

Draft Budget Report (STW-GL-7)

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Last Updated December 11, 2023

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OVERVIEW

This document provides instructions for preparing and adding a draft budget in EERP for annual funds. The draft budget contains the projected revenues and expenditures for the coming fiscal year. State law requires that the local board review the Draft Budget by January 31st of each year.

Draft budgets for Fund 2 and Fund 360 are not needed. Fund 2 budgets are included in the Tentative Budget as well as Fund 360, if applicable.

What is a Budget Projection?

A Budget Projection is a work file for creating new-year budgets. When a Budget Projection is added, only general ledger accounts with the budgetary flag set to Y are copied to the projection file unless the Budgetary Type is changed to **Both Budgetary and Non-Budgetary**. All accounts that need a budget should have a budgetary status of Y set on the Account Master when the account is created.

CHECKLIST FOR PROCESSING THE DRAFT BUDGET

- Add a Budget Projection for Annual Funds (funds 2 and 360 aren't included in the Draft Budget projection).
- Establish the Default Budget Projection for the Budget Year.
- Roll the Budget Projection from Level 1 to Level 2.
- Enter, verify and optionally factor budgets for designated accounts in Level 2.
- Run Master, if necessary, to update the Projection File with new accounts or to delete accounts which have been removed from the Chart of Accounts.
- Optionally generate Next Year Budget Reports to verify budget entry and to compare budget amounts against prior year budgeted and actual expenditures.
- Generate the Draft Budget Report.

ADD A BUDGET PROJECTION

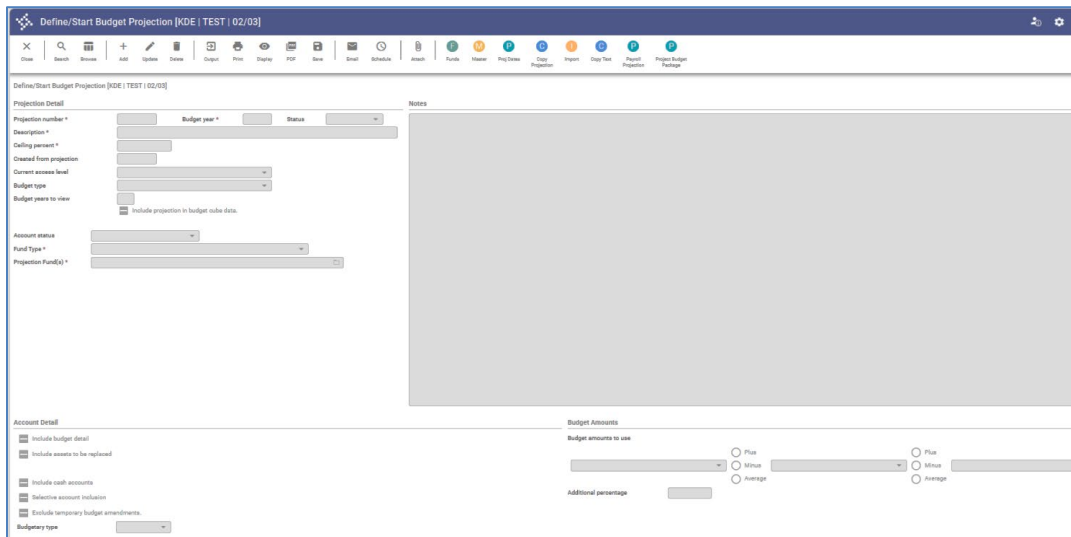
Add a Draft Budget Projection for annual funds. Fund 2 (Special Revenue) and Fund 360 (Construction Fund) aren't included in the Draft Budget projection.

The budget projection can be deleted and recreated at any time.

Select:

Financials > Budget Processing > Define/Start Budget Projection

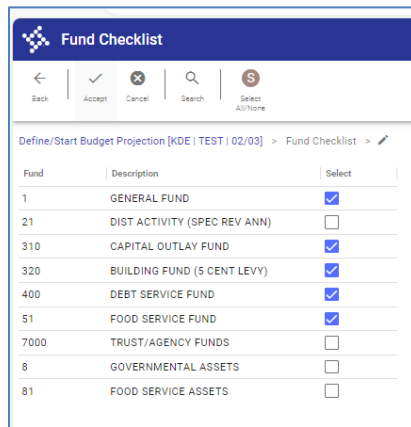
The following screen is displayed:



1. Select **ADD** to generate a new projection.
2. Enter the following field values:
 - **Projection number** (e.g., '20XX')
Note: The "XX" references the last two digits of the new budget fiscal year
 - **Budget Year** = Defaults to current budget year defined in Budget Settings.
 - **Status** = Defaults to Active and this is the most commonly used option.
 - **Description** (e.g., '2024-25 Annual Funds Budget')
 - **Ceiling Percent** = 0 for no change
 - **Current Access Level** = Level 1-Requested - This puts the budget amount in the Requested field which allows users to perform Roll/Factor before moving to Level 2-Draft. If no Roll/Factor is needed (current year budget amounts will be

kept for the next year Draft Budget), select Level 2 and the budget amounts will automatically be pulled into Level 2-Draft.

- **Budget type** = Operating Budget
- **Budget years to view** = Enter number of budget years you wish to view when the projection is created. Check the ***Include projection in budget cube data*** box if you utilize budget cube.
- **Account Status** = Active is the most commonly used option. Other options are available so select the option that works best in your district.
- **Fund Type** = Annual funds (No other fund type should be chosen for the Draft Budget projection.)
- **Drop down the Projection Funds**
 - **Choose Update & Check Mark Funds 1, 310, 320, 400, 51**



- Click **Accept** and go back to the main screen.
- **Budgetary type** = Budgetary
- **Budget amounts to use** = Choose from available options. Most commonly used option is ***Current Yr Revised***. Change the selection to ***Current Yr Revised*** if you want to start with current year revised budgets when creating your annual funds projection for the next fiscal year.

The screenshot shows the 'Budget Amounts' screen. It has a title 'Budget Amounts' and a subtitle 'Budget amounts to use'. There are two sets of radio buttons for selection: 'Plus', 'Minus', and 'Average'. The first set has 'Current yr revised' selected in a dropdown menu. The second set has empty dropdown menus. Below the radio buttons is an 'Additional percentage' field with a value of '0.00'.

3. Select **Accept** to proceed with creation of the projection. The program reports the number of accounts to generate and prompts to proceed. Respond **Yes** to create the projection if the number of accounts appears accurate.

ESTABLISH THE DEFAULT BUDGET PROJECTION

The budget preparation year and default budget projection must be established in Budget Settings. This facilitates accessing budget projections & reporting on projections.

Select:

Financials > Budget Processing > Budget Settings

The following screen is displayed:

The screenshot shows the 'Budget Settings [KDE | TEST | 02/03]' window. At the top, there are navigation icons: Close, Update, Output, Print, Display, PDF, and Save. Below the title bar, the window content is organized into sections:

- Budget Settings [KDE | TEST | 02/03]**
- Settings**
- Budget preparation for ***: Input field with value 2024.
- Default Operational Projection # ****: Input field with value 2024.
- Default Capital Projection # ****: Input field with value 2024.
- Default account description for budget ***: Dropdown menu with 'Next Year' selected.
- Checkboxes:**
 - Perform certification test
 - Allow access to operational/position detail
 - Project Detail Operational Quantity Access
 - Hide projected actual fields
 - Hide ceiling fields
 - Allow for budget reserves
 - Include unposted BUAs in available budget check
 - Default detail year on entry
 - Allow update of payroll detail records
 - Hide the projected amount on detail records
 - Allow for Mid-Year Budget Projections
 - Sum detail projected to account level
 - Allow entry of signed amounts in budget projections
 - Create recurring budget detail lines for future years
- Default reserve %**: Input field with value 0.00.
- Default budget projection inclusion ***: Dropdown menu with 'Continuing' selected.
- Multi-year accounts with no established budget**
 - Expense accounts always roll available budget forward
 - Revenue accounts always roll available budget forward

1. Click **Update**.
2. Enter the year in the **Budget preparation for** (e.g., 2025) field and the **Default projection #** created in the previous section.
3. Click **Accept**.

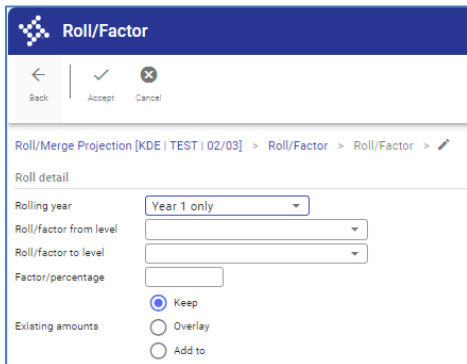
ROLLING THE BUDGET PROJECTION

The Draft Budget Report reports on budgets found in Level 2 (Draft Budget). EERP provides an easy way to copy or “roll” the budgets from one level to another. If you chose Level 1 when the budget projection was created, the next step is to process Roll/Factor.

Select:

Financials > Budget Processing > Roll/Factor/Merge Projection

1. Verify the **Projection number** displayed is correct. The projection number should be the default projection defined in the section above.
2. Select **Roll/Factor** and a new window appears.
3. Select **Search** and click **Accept** to select all accounts within the projection.
4. Select **Roll/Factor** and the following window appears:



5. Enter the following in the new window:
 - **Roll/factor from level = 1** (Requested).
 - **Roll/factor to level = 2** (Draft).
 - **Factor/percentage** = enter a percentage of change from original to new budget amount. i.e., 1.5, 2, 2.5, 3.
 - **Existing amounts** = Keep. This will retain any previously entered budget amounts entered into budget level 2 (Draft).

Roll/Factor

Roll/Merge Projection [KDE | TEST | 02/03] > Roll/Factor > Roll/Factor > ✎

Roll detail

Rolling year: Year 1 only

Roll/factor from level: 1 - REQUESTED

Roll/factor to level: 2 - DRAFT

Factor/percentage: 3.00

Existing amounts: Keep, Overlay, Add to

6. Click **Accept**. A window appears prompting to process the update. Click the **Yes** button to proceed.

The Current Year Revised Budget on all accounts in the projection will be copied from Level 1 (Requested) to budget level 2 (Draft Budget). This process may take several minutes to complete, depending upon the number of accounts.

CHANGE CURRENT ACCESS LEVEL ON PROJECTION

After the **Roll/Factor/Merge** step has been completed, go back to **Define/Start Budget Projection** and change the Current access level to Level 2. This will ensure that manually entered budget amounts are entered into the correct level.

Select:

Financials > Budget Processing > Define/Start Budget Projection
Search for the current projection (e.g. 2025)

Select **Update** and change the **Current access level to Level 2**.

Define/Start Budget Projection [KDE | TEST | 02/03]

Define/Start Budget Projection [KDE | TEST | 02/03]

Projection Detail

Projection number: 2025 Budget year: 2024 Status: Active

Description: 2024-2025 Annual Funds Budget

Ceiling percent: .00

Created from projection

Current access level: 2 - DRAFT

Budget type: Operating Budget

Budget years to view: 10

Include projection in budget cube data.

Account status: Active

Fund Type: Annual funds

Projection Fund(s): Multiple Funds

ENTER, VERIFY AND OPTIONALLY FACTOR BUDGETS

After rolling the budget to level 2, you may wish to enter, revise, or delete budgets for select accounts. If you have similar accounts (e.g. salary accounts) you wish to increase or decrease by a percentage (factor) you may mass change these budgets if changes weren't made during the Roll/Factor/Merge step.

Adjusting Budget Amounts on Individual Accounts

When updating individual budgets to a group of accounts, it is recommended users work with one Org Code (e.g., 0011075) at a time to enter budgets. This allows the program to total all budgets for selected accounts quickly. The budget entry process is repeated for all Org Codes requiring a different budgetary amount from the current year revised budget or the amount that was calculated during the Roll/Factor/Merge step.

NOTE: Next Year Budget Entry should be done after rolling the next year projection to Level 2.

Select:

Financials > Budget Processing > Next Year Budget Entry

1. Ensure the **Projection number** is correct and the **Budget level** shows 2 before proceeding or change as necessary. Click **Accept** to proceed.
2. Enter selection criteria in the **Account** fields to choose the budgets to modify and click **Accept** to proceed. Select **Search** to enter new account information.
3. Select **Update** to change the budget amount or select **Percent Update** to increase/decrease the budget by a percentage.

NOTE: *The screen will display budget and expenditure information for the current fiscal year as well as any budget amounts in the projection for the next fiscal year. All data appears in the correct column.*

You can add or remove columns of information you see on this screen. "Right Click" on any of the column headers. You are now able to select the columns of information you want to view. You can also move the columns by clicking on the column header and moving it to the desired location.

Increasing or Decreasing Budgets on a Group of Accounts

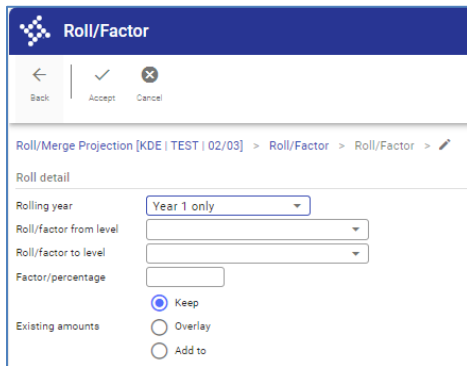
If you wish to adjust budget amounts on a group or all accounts in a projection by a percentage (increase or decrease) you can also use the Roll/Factor/Merge projection

function to accomplish this. For example, to more accurately budget and report your Draft Budget you may wish to increase all salary and benefit accounts by a percentage.

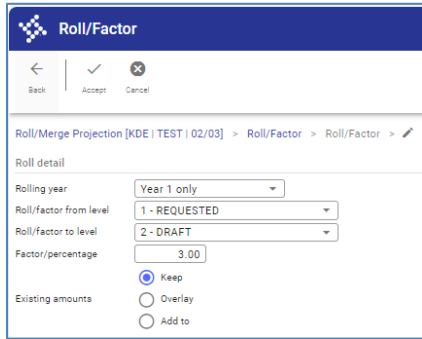
Select:

Financials > Budget Processing > Roll/Factor/Merge Projection

1. Verify the **Projection number** displayed is correct. The projection number should be the default projection defined in the section above.
2. Select the **Roll/Factor** button and a new window appears for the projection detail information.
3. Select **Search** and enter criteria to select a group of accounts to factor.
For example, you may wish to select a range of object codes 0110:0113 etc. Click **Accept** to select the accounts matching the criteria.
4. Select the **Roll/Factor** button and the following window appears.



5. Enter the following in the new window:
 - **Roll/factor from level = 2 (Draft).**
 - **Roll/factor to level = 2 (Draft).**
 - **Factor/percentage = percent increase/decrease (e.g. 3.0 or -3.0)**
 - **Existing amounts = Overlay.** This will overlay any previous budget amounts.
Example below indicates a 3% increase will be applied on accounts that were selected:



6. Click **Accept**. A window appears prompting to process the update. Click the **Yes** button to proceed.

RUNNING MASTER, IF NECESSARY

The **Master** function in **Define/Start Budget Projection** synchronizes a budget projection with the GL Account Master. If any accounts are added, deleted, changed budgetary status, etc. in the GL Account Master program, the Master function will add, delete and update any accounts within the projection.

NOTE: *All accounts in a Budget Projection MUST exist in Account Master before a Budget Completion can be successfully processed.*

Select:

Financials > Budget Processing > Define/Start Budget Projection

1. Select **Search**. Enter the budget projection and click **Accept** to select the projection.
2. Select **Master** and click **Accept** to synchronize the accounts in the projection with those in the GL Master.

OPTIONALLY GENERATING NEXT YEAR BUDGET REPORTS

The Next Year Budget Reports program includes several report types that provide budget information on accounts within a selected Budget Projection. The report is generated for a single budget projection.

The reports can be generated during the budgeting process to:

- Verify budget entry
- Identify out of balance budget situations

- Compare next year budgets with budgeted and actual expenditures during current and prior years.

Refer to the document entitled **Next Year Budget Reports BD-1** in the EERP **Budget/General Ledger User Guide** for instructions on generating these reports.

DRAFT BUDGET REPORT OVERVIEW

The Draft Budget Report compares last year’s actual revenues and expenditures and the current year revised budget figures with next year’s projected budget. State law requires your local board review the Draft Budget by January 31 of each year.

NOTE: *The Draft Budget Report may require an extended period of time to process, particularly in districts that maintain a large number of accounts. The report should be run when there are no critical processes taking place in the EERP application.*

GENERATING A DRAFT BUDGET REPORT

Select:

Financials > General Ledger Menu > Inquiries & Reports > State Specific Reports > Kentucky Reports > Draft/Tentative Budget Report

The following screen is displayed:

The screenshot shows a software interface for generating a Draft / Tentative Budget Report. The title bar indicates the report name and version: "Draft / Tentative Budget Report [KDE | TEST | 02/03]". Below the title bar, there are three buttons: "Close", "Output", and "Define". The main content area is titled "Draft / Tentative Budget Report [KDE | TEST | 02/03]" and contains several sections:

- Report Options:** A dropdown menu labeled "Execute this report".
- Fiscal year for reports:** A text input field.
- Projections:** A section with two columns of input fields, each with a "..." button to its right.
- Budget level:** A text input field.
- Include account detail:** A checkbox.
- Output File:** A section with three radio button options: "Paper/Spool Only", "Magnetic Media & Spreadsheet Only", and "Both Paper & Mag Media/Spreadsheet".

1. Select the **Define** button.

- **Fiscal Year for reports:** Defaults to the next budget year. No change is necessary unless the report is being generated for a year other than the next budget year.
- Enter budget projection numbers for all projections (up to 10) to be included on the report in the **Projections** field.
- **Budget level = 2** (Draft)
- **Include account detail:** Select to print detail for the purpose of researching discrepancies.
- Select an **Output file option**. The **Paper/Spool Only** option is available to produce a report for submission to your Board. You may optionally choose the Magnetic Media & Spreadsheet or the Both Paper & Mag Media/Spreadsheet options.

NOTE: You are not required to submit the Draft Budget Report to the State.

- If **Paper/Spool Only** is selected, the GL Segment Find pane appears. Enter the appropriate values and select **Accept** to exit the screen and proceed. If you do not wish to narrow the reported accounts, click **Accept** to select all accounts.
- Although not necessary, you may choose the **Magnetic Media & Spreadsheet** or **Both Paper & Mag Media/Spreadsheet** output options. If you choose this option, the program may report Balancing Errors. To address these errors, first print the report using the **Paper/Spool Only** option and see the [Errors & Warnings](#) section of this document for information related to the issues.

7. Select **Print** and choose an output method.

NOTE: *There is a delay while the accounts are processed.*

ERRORS & WARNINGS

The program performs various checks to assist in identifying discrepancies in the report. The errors and warnings are reported on the last page of the Paper/Spool Only option. The following represents some of the errors and warnings that may appear. Take the appropriate action, if necessary, to resolve these issues as they will appear during Tentative Budget reporting as well.

ERRORS:

Fund X Revenue (object codes => 0999) and Expenditures (object codes < 0999) do not equal

Explanation: This error indicates the budget for Fund X does not balance.

Total Funds Transfer Revenue and Expenditures do not equal

Fund X Revenue Transfers for object code 52 = \$XXXX**

Fund X Expense transfer for function 5200 and object 091* = \$XXXX

Explanation: This error indicates that fund transfers are out of balance

Expense transfers for object 091* and NOT function 5200 exist

Fund X and function XXXX=\$XXXX

Explanation: This error indicates the object is attached to an incorrect function code.

WARNINGS:

Negative budget amounts exist in Fund X for \$XXX for function XXXX and object code XXXX

Explanation: Only reported for Funds < 7X; You could have valid reasons for a negative budget amount. Simply review the warnings to make sure the affected accounts are supposed to have negative budgets.

Budget amounts do not exist for fund X

Explanation: This warning means there are no budgets for revenues or expenditures for funds 1, 2, 310, 320 or 51 for the reporting year. For the Draft Budget report, you can ignore the warnings for funds that are not part of the draft budget projection (e.g. 2, 360, 7X etc.)