OPERATING BUDGETS in WORKDAY

Frequently Asked Questions

(Includes Gifts. Excludes Grants and Capital projects)

Technical System Questions: Email IT Service help desk.

Budget Policy Questions: Contact the Budget Office liaison for your division. Also view the Budget and Planning web site for additional details.

Security Role Questions: Contact your supervisor or your division budget manager regarding the functional role(s) and department access you have been assigned. If your role requires security access submit request for security change.

Job Aids for Budgets: There are 2 reference documents for budgets:

R002 Report – Operating Budget Variance for Organizations

Budget Amendments

New Terminology:

<table>
<thead>
<tr>
<th>Workday</th>
<th>PeopleSoft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Worktag =</td>
<td>Chartfield</td>
</tr>
<tr>
<td>Cost Center =</td>
<td>Department ID</td>
</tr>
<tr>
<td>Ledger Account =</td>
<td>Child Account</td>
</tr>
<tr>
<td>Ledger Account Summary =</td>
<td>Parent Pool</td>
</tr>
<tr>
<td>Budget Amendment =</td>
<td>Budget Transfer</td>
</tr>
</tbody>
</table>

Question 1. What about budgets will stay the same after Workday goes live?

- Budget policies
- Expenditures will be budget-checked against the remaining budget in the parent pool.
- Budget amendments (budget transfers) can be submitted for approval online.

Workday 2020 Project Team
• Budget amendments must be balanced, net $0.
• Only transfer budgets within the same Fund (e.g. fund 10 to fund 10).
• Only transfer budgets for non-personnel, and temporary and student employees.
• Budget Office is the final approver on all budget amendments.

See also Question 3.

Question 2. What about budgets will be different in Workday?

• Budget transfers are called budget amendments.
• The system will not prevent a transfer of more budget than remains in a pool. You must first review report R002 Operating Budget Variance to check budget availability in the pool. Requisitioners will also have access to view this report.
• P-card expenses will be budget-checked.
• You can now request Revenue and Expense budget amendments online. Note: An increase to a revenue budget (e.g. rental income) requires a negative amount.
• Revenue budgets require a “revenue category” worktag.
• Each budget amendment description must be truly unique. Therefore, always include a date and specific details in the description.
• Gifts (endowment and private donor funds from MSU Foundation) will be handled by the Budget Office. They will be budgeted annually, not as multi-year grants.

Question 3. What is a Budget Amendment?

Changes in spending plans, or a purchase that exceeds budget require a budget amendment. A budget amendment is an increase or decrease to the original approved budget, typically to transfer budget from one ledger account to a ledger account in a different ledger account summary (pool). Budget amendments are submitted online. They must be balanced (debits = credits) and approved. Cost Center Managers and Budget Office approve budget amendments. Budget amendments that involve cost centers in different divisions will also require approval of the Division Budget Manager. See job aid for Budget Amendment.

Question 4. Can the Cost Center Manager / Approver edit a budget amendment before approving it?

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 (not submitted) it can be edited by others who have security access to the cost center, including Cost Center Financial Specialists, Cost Center Managers, and Division Managers.
Question 5. How are budgets controlled?

Every budget is stored with a Business Unit, Fund, Cost Center ID, and Ledger Account. (Budgets for Gifts, Grants and Capital projects have an additional identifying worktag). Your purchases must use the same combination of worktags as the approved budget or your transaction will trigger a budget error.

Specific child ledger accounts roll up to a larger parent pool, known as a Ledger Account Summary. Budgets are controlled based on the remaining budget in the ledger account summary (pool) that the accounting on a transaction belongs to. The Ledger Account Summaries (parent pools) are:

- 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 pool are multiple ledger accounts. For example, a purchase of Books will be checked against the remaining budget in the General Operating pool, as shown below. Clothing expense can be over budget so long as other accounts are under budget.

<table>
<thead>
<tr>
<th>(Orig + Amendments)</th>
<th>Revised Budget</th>
<th>Actuals</th>
<th>Purchase Orders</th>
<th>Commitments</th>
<th>Remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Operating</td>
<td>12,650.00</td>
<td>2,788.43</td>
<td>1,762.23</td>
<td>455.99</td>
<td>7,643.35</td>
</tr>
<tr>
<td></td>
<td>60101: Materials &amp; Supplies</td>
<td>8,000.00</td>
<td>288.43</td>
<td>1,762.23</td>
<td>5,949.34</td>
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<tr>
<td></td>
<td>60110: Books</td>
<td>2,500.00</td>
<td>-</td>
<td>-</td>
<td>2,044.01</td>
</tr>
<tr>
<td></td>
<td>60115: Clothing Expense</td>
<td>2,150.00</td>
<td>2,500.00</td>
<td>-</td>
<td>(350.00)</td>
</tr>
</tbody>
</table>

Question 6. How do I know which ledger accounts roll-up to which ledger account summaries (pools)?

Report R002 Operating Budget Variance will display the ledger account summaries (i.e. budget pools) for your Cost Center. Click the arrow next to a pool and the child ledger accounts that belong to that pool will be displayed. Note: The report will only display ledger accounts and ledger accounts summaries for which the particular Cost Center has budgets or transactions.

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.
**Question 7. Must there be budget in the “child” ledger account that I’m using for a purchase?**

No, but there must be adequate remaining budget in the total ledger account summary (parent pool) that the ledger account being used belongs to. See Question 4.

**Question 8. What are validation errors and budget errors and what do I do if I get one?**

Errors are designed to prevent invalid combinations of work tags, or to prevent over-spending of a budget.

a. Review the error message to see what type of error it is and what accounting line has the error.
b. A validation error will occur if you use a disallowed combination of worktag, such as the wrong fund with a cost center.
c. 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. Or, clear the worktags and enter a Cost Center that has available budget.
d. If you have no budgets from which to transfer, or if the transfer is denied, you may not proceed with the purchase.

**Question 9. 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 R002 Operating Budget Variance. That said, you should always be in communication with the Cost Center Manager or other fiscal staff member before making a purchase, to make sure the available budget is in fact available for the purchase you are making.

**Question 10. How can we review Transaction Details?**

Report R002 allows you to filter, view details, and drill down on transactions, as well as go to the source of a transaction. Drillable numbers are in blue. See job aid for Report R002 Operating Budget Variance for Organization.