submitted and routed for approval it cannot be edited. However, an approver can “send back” the amendment to the initiator with comments on what needs to be changed. Note: If a budget amendment is left in “Draft” status (saved, but not submitted) it can be edited by others who have security access to the cost center, including Cost Center Financial Specialists, Cost Center Managers, Division Managers and the Office of Budget and Planning.

5. What are validation errors and budget errors and what do I do if I get one?

Workday issues errors to prevent accounting errors and over-spending of a budget. Review the error message to see the type of error and which accounting line has the error.

- A “validation error” will occur if you use a disallowed combination of worktag, such as the wrong fund with a cost center.
- A “budget error” means you have insufficient budget remaining, or you have no budget at all for the combination of worktags you used in your transaction. Submit a budget amendment to transfer budget from an account in a different pool within the same cost center, or from a different cost center.

6. What if I’m a requisitioner, get a budget error, but do not have rights to view budgets?

A requisitioner should be able to run report *Operating Budget Variance (R002)*. That said, you should always be in communication with the Cost Center Manager before making a purchase, to make sure the purchase is appropriate and enough budget is remaining.

7. How can I review details on a specific purchase transaction?

Report R002 allows you to drill down on transactions, as well as go to the source of a transaction. See *Workday Job Aid - Operating Budget Variance Report (R002)*.