



BANNER BUDGET

1901 BUDGETED USE OF RESERVES

BR-101 Budget Reserves

Date Issued/Rev: 7/27/2017

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 Contract and Grant Accounting Departments at the Main and HSC Campuses 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.

Responsible Manager: Office of Planning, Budget and Analysis
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 "Internet Native Banner" link in the Transaction and Real-time Query Systems section and logon
3. In Banner Finance, 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 three options listed below:
 - Click on "ENTER LOBOWEB" in the LoboWeb (Employees) section. Then select the "Finance" tab
 - Click on "Finance" in the Quick links
 - Click on "LoboWeb" in the UNM Business Applications section. Then select the "Finance" tab
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

BR-101 1901 Budgeted Use of Reserves

- 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 Budgeting Use of Reserves (BD4) entries for the current fiscal year is in March. Refer to the Finance Month End Close Schedule 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.

BR-101 1901 Budgeted Use of Reserves

- 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 Form FGIBDST 8.5 (BANP)

Chart: U
 Fiscal Year: []
 Index: []

Query Specific Account
 Include Revenue Accounts

Commit Type: Both

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

The 1900 Reserves amount is \$8,519 and a 1901 Budgeted Use of Reserves was processed in the amount of \$9,000.

The 1901 Budgeted Use of Reserves is over budgeted by \$481.

| Account | Type | Title | Adjusted Budget | YTD Activity | Commitments | Available Balance |
|-------------------|------|---------------------------------|-----------------|--------------|-------------|-------------------|
| 1000 | R | Gifts Gen | 2,665.00 | 0.00 | 0.00 | 2,665.00 |
| 1900 | R | Reserves | 0.00 | 8,519.00 | 0.00 | -8,519.00 |
| 1901 | R | Budgeted Use of Reserves | 9,000.00 | 0.00 | 0.00 | 9,000.00 |
| 3720 | E | Other Supply Costs Gen | 600.00 | 0.00 | 0.00 | 600.00 |
| 6920 | E | Other Professional Services Gen | 600.00 | 0.00 | 1,900.00 | -1,300.00 |
| 8060 | E | Other Operating Costs Gen | 10,349.00 | 0.00 | 0.00 | 10,349.00 |
| 80K0 | E | Banner Tax | 116.00 | 0.00 | 0.00 | 116.00 |
| Net Total: | | | 0.00 | 8,519.00 | 1,900.00 | |

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

Organization Budget Status Form FGIBDST 8.5 (BANP)

Chart: U
 Fiscal Year: []
 Index: []

Query Specific Account
 Include Revenue Accounts

Commit Type: Both

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

The 1900 Reserves amount is in deficit (negative).

A negative 1901 Budgeted Use of Reserves was processed in the amount of \$(644).

| Account | Type | Title | Adjusted Budget | YTD Activity | Commitments | Available Balance |
|-------------------|------|-----------------------------------|-----------------|--------------|-------------|-------------------|
| 07Z0 | R | Other Sales and Service Revenue | 13,000.00 | 11,034.00 | 0.00 | 1,966.00 |
| 08Z0 | R | Miscellaneous Gen | 7,000.00 | 5,800.00 | 0.00 | 1,200.00 |
| 1180 | R | Trsfr From Student Social Cultu C | 12,060.00 | 12,060.00 | 0.00 | 0.00 |
| 1640 | R | Allocations Pooled Allocation Ge | 27,195.00 | 27,195.00 | 0.00 | 0.00 |
| 1900 | R | Reserves | 0.00 | -643.72 | 0.00 | 643.72 |
| 1901 | R | Budgeted Use of Reserves | -644.00 | 0.00 | 0.00 | -644.00 |
| 31B0 | E | Food F&A Unallowable Gen | 20,000.00 | 30,991.55 | 0.00 | -10,991.55 |
| 38C0 | E | External Vehicle Rental Gen | 700.00 | 505.00 | 0.00 | 195.00 |
| 45Z0 | E | Student Costs Other Gen | 300.00 | 0.00 | 0.00 | 300.00 |
| 63A1 | E | Event Fees | 14,500.00 | 0.00 | 0.00 | 14,500.00 |
| 63B0 | E | Rental Fees Gen | 0.00 | 6,216.83 | 0.00 | -6,216.83 |
| 63C0 | E | Copying Gen | 0.00 | 118.80 | 0.00 | -118.80 |
| Net Total: | | | 0.00 | -1,924.08 | 0.00 | |

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

Organization Budget Status Form FGIBDST 8.5 (BANP)

Chart: U
 Fiscal Year: [dropdown]
 Index: [dropdown]

Query Specific Account
 Include Revenue Accounts

Commit Type: Both

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

| Account | Type | Title | Adjusted Budget | YTD | | | |
|-------------------|------|-----------------------------------|-----------------|-------------|------|--|-------------|
| 11L0 | R | Trsfr To Student Aid Gen | -79,000.00 | | | | |
| 1640 | R | Allocations Pooled Allocation Gen | 874,382.00 | | | | |
| 1660 | R | Allocations Other Gen | -880,480.00 | -846,850.00 | 0.00 | | -33,630.00 |
| 1900 | R | Reserves | 0.00 | 321,466.82 | 0.00 | | -321,466.82 |
| 1901 | R | Budgeted Use of Reserves | 154,500.00 | 0.00 | 0.00 | | 154,500.00 |
| 1903 | R | Change in Reserves | 0.00 | -27,388.25 | 0.00 | | 27,388.25 |
| 2000 | L | Faculty Salary Detail Gen | -81,000.00 | | 0.00 | | -81,000.00 |
| 20SA | L | Salary Adjustments | 302,802.00 | 0.00 | 0.00 | | 302,802.00 |
| 80E0 | E | Contingency Budget Gen | -152,400.00 | 0.00 | 0.00 | | -152,400.00 |
| Net Total: | | | 0.00 | 242,610.57 | 0.00 | | |

The 1900 Reserves amount is \$321,466.82.

The 1903 Change in Reserves indicates that \$27,388.25 has been moved out of this index to another index.

The 1901 Budgeted Use of Reserves is \$154,500.

Example of funds being moved INTO an index using a 1903 Change in Reserves

Organization Budget Status Form FGIBDST 8.5 (BANP)

Chart: U
 Fiscal Year: [dropdown]
 Index: [dropdown]

Query Specific Account
 Include Revenue Accounts

Commit Type: Both

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

| Account | Type | Title | Adjusted Budget | YTD | | | |
|-------------------|------|-------------------------------|-----------------|---------------|-------|--|-------------|
| 11A0 | R | Trsfr To Research Gen | -8,805.00 | -8,805.00 | 0.00 | | 0.00 |
| 11C0 | R | Trsfr From Research Gen | 480.00 | 480.44 | 0.00 | | -0.44 |
| 11E0 | R | Trsfr To Public Service Gen | -81,140.00 | -81,140.00 | 0.00 | | 0.00 |
| 1602 | R | F&A Distributions | 1,900,000.00 | 1,938,137.96 | 0.00 | | -38,137.96 |
| 1620 | R | Allocations Subsidy Gen | -190,448.00 | -160,968.47 | 0.00 | | -29,479.53 |
| 1660 | R | Allocations Other Gen | -60,000.00 | -60,000.00 | 0.00 | | 0.00 |
| 1661 | R | Overhead-Internal Allocation | -1,160,908.00 | -1,160,907.52 | 0.00 | | -0.48 |
| 1666 | R | Intradepartmental Allocations | -201,103.00 | -251,014.00 | 0.00 | | 49,911.00 |
| 1900 | R | Reserves | 0.00 | 418,056.78 | 0.00 | | -418,056.78 |
| 1901 | R | Budgeted Use of Reserves | 200,000.00 | 0.00 | 0.00 | | 200,000.00 |
| 1903 | R | Change in Reserves | 0.00 | 3,486.49 | 0.00 | | -3,486.49 |
| 3100 | E | Office Supplies General | 0.00 | 196.36 | 0.00 | | -196.36 |
| Net Total: | | | 0.00 | 628,527.64 | 92.17 | | |

A 1903 Change in Reserves was processed moving \$3,486.49 into the index.

The 1901 Budgeted Use of Reserves has a budget of \$200,000 that was processed.

Examples of Required Document Text in Banner FOATEXT form

General Text Entry Form FOATEXT 8.9 (BANP)

Type: JV Code: J0493848 Default Increment: 10

| Text | Print | Line |
|--|-------------------------------------|------|
| Start-up costs for a new Faculty member. The 1901 | <input type="checkbox"/> | 10 |
| Budgeted Use of Reserves in the amount of \$8,400 | <input type="checkbox"/> | 20 |
| will cover the cost of two laptops, instructional | <input type="checkbox"/> | 30 |
| material and travel. These expenditures | <input type="checkbox"/> | 40 |
| are non-recurring. Prior authorization approved by | <input type="checkbox"/> | 50 |
| Provost Academic Affairs per Nicole Dopson. | <input type="checkbox"/> | 60 |
| Special Education Carol 7-1234 | <input type="checkbox"/> | 70 |
| | <input checked="" type="checkbox"/> | |
| | <input type="checkbox"/> | |

General Text Entry Form FOATEXT 8.9 (BANP)

Type: JV Code: J0494530 Default Increment: 10

| Text | Print | Line |
|--|-------------------------------------|------|
| This is a recurring expense for one .75 FTE. | <input type="checkbox"/> | 10 |
| Permanet funding has been identified but will | <input type="checkbox"/> | 20 |
| not be available until October 2017. 1901 Budgeted | <input type="checkbox"/> | 30 |
| Use of Reserves will be used through September. | <input type="checkbox"/> | 40 |
| Prior authorization approval from the EVP | <input type="checkbox"/> | 50 |
| Administration area per the Main Campus Budget | <input type="checkbox"/> | 60 |
| Office. | <input type="checkbox"/> | 70 |
| UNM Police Dept. Mary 7-1234 | <input type="checkbox"/> | 80 |
| | <input checked="" type="checkbox"/> | |
| | <input type="checkbox"/> | |

General Text Entry Form FOATEXT 8.9 (BANP)

Type: JV Code: J0494536 Default Increment: 10

| Text | Print | Line |
|--|-------------------------------------|------|
| This is a recurring expense for mandatory Sexual | <input type="checkbox"/> | 10 |
| Harassment Awareness and Prevention training. | <input type="checkbox"/> | 20 |
| Three employees from OEO will attend. The cost for | <input type="checkbox"/> | 30 |
| each employee is \$125. Prior authorization from | <input type="checkbox"/> | 40 |
| the President Executive level has been approved | <input type="checkbox"/> | 50 |
| per Jessica Hyden 7-9083. | <input type="checkbox"/> | 60 |
| | <input checked="" type="checkbox"/> | |
| | <input type="checkbox"/> | |

Processing Examples

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:

BD4 223344-1901 \$150.00 +

BD4 223344-3100 \$150.00 +

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:

BD4 223344-1901 \$500.00 -

BD4 223344-3160 \$500.00 -

A department processed an estimated 1901 budgeted use of reserves in Budget Planner in the amount of \$500.00. The 1900 reserves entry posted after the fiscal year-end close. The department's 1900 reserves balance is \$100.00. The JV to correct the over budgeted use of reserves would look like this:

BD4 223344-1901 \$400.00 -

BD4 223344-3100 \$400.00 -

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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:

BD4 223344-08Z0 \$10,000.00 +
BD4 223344-1901 \$ 6,000.00 -
BD4 223344-3180 \$ 4,000.00 +

A department processed an estimated 1901 budgeted use of reserves in Budget Planner in the amount of \$5,000.00. The 1900 reserves entry posted after the fiscal year end close. The department's 1900 reserves is \$7,000.00. The department is going to spend the full amount on training materials supplies, in-state travel and copying, so an additional 1901 entry needs to be processed. The JV would look like this:

BD4 223344-1901 \$2,000.00 +
BD4 223344-31P0 \$ 800.00 +
BD4 223344-3800 \$ 900.00 +
BD4 223344-63C0 \$ 300.00 +

*** END ***