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Departmental Operating Budgets Configuration Kick-Off

2017 Department Release



Commitment Control Process Overview

- The **Business Process** provides for the recording of budgeted revenue and expenditure amounts. Transactions in all FI\$Cal modules are validated against these budgets
- Commitment Control allows for the establishment of spending authority at differing levels within state government
- Department of Finance will create and approve Appropriation Hyperion budget requests. These budget requests will be posted in Commitment Control to establish appropriation spending authority
- Departments will document operating budget amounts utilizing the current business process. The amounts will be posted to commitment control in a budget journal

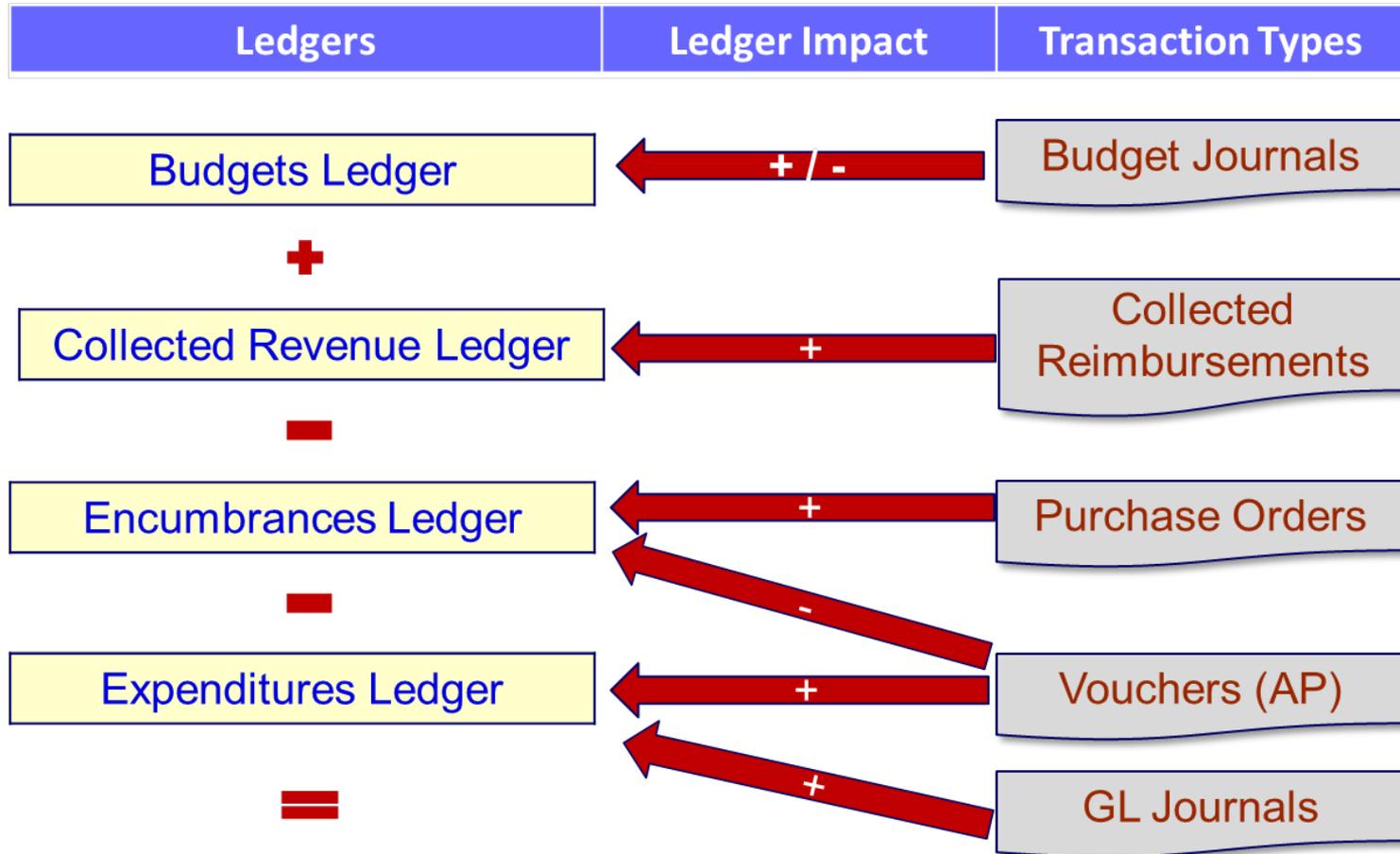
Commitment Control Process Overview

- Appropriation and other centrally controlled budgets have been established. These budgets will be managed by SCO
- Integration between Hyperion and Commitment Control allows for the sharing of financial information
- Budget Journals can be posted creating budgets for Appropriation and Operating Budgets
- Real time budget actuals reporting capability
- Commitment Control budget, expenditures, encumbrances are available for reporting using the Budget Overview inquiry and Budget Status report

Commitment Control Terms

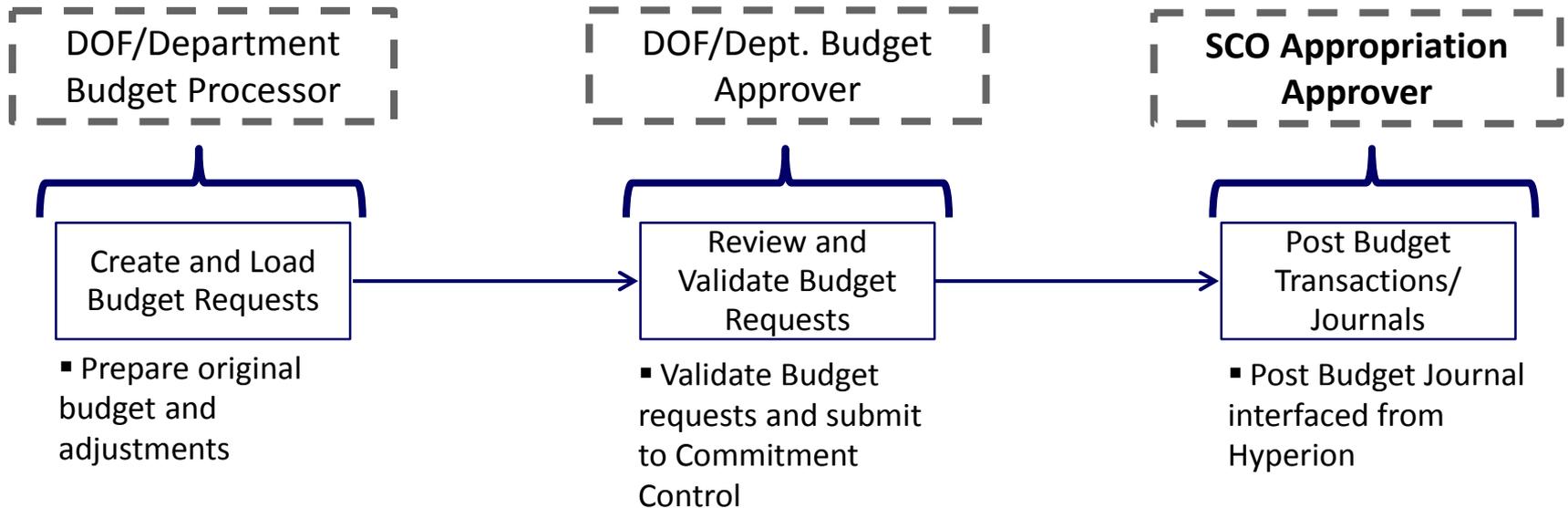
Term	Definition
Commitment Control	PeopleSoft functionality that supports budgetary accounting, enabling the tracking or controlling of expenses against budgets.
Budget Ledger	A ledger that stores amounts from posted budget transactions of a specific type (budget, encumbrance, expense, recognized revenue, collected revenue) for a specific budget (Appropriation, etc.).
Remaining Spending Authority (RSA)	The amount of a budget available for encumbrance or expenditure.
Budget Checking	The PeopleSoft process that validates financial transactions against applicable budgets.

Commitment Control Ledgers



Remaining Spending Authority (RSA)

Process Appropriation



Key Impacts

- DOF and departments will initiate budget transactions in FI\$Cal
- SCO will validate and approve appropriated amounts within PeopleSoft
- SCO can create and post budget journals in Commitment Control in the event of a no-budget situation or a statewide budget not utilizing Hyperion

Appropriation Budgets

- Legislatively authorized spending limits
 - Includes Budget Act, Special Legislation, Continuing and Continuous appropriations
- Highest level expenditure budget in FI\$Cal
- Annual budget period
- Configured as a control budget
- Pre-encumbrances (requisitions) do not reduce RSA

Associated Revenue Budgets

- Used when certain revenues or reimbursements provide additional spending authority for designated expenditure appropriations.
- Annual budget periods
- Configured as tracking budgets
- Reimbursement budgets
 - The increase in spending authority provided to the related expenditure budget is limited to the budgeted reimbursement amount – additional reimbursements are permitted, but do not increase spending authority.
 - Scheduled to the same Program as the associated expenditure budget.

Departmental Operating Budgets

- Departments create operating budget using the same mechanism today (legacy budget creation)
- PeopleSoft Commitment Control module will have the appropriation budget from Hyperion; Departments record operating budgets into PeopleSoft online or upload via excel spreadsheet
- Level of detail for Operating Budget is a department decision
- Departments can select from predefined types of expenditure and revenue budgets.
- Departments can select differing control options on each budget structure (e.g. Control, Track with Budget, or Track w/o Budget)
- Departments can utilize the Grants budget solution to create and post grant/project specific budgets. More detail available during Grant BPW.

Departmental Operating Budgets

- Departmentally defined budgets used to track or control spending at a more detailed level than the Appropriation budget.
- Can be configured with different Control Options
 - Control (prevents overspending)
 - Track with budget (prevents spending for unbudgeted items, does not prevent overspending for those items)
 - Track without budget (allows spending for unbudgeted items, does not prevent overspending)

Budgetary Control Options

Three types of budgetary control (“enforcement”) are available:

- **Control**

- Transactions exceeding Remaining Spending Authority (RSA) for any applicable budget will fail the budget checking process and cannot be posted. No further processing of the transaction can be performed until:

- RSA is increased by recording a budget adjustment or budget transfer, or
- The transaction’s ChartField values are updated so that the transaction affects a different budget, or
- The error is overridden by an authorized user

Budgetary Control Options

- **Track With Budget**
 - Transactions without an applicable budget fail the budget checking process, regardless of monetary amount.
 - Transactions with an applicable budget pass the budget checking process, even if their amounts exceed RSA for the budget.
- **Track Without Budget**
 - All transactions pass the budget checking process, regardless of amount and/or existence of applicable budgets.

KK Budget Definition – Concepts/Terms - - Keys

- **Definition:** Budget Keys are the ChartFields which are required for all budget journals and all transactions for a given budget structure.
 - **Example:** CC_APPROP (Appropriations) Budget Keys
 - Account
 - Appropriation Reference
 - Fund
 - Year of Enactment
 - Program
- - All Appropriations budget journals must include these ChartFields.
 - To pass Appropriations budget checking, all 'actuals' transactions must include these ChartFields.

KK Budget Definition – CC_APPROP - - Keys

Control Budget Options | Ruleset Chartfield | **Keys and Translations** | Expiration Chartfield | Budget Period Status | Control ChartField

SetID: 8860 Ledger Group: CC_APPROP

Effective Date Find | View All First 1 of 1 Last

*Effective Date: *Status:

*Description: Definition Status: Valid

Ruleset Find | View All First 2 of 2 Last

*Ruleset: Default Enable Cumulative Budgeting

Calendar ID: Derive Dates Cumulative Calendar:

Keys and Translations Personalize | Find | View All | 📄 | 📅 First 1-5 of 5 Last

*ChartField▲	Tree Name	Level Name	*Value Required	
Account	<input type="text" value="ACCT_COMMCONTROL"/> <input type="button" value="🔍"/>	<input type="text" value="LEVEL_4"/> <input type="button" value="🔍"/>	Required	<input type="button" value="+"/> <input type="button" value="-"/>
Appropriation Reference			<input type="text" value="Required"/> <input type="button" value="▼"/>	<input type="button" value="+"/> <input type="button" value="-"/>
Fund	<input type="text"/> <input type="button" value="🔍"/>	<input type="text"/> <input type="button" value="🔍"/>	Required	<input type="button" value="+"/> <input type="button" value="-"/>
Year of Enactment	<input type="text"/> <input type="button" value="🔍"/>	<input type="text"/> <input type="button" value="🔍"/>	Required	<input type="button" value="+"/> <input type="button" value="-"/>
Program	<input type="text" value="PRG_COMMCONTROL"/> <input type="button" value="🔍"/>	<input type="text" value="LEVEL_3"/> <input type="button" value="🔍"/>	Required	<input type="button" value="+"/> <input type="button" value="-"/>

KK Budget Definition – Concepts/Terms - - Translations

- **Definition:** Budget translations enable budgeting at a higher level than the transaction detail value for that chartfield. The translation is accomplished through the use of trees.
 - **Example:** CC_APPROP (Appropriations) Translations
 - Account
 - ➔ Budgeted at Level 4
 - ➔ Transact using the detail Account values
 - Program
 - ➔ Budgeted at Level 3
 - ➔ Transact using the detail Program values
- - ❑ Budget checking of Appropriations requires an Account translation tree and a Program translation tree so that the budget checking process can ‘find’ the budget amount related to the detail transaction value.

KK Budget Definition – CC_APPROP - - Translations

Control Budget Options | Ruleset Chartfield | **Keys and Translations** | Expiration Chartfield | Budget Period Status | Control ChartField

SetID: 8860 Ledger Group: CC_APPROP

Effective Date Find | View All First 1 of 1 Last
 *Effective Date: 01/01/1901 *Status: Active
 *Description: Appropriation Budget Definition Status: Valid Reset

Ruleset Find | View All First 2 of 2 Last
 *Ruleset: DEFAULT Default Enable Cumulative Budgeting
 Calendar ID: BA Derive Dates Cumulative Calendar:

Keys and Translations Personalize | Find | View All First 1-5 of 5 Last

*ChartField	Tree Name	Level Name	*Value Required
Account	ACCT_COMMCONTROL	LEVEL_4	Required
Appropriation Reference			Required
Fund			Required
Year of Enactment			Required
Program	PRG_COMMCONTROL	LEVEL_3	Required

Save | Return to Search | Notify | Add | Update/Display | Include History | Correct History

Control Budget Options | Ruleset Chartfield | Keys and Translations | Expiration Chartfield | Budget Period Status | Control ChartField | Offsets | Excluded Account Types

KK Translation Tree – Account Chart Field

SetID STATE	Last Audit Valid Tree
Effective Date 01/01/1901	Status Active
Tree Name ACCT_COMMCONTROL	State Acct Tree

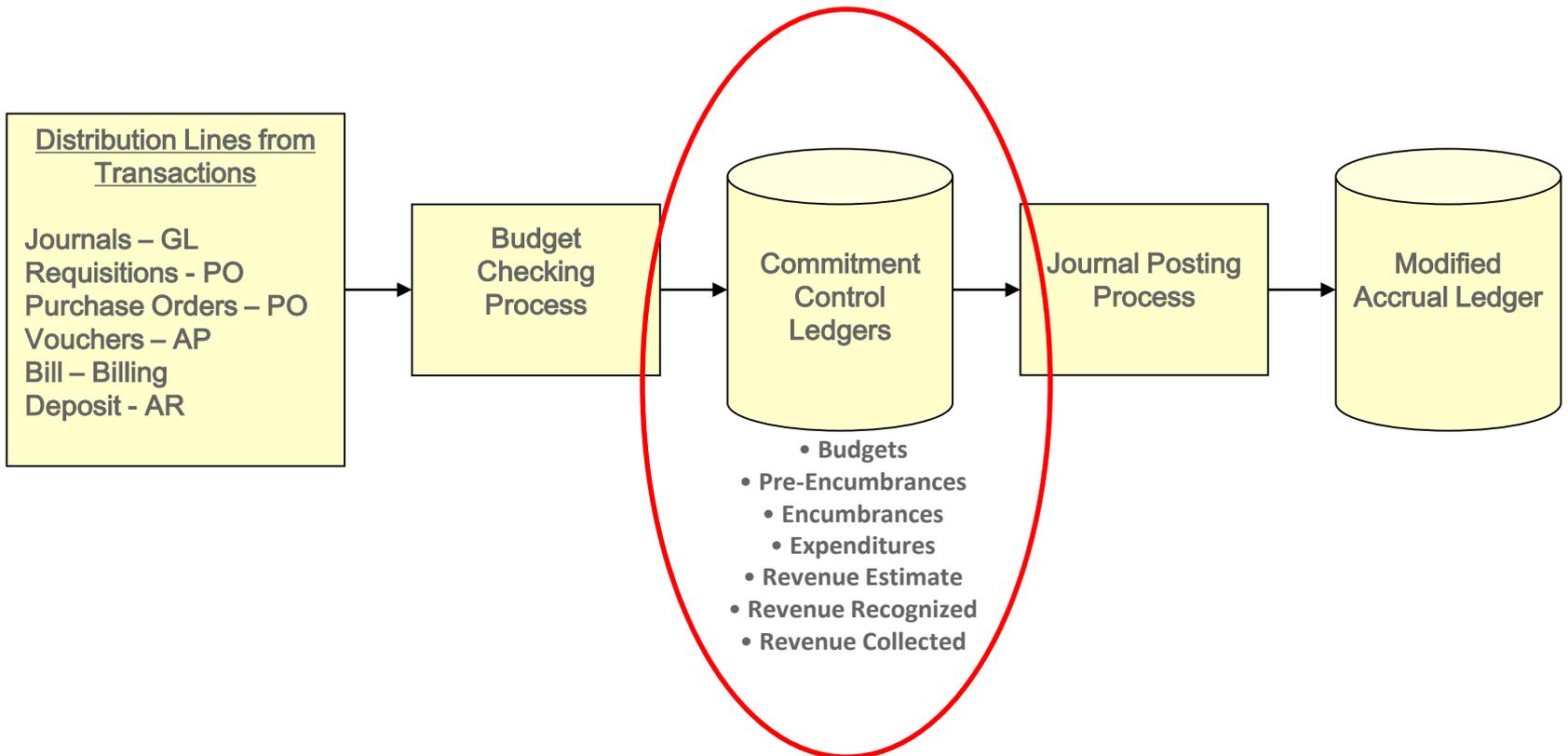
[Save As](#) [Close](#)
 [Tree Definition](#) [Display Options](#) [Print Format](#) [Export to PDF](#)

0000 >5

[Collapse All](#) | [Expand All](#)
 [Find](#)
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- 0000 - Level :Level 1
 - 1 - Assets Level :Level 2
 - 2 - Liabilities Level :Level 2
 - 3 - Fund Balance Level :Level 2
 - 4 - Revenues Level :Level 2
 - 5 - Expenses** Level :Level 2
 - 50 - Appropriated Expenses Level :Level 4
 - 51 - Personal Services Level :Level 5
 - 510 - Salaries and Wages Level :Level 6
 - [5109000 - 5109ZZZ]
 - 5100 - Civil Service Employees - Perm Level :Level 7
 - [5100000 - 5100ZZZ]
 - 5105 - Exempt/Statutory Employees Level :Level 7
 - 5108 - OT, Holiday & Other Earnings Level :Level 7
 - 515 - Staff Benefits Level :Level 6
 - 519 - Personal Services - Other Level :Level 6
 - 53 - Operating Expense & Equipment Level :Level 5
 - 5301 - General Expense Level :Level 6
 - 5302 - Printing Level :Level 6
 - 5304 - Communications Level :Level 6
 - 5306 - Postage Level :Level 6
 - 5308 - Insurance Level :Level 6
 - 5320 - Travel Level :Level 6
 - 53202 - Travel: In-State Level :Level 7
 - [5320200 - 53202ZZ]
 - [5320490 - 532049Z]
 - 53204 - Transportation - In State Level :Level 8

Commitment Control Overview - Recap



Commitment Control Roles

FI\$Cal End-User Role	Responsibilities
SCO Appropriation Approver	The SCO user who will have access to create and post central controlling budget journals
SCO Appropriation Processor	The SCO user who will have access to create central controlling budget journals
BU Approver	The department user who will have access to create and post department operating budget journals

Commitment Control Roles

FI\$Cal End-User Role	Responsibilities
BU Processor	The department user who will have access to create department operating budget journals
Appropriation Viewer (BU and GL Viewer)	The central and department end user who will allow users access to view statewide controlling budget information
Operating Budget Viewer (BU and GL Viewer)	The central and department end user who will have access to view department-level budgets using online inquiry screens

Technology Considerations – Conversions

Conversion	Definition
SCO Appropriation	Available control balances for active appropriations will be converted into FI\$Cal for Release 2017 departments from accounting records
Life-to-Date Department Project Budgets	Life-to-date project budgets can be converted from the department legacy system (optional)
Governor’s Budget	For preparation of the Governor’s Budget, statewide budget data for all departments will be updated in FI\$Cal for Release 2016

Technology Considerations – Interfaces

Interface	Definition
Hyperion to Commitment Control Integration	Hyperion will send appropriation and appropriation adjustments to PeopleSoft as budget journals
Spreadsheet Budget Journal Upload	Spreadsheet Budget Journals will be utilized to create and import Operating Budget amounts.

Next Steps

- Departmental Operating Budgets Configuration Workshops
- Please bring your current 2016-17 Department Operating Budget worksheet to your scheduled workshop



Questions

