

**Weill Cornell  
Medicine**

# **Budget Availability Control (AVC)**



AVC Project team

06/16/2016

# Objective

**To prevent posting expenses to Grant/WBS element that exceed the available budget**



# Overview of AVC

- Budget is assigned at Sponsored Class level.
- For Budget Control purposes, some Sponsored Classes are grouped. These groups vary for different grant types. Example: MTDC, Consortium, etc.
- The available budget is calculated as:  
$$\text{Total Budget} - \text{Actuals} - \text{Commitments} = \text{Total Available Budget}$$
- Generally, if the expense amount being entered (actual or commitment) exceeds the available budget, an error message will prevent the user from processing further.
- For some processes, the budget check is performed in several instances, but the checked amounts does not consume the budget until a document is posted, for example: Change of Funding (COF), Shopping Carts, Travel, Payment Requisitions and Auxiliary Billing.



# Overview of AVC

## Reporting

- The Grant statement report has been enabled to generate reports based on different groupings.
  
- The following groups (hierarchies) have been added to the selection screen.
  - Sponsored Class Reporting (Existing)
  - Foundation Reporting
  - Federal Reporting
  - Qatar Reporting
  - Sub/Contract Reporting
  - State Reporting

# Processes in scope

## » Finance:

- IDC posting: A hard error message will be displayed if the IDC exceeds 100.5% its Budget.
  - Message “.Overall budget exceeded by xxx for WBS 5xxx../ Sponsored Class MTDC”
- JVUPLOAD: A hard error message will be displayed if the amount exceeds the available budget
  - Message “.Overall budget exceeded by for WBS 5xxx../ Sponsored Class MTDC”
  - Parked documents commit budget
  - Unposted parked documents have to be deleted in order to return the committed budget
- Funds Reservation: A hard error message will be displayed if the amount in the uploaded Funds Reservation form exceeds the available budget
  - Message “Overall budget exceeded by xxx for WBS 5xxx../ Sponsored Class MTDC”



# Processes in scope

## » Finance:

- Auxiliary Billing: Budget control checks are made on different steps of this process
  - Daily dump of WBS is being sent to interfaces and will only contain accounts that have available budget >0.
  - Incoming files from interfaces are checked against the available budget in SAP.
  - Lines with budget errors are automatically sent back to interfaces.
  - Message “Overall budget exceeded by xxx for WBS 5xxx../ Sponsored Class MTDC” will be generated due to insufficient budget at the time of posting the Auxiliary batch
- Procurement Card (Pcard): Approvers will encounter a hard error if the amount exceeds the available budget
  - Message “Overall budget exceeded by xxx for WBS 5xxx../ Sponsored Class MTDC”



# Processes in scope

## » Finance:

- Travel & Expenses/ Payment Requisition: There is a hard stop budget control check at every single step of the workflow
  - Upon rejection by the approver due to insufficient budget, a notification and an email will be sent to the requestor.
  - Message “Itemized Expenses: Overall budget exceeded by xxx for WBS 5xxx../ Sponsored Class MTDC” will be generated due to insufficient budget
  - Budget will be consumed only when a document is created by accounts payable
- Vendor Invoice (FB60): A hard error message will appear if the amount exceeds the available budget amount.
  - Message “Overall budget exceeded by xxx for WBS 5xxx../ Sponsored Class MTDC”
  - JIRA number with the error will be sent to the Requestor.
- PO Invoice Receipt: Does not go through budget control checks since there is an open commitment.



# Processes in scope

## » Payroll:

- Change of Funding:

- Hard stop error messages during COF entry when budget is exceeded or unavailable.

- “Budget for WBS 5XXX.../ Sponsored Class MTDC is not available. Lines automatically rejected” when the available budget zero or negative.

- “Cash value for WBS 5XXX ../ Sponsored Class MTDC exceeds Budget by xxxx.” when available budget is positive but less than the “cash value amount”.

- There is an Automatic rejection at COF approval levels when budget is in a deficit or unavailable (\$0).

- Rejection notification sent to COF originator after automatic rejections.





# Processes in scope

- There are no budget control validation on the following processes:
  - Payroll/Posting: An informative budget control message is given when the budget is not available in the posting process.
  - IT0014 - Recurring Payments and Deductions
  - IT0015 - Additional Payments/Deductions
  - Time Entry/Approval
  - Merit Process
  - PBC - Position Budget Control: Runs every 10 minutes to create the commitments for all approved Change of Funding. Budget is consumed after all approvals and after PBC runs.

**Note:** Pending/Rejected COF requests do not consume the budget.

# Processes in scope

## » SRM:

- Shopping cart approval: There is a hard stop budget control check at every approval step of the workflow.
  - Upon rejection by the approver, a notification and an email will be sent to the requestor and WBS approver
  - Message “ Overall budget exceeded by xxx for WBS 5xxx../ Sponsored Class MTDC” will be generated due to insufficient budget
  - Budget is neither committed nor consumed when a cart is approved.
- Purchase Order creation/change: There is a hard stop budget control check if the amount against a WBS exceeds the available budget
  - Message “Overall budget exceeded by xxx for WBS 5xxx../ Sponsored Class MTDC”
  - An email notification will be sent to the requestor
  - Child PO’s are not subjected to AVC check
  - Creation of PO’s result in a commitment to the budget
  - Timely liquidation of PO’s is required to release the committed budget



# What to do when you encounter “Overall budget exceeded ...” ?

- Remove expenses, reduce expenses, or use a different account
- If still not resolved, contact the grants and contracts accounting team for assistance.

**Weill Cornell  
Medicine**

# **Multi-year Sponsored Program/WBS**



AVC Project team

06/16/2016

# Introducing the Functionality of Multi-year Sponsored Program/WBS

- Ability to maintain only one Sponsored Program/WBS through out the life of the Grant.
- A Multi-year Sponsored Program could be created by checking the Multi-year Indicator on the Sponsored Program Master Data.
- The Grant Statement report can be executed for only Multi-year Sponsored Program, Single-year Sponsored Program or both.
- The Grant Statement Report on Multi-year Sponsored Program, can be expanded to list Budgets for each of the Grant year.

# Advantages of Multi-year Sponsored Program/WBS

- Reduce the creation and maintenance efforts on Sponsored Program/WBS for each of the Grant year.
- Reduce the number of annual close out/ eliminate soft close.
- All transactional data maintained in one Sponsored Program/WBS
- No need to unlock the WBS to post Invoices and then lock again
- No risk of multiple WBS being open at the same time for posting