Executive Summary

In a non-profit enterprise such as NYU, a budget is a strict spending plan established for a specific period of time. The budget is used to control how the university allocates its resources. To prepare the budget, each school and department estimates its spending for the upcoming year. With the help of the University Budget Office, this estimate becomes the budget. The budget is put in place by the beginning of the fiscal year, based on the intention of where schools and departments plan to spend. This is the Original Budget.

After the Original Budget is created, NYU allows for adjustments to the budget to allow for new developments throughout the fiscal year. These adjustments are known as budget modifications. These adjustments to the Original Budget create the Revised Budget.

There is a Budget Control process which verifies and approves spending against the budget. The Budget Control rules governing the verification process are determined by Fund and expense type, which means the system will evaluate spending differently depending on the Fund and expense account. The Budget Control rules ensure that a school or department has sufficient budget resources to pay salaries and purchase goods and services.

If the school or department does not have sufficient budget to cover spending, a transaction will become an "exception." This means that the transaction will not pass the Budget Control process and the school or department must take additional steps for the transaction to be approved and post to the general ledger. All exceptions must be cleared by the end of the fiscal year.

This UDW+ Knowledgebase article will provide general information about the budgeting process, including explaining what a budget is, the purpose of a budget, why a budget is necessary, and the budget control rules.

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1. **Budget – Definition and Purpose**

A budget is a spending plan used by NYU to control how resources are used. The spending plan estimates future transactions, on both the revenue side and the expense side, for a set period of time, which could be a single fiscal
year for operating budgets, and several years for Sponsored Programs. The budget is a management tool used to evaluate opportunities, to decide where to allocate resources, and to establish a spending plan that supports these decisions. Once the budget is implemented, expenditures are compared to and controlled by the established budget to ensure that spending follows the plan set for each school and department.

2. Building Block Terms
   a. Chartfield

   The intent of the Chartfield is to ensure that monies coming into NYU and monies going out of NYU is assigned to the proper school and/or department. This is used for reporting purposes, for spending approvals, and to identify who is responsible in case there are any issues with the transaction.

   A Chartfield is a seventeen digit code comprised of the following:

   | **Account** | general category of a financial transaction; 5 digits |
   | **Fund**    | classifies information into general types of activity; 2 digits |
   | **Department (Org Code)** | school/unit fiscally responsible for the transaction; 5 digits |
   | **Program and Project** | track actual expenses and revenue flows across organizational departments; 5 alphanumeric characters |

   The important thing to remember is that the Chartfield is used to identify which school or department is responsible for the transaction.

   b. General Ledger

   The General Ledger is the single place of record for all financial transactions that occur at NYU. The General Ledger, also known as the GL, records all monies that comes into NYU, all actual expenditures, and all Journal Entries. The financial statements for NYU are generated from the General Ledger. The important thing to remember is that the General Ledger is the place that all transactions are recorded once they are final.

   c. Fiscal Year

   The Fiscal Year is a financial year that differs from a calendar year. The calendar year of January 1 to December 31 does not match up with the main operations of NYU. Therefore, NYU has chosen September 1 as the start of the Fiscal Year, as that is typically the beginning of the fall academic semester. The end of the Fiscal Year is August 31.

   d. Accounting Period

   The Accounting Period generally coincides with a month. NYU has sixteen accounting periods. One represents the opening activity at the beginning of the fiscal year. The remaining three additional accounting periods are used at the end of the fiscal year for the closing process. It is important to know about
3. Types of Budget Transactions
   a. Revenue

   Revenue represents monies coming into NYU. This could take the form of a student paying tuition, funding received from a government agency for a grant, or the sale of shirts at the NYU bookstore. Ultimately all planned spending must be offset by revenue coming into the university, either directly into the department or school, or allocated from another department. Revenues are not budget checked, and are not directly subject to the Budget Control rules.

   b. Expense

   An expense represents monies going out from NYU. This could take the form of a school paying a faculty member's salary, the purchase of computer equipment for a new lab, or travel to a Global site to teach a course. All spending is subject to the Budget Control rules. This ensures that the monies is being spent appropriately, that the spending is planned for. Any unplanned spending needs to be offset by a reduction in spending in another area, or by increased revenue. An expense must first pass through the Budget Control process before it posts to the General Ledger. Expenses are often referred to as "actuals". Expenses are budgeted, but the budgeted expenses are commonly referred to simply as "budget". Budget expenses are not true expenses until they post to the General Ledger. The budgeted amount is only an estimate of planned spending.

   The expense occurs independently of the actual cash transaction. For example, the vendor could be paid before the expense is posted to the General Ledger, and the expense could post to the General Ledger before the vendor is paid. Payment of cash and the posting of the expense are separate events.

   c. Pending

   A pending transaction is basically an expense that has passed through the Budget Control process but has not yet posted to the General Ledger. This means that spending has been approved, but requires further processing in the financial system before it is reflected as an actual expense. This processing delay is a timing difference, which will cause variances in the available balance shown on dashboards and reports. For example, the Financial Operations Dashboard includes pending transactions, whereas the Budget Summary report does not.

   d. Encumbrance

   An encumbrance is a method to set aside or reserve budget for a specific purpose. For example, salaries are encumbered. This means that the budget for a department is reduced by the amount of the expected salaries. This is to ensure that the department has sufficient budget reserved to pay future salaries for its employees. An encumbrance is not an expense. An encumbrance is a higher level of commitment than a budgeted expense, because monies are reserved for a specific purpose. However, the transaction has not occurred yet so it is not an actual expense.

   For those familiar with purchase orders (PO), a PO issued to a vendor represents an encumbrance. For
example, suppose Department Episteme issues a PO for 1,000 chocolate bars at $1 each, for a total of $1,000.

Department Episteme Available Budget $20,000

PO for chocolate bars (encumbrance) - $1,000

Remaining Available Budget = $19,000

Department Episteme's available balance has been reduced because an amount of monies has been set aside for the purchase of chocolate bars. The chocolate bars have not been purchased yet, so this does not represent an actual expense. This is an encumbrance.

Department Episteme could cancel the PO, which would add the $1,000 back to the available balance. That would free the $1,000 to be spent on something else by Department Episteme.

However, if Department Episteme follows through with the purchase, the PO would be fulfilled. At that point, when the chocolate bars are delivered to Department Episteme, the encumbrance would become a true expense. The encumbrance is reduced by $1,000. This process of reducing the encumbrance is known as encumbrance relief, or as a de-encumbrance. After the $1,000 is de-encumbered, the expense can be recognized. The net effect on the available balance is zero.

Department Episteme Available Budget $20,000

PO for chocolate bars (encumbrance) $1,000

PO for chocolate bars (de-encumbrance) + $1,000

Chocolate bars (expense) $1,000

Available Budget after de-encumbrance and expense = $19,000

However, it is important to remember that the encumbrance does not post to the General Ledger. Only the actual expense can post to the General Ledger. An encumbrance only serves to set aside budget to spend on a specific purpose. The actual spending is always an expense, never an encumbrance. The encumbrance aligns with the PO, or the intention to spend. The expense aligns with the invoice, or the actual spend.

Variances between the encumbered amount and the expense amount would be reflected in the available budget. Also, timing differences between the de-encumbrance and the expense posting to the General Ledger would be reflected in the available budget.

e. Pre-Encumbrance

A pre-encumbrance is similar to an encumbrance. Both are used to reserve budget for a specific purpose. Neither post to the General Ledger. The pre-encumbrance is used in a step previous to the encumbrance. This shows where the transaction is in the process of spending. For example, building on the illustration used above in the encumbrance section, assume that prior to issuing the PO for chocolate bars, Department Episteme issued a purchase requisition. This was required internally by the department administrator, who
approves all purchases for Department Episteme.

The process would occur like this:

- Purchase requisition submitted to the department administrator for 1,000 chocolate bars at $1 each. This is the pre-encumbrance.
- The department administrator approves the purchase requisition, at which point the PO is issued for $1,000. This is the encumbrance.
- Once the order is filled, the PO is closed and the amount is de-encumbered. This becomes an actual expense of $1,000 because the chocolate bars have been received by Department Episteme.

f. Exception

An exception is essentially an expense that has not passed the Budget Control rules. All spending at NYU is subject to the Budget Control rules, which ensures that the school or department has sufficient available budget to pay for the expenditure.

Exceptions occur when spending exceeds the available balance for a Chartfield. The Budget Control Rules are determined by Fund (this will be explained in greater detail later in this document). These rules are applied against a transaction. The transaction will pass or fail depending on the available balance, as calculated by the Budget Control Rules.

For example, Department Episteme has $15,000 available budget. They make two purchases, one for computer equipment for $9,000 and one for office furniture for $7,000.

<table>
<thead>
<tr>
<th>Available Budget</th>
<th>$15,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer equipment</td>
<td>- $9,000</td>
</tr>
<tr>
<td>Remaining Available Budget</td>
<td>= $6,000</td>
</tr>
<tr>
<td>Office furniture</td>
<td>$7,000</td>
</tr>
</tbody>
</table>

The purchase of office furniture exceeds the available remaining budget. This transaction will fail the budget check process, and the $7,000 purchase of office furniture will become a budget exception. Budget exceptions are also referred to as budget fails. Department Episteme must increase their OTPS budget to allow this transaction to pass. Budget modifications are used to increase budget, or to move budget from one Chartfield to another Chartfield. Modifying a budget to allow an exception to pass is also referred to as clearing the exception.

There are three basic causes or types of exceptions:

- "Exceeds Budget Tolerance" means that the available budget balance is not large enough to accommodate the expense. The example above falls into this type of exception.
- "No Budget Exists" means a budget has not been submitted for the Chartfield.
A third type of exception is a "Suspense" and occurs when a Chartfield is entered incorrectly. The correct Chartfield might have sufficient available budget for the expense to pass budget check. If the Chartfield is entered incorrectly, such as a four digit org instead of the proper five digits, or an org that does not exist, the transaction cannot be assigned to a Chartfield. With no Chartfield, the transaction cannot be budget checked. This is known as a "suspense" item and is held in a suspense account. Suspense is strictly an issue with the Chartfield as the transaction cannot be properly budget checked. Transactions that fail budget check will not go through until a budget modification creates room in the budget for the transaction to pass. However, payroll is processed and employees are paid even if the transaction is an exception. The exception is still required to be cleared, but employees are paid regardless of whether payroll passes budget check.

4. Elements of the budget
   a. Original Budget

   Original Budget is the budget that is established for the beginning of the fiscal year. This budget is prepared by each school and department with the help of the University Budget Office as part of the Budget Development that takes place each year. The Original Budget is the initial spending plan that is set for each Fiscal Year.

   b. Revised Budget

   The Revised Budget includes any modifications to the Original Budget for a specific Fiscal Year.

   Original Budget + or - Budget Modifications = Revised Budget

   The Revised Budget, not the Original Budget, is used to calculate the Available Balance.

   c. Available Balance

   Available Balance represents the amount of spending that a school or department has remaining. This is the amount that is used by the Budget Control rules to determine if a transaction can pass. Available Balance is sometimes referred to as Remaining Budget. Available Balance is a calculated number. The simple equation for Available Balance is:

   Revised Budget - Spending* = Available Balance

   *For the purpose of calculating the Available Balance, Spending includes:

   • Expenses (Actual past spending)
   • Encumbrances (Identified future spending)
   • Pending (Actual spending awaiting processing)
• Exceptions (Fails and suspense items)

Not every dashboard and report displays all of these components. For example, some reports may only include Expenses and Encumbrances to calculate the Available Balance. It is important to know which elements are used to calculate Available Balance for any dashboard or report.

5. Organization of Budget Reports
   a. Revenue

Revenue represents monies coming into NYU. This could take the form of a student paying tuition, funding received from a government agency for a grant, or the sale of shirts at the NYU bookstore. Ultimately all planned spending must be offset by revenue coming into the university, either directly into the department or school, or allocated from another department. Revenues are not budget checked, and are not directly subject to the Budget Control rules.

b. PS – Personnel Services

PS is an expense category, and is an abbreviation for "Personnel Services." This is essentially any salary or wage paid to an NYU employee. Typically this includes any account in the 50000 series. Because such a large portion of NYU expenditures are for salaries, they are given a separate category.

c. OTPS – Other Than Personnel Services

OTPS is an expense category, and is an abbreviation for "Other Than Personnel Services." This category includes all expenses that are not salaries or wages, just as the name suggests. OTPS is separated into "Controllable OTPS" and "Uncontrollable OTPS." Controllable OTPS include discretionary spending such as office supplies and travel. Uncontrollable OTPS include allocated shared expenses and overhead. The intent of this is to separate the expenditures that schools and departments have discretion over from those that are outside of their control. When discussing OTPS it is important to be specific and clarify whether it is Controllable OTPS, Uncontrollable OTPS, or both.

d. Controllable OTPS

Controllable OTPS expenses include discretionary spending such as office supplies and travel.

e. Uncontrollable OTPS

Uncontrollable OTPS include allocated shared expenses and overhead.

f. Total Expense

Total Expense includes PS and OTPS (both Controllable OTPS and Uncontrollable OTPS).

g. Total Net Assets

Total Net Assets is used to carryover a Fund Balance from year to year. Total Net Assets is most commonly
referred to as Fund Balance. The equation for Total Net Assets, or Fund Balance, is:

\[
\text{Beginning Fund Balance} + \text{Revenues} - \text{Spending} = \text{Ending Fund Balance}
\]

This represents the total amount that can be spent in the designated funds. However, Fund Balances are budgeted one year at a time. The Fund Balance is intended to be spent over multiple years. Therefore, each single year's budget will typically only represent a portion of the total Fund Balance. Only the amount intended to be spent for that year will be budgeted.

6. Budget Control Rules
   a. Fund

The first factor to consider when planning, evaluating or analyzing a budget or budget report is the Fund. The following factors of a budget are determined by the fund:

- Time period for the budget
- Budget Control rules
- Whether the fund balances roll over to subsequent years
- The account category at which a budget must be maintained

b. Time period

At NYU, the fund determines the time period that a budget may include. Some funds are budgeted for a single fiscal year. Others are budgeted for multiple fiscal years. For example, Fund 10 is the Operating Fund, and is budgeted for the current Fiscal Year only with no carryover from one year's budget to the next. Fund 25 are Sponsored Programs, also known as grants. Fund 25 is not limited to a single fiscal year, and the budget can span multiple fiscal years. Fund 25 budgets may start and end at any time throughout the fiscal year.

c. Rollup

At NYU, the fund determines the member in the organizational hierarchy that the Budget Control rules are applied. For example, for a Fund 25, the Budget Control rules are applied to the project. This means that the Budget Control rules are checked against the aggregated activity for a project. A project may be associated with different Orgs or Programs, but those Orgs and Programs are disregarded for the purposes of the Budget Control rules for a Fund 25 project. The available budget and the spending associated with the entire project is all that matters for budget checking.

For a Fund 10, the Budget Control rules are applied to a sub-department. This is important because there might be an expense that looks like it should pass at the Org level, but when you rollup to Sub-department you can see why the transaction would fail.

For example:

Sub-Department Episteme has two Orgs: 12345 and 12346. Someone is trying to purchase a computer for $3,000 for Org 12345. Org 12345 has an OTPS available budget of $10,000. It seems the transaction should pass, but it fails. Org 12346 has an OTPS available balance of -$8,000. When these two are aggregated, or rolled up to the sub-department level, it becomes obvious why the transaction fails.
Org 12345 Budget Balance $10,000
Org 12346 Budget Balance - $8,000
Rollup to Sub-Department Episteme = $2,000
Attempted Computer Purchase $3,000

The purchase exceeds the available budget for the sub-department. It does not matter that one of the Orgs has sufficient budget. For a Fund 10, only the available balance at the sub-department level matters.

When checking available balance, one must follow the Budget Control rules and rollup to the appropriate level so that the correct aggregated balance is used to evaluate the expense.

d. Account Category

Budgets may be checked at different account categories. For example, a Fund 25 grant will be budget checked against the total expense budget remaining, including both PS and all OTPS. A Fund 10 will be budget checked separately against Personnel Expense, Controllable OTPS, and Uncontrollable OTPS. This means that a Fund 10 Sub-Department might have available budget in Controllable OTPS and zero dollars in Uncontrollable OTPS. If this sub-department attempts to spend against a Uncontrollable OTPS account, the transaction will fail.

The Account Categories available for budget checking are:

- Personnel Expense
- Controllable OTPS
- Uncontrollable OTPS
- Total Expense

The Fund determines the account category at which the budget check occurs. It is important to note that Revenue is never budget checked. Only expense items, or spending, is budget checked.

e. WSQBC Account Tree

The account trees represent different ways the university organizes and displays financial data. WSQBC and WSQFP stand for Washington Square Budget Control format and Washington Square Financial Plan. Abu Dhabi uses the WSQBC account tree for budget purposes. Abu Dhabi uses ADHTK for financial reporting. For most financial operations managers WSQBC or the Budget Control format is the correct account tree to use as it organizes your data to follow the Budget Control rules. You would only use FP if you wanted to review how the data is presented (for example, in the University’s financial statements).

There are three main differences between these two account trees:

- Transfers are included as either Revenue or Expense in WSQBC, where they are given a separate Account Class of "Transfers" for WSQFP
- Financial Aid is shown as an OTPS Expense for WSQBC and as an offset to Revenue for WSQFP
- College Work Study is shown as a Personnel Salary expense for WSQBC and as part of the Financial Aid revenue for WSQFP.

The important thing to remember is that for budget purposes, including verifying that you have enough Available Balance for a transaction to pass through Budget Control, you will use WSQBC.

f. Summary Table

The following table summarizes the Budget Control Rules by Fund:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Rollup</th>
<th>Time Period</th>
<th>Account Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>10-16 (Operating)</td>
<td>Sub-Department</td>
<td>Current Fiscal Year</td>
<td>Personnel Expense, Controllable OTPS, and Uncontrollable OTPS.</td>
</tr>
<tr>
<td>20, 22 (Designated)</td>
<td>Project</td>
<td>Current Fiscal Year</td>
<td>Personnel Expense, Controllable OTPS, and Uncontrollable OTPS.</td>
</tr>
<tr>
<td>21 (Expendable Endowment Income)</td>
<td>Program</td>
<td>Current Fiscal Year</td>
<td>Personnel Expense, Controllable OTPS, and Uncontrollable OTPS.</td>
</tr>
<tr>
<td>24-25 (Sponsored Programs/Grants)</td>
<td>Project</td>
<td>Inception to Date</td>
<td>Total Expense* Account 76450 is budget checked separately</td>
</tr>
<tr>
<td>52, 56 (Capital)</td>
<td>Project</td>
<td>Inception to Date</td>
<td>Total Expense</td>
</tr>
</tbody>
</table>

7. Changing the Budget
   a. Budget Modifications

At times it is necessary to modify the budget. This could be due to:

- Budget that needs to be moved from one Chartfield to another
- Budget that needs to be moved from one account level (Personnel Expense, Controllable OTPS, and Uncontrollable OTPS) to another
- Unanticipated revenue that allows for additional spending, which would require increasing the expense side of the budget to allow the additional spending

The BudMod system is used to enter Budget Modifications. BudMod can be used to reallocate budget to allow a failed transaction to pass.

For example, Sub-Department Episteme has the following available budget:

- PS $40,000
- Controllable OTPS +$15,000
- Uncontrollable OTPS +$10,000
Sub-Department Episteme would like to purchase a computer for $20,000. This would be an OTPS transaction. They do not have sufficient available budget in OTPS. However, they realize that they have over budgeted for Uncontrollable OTPS. A Budget Modification is entered to move $5,000 from Uncontrollable OTPS to Controllable OTPS.

After the Budget Modification is submitted, reviewed and approved, the available budget for Sub-Department Episteme would be:

<table>
<thead>
<tr>
<th>PS</th>
<th>$40,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controllable OTPS</td>
<td>$20,000</td>
</tr>
<tr>
<td>Uncontrollable OTPS</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

This would be sufficient budget in Controllable OTPS to allow the $20,000 computer purchase to pass budget check.

BudMods only modify Budget, never actual transactions. Journal Entries are used to adjust actuals if necessary.

b. Journal Entries

Journal Entries are used to move actuals from one account to another, or from one Chartfield to another Chartfield. This includes:

- Actual Expenses that need to be moved from one Chartfield to another
- Actual Expenses that need to be moved from one account category (Personnel Expense, Controllable OTPS, and Uncontrollable OTPS) to another
- Transferring funds from one school or department to another

If an expense was incorrectly charged to a Chartfield, or to an account category, a journal entry could be submitted through JEMS (Journal Entry Management System) to move the expense to the correct Chartfield or account. A journal entry can be used to move an expense to allow a failed transaction to pass.

For example, Sub-Department Episteme has the following available budget:

<table>
<thead>
<tr>
<th>PS</th>
<th>$40,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Controllable OTPS</td>
<td>+$15,000</td>
</tr>
<tr>
<td>Uncontrollable OTPS</td>
<td>+$10,000</td>
</tr>
<tr>
<td>Total Available Budget</td>
<td>=$65,000</td>
</tr>
</tbody>
</table>
Sub-Department Episteme would like to purchase a computer for $20,000. This would be an OTPS transaction. They do not have sufficient available budget in OTPS. However, they realize that an expense that should have been Uncontrollable OTPS was incorrectly charged to a Controllable OTPS account. A journal entry is entered to move the $5,000 actual expense from Controllable OTPS to Uncontrollable OTPS.

After the journal entry is submitted, reviewed and approved, the available budget for Sub-Department Episteme would be:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PS</td>
<td>$40,000</td>
</tr>
<tr>
<td>Controllable OTPS</td>
<td>$20,000</td>
</tr>
<tr>
<td>Uncontrollable OTPS</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

This would be sufficient budget in Controllable OTPS to allow the $20,000 computer purchase to pass budget check.

Journal Entries only modify actual transactions, never budget lines. Journal entries can also be used to transfer monies from one Chartfield to another.

c. Transfers

Transfers are essentially a method for a school or department to move monies to another school or department, or to help provide monies for activity in another Chartfield.

For example, a transfer can occur from a Fund 10 Operating to a Fund 20 Management Designated to provide research monies for a new faculty member. This often occurs to recruit faculty to join NYU.

8. Which Dashboard or Report to Use

Dashboards and Reports in UDW+ are organized to follow the Budget Control rules. Some dashboards and reports are for inception to date, some are for current fiscal year only. The focus of each report is slightly different. The follow descriptions and table attempts to guide according to the intended use.

<table>
<thead>
<tr>
<th>Dashboard</th>
<th>Time Period</th>
<th>Funds</th>
<th>Target Audience</th>
<th>Grid or Graphic</th>
<th>Special Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Operations Dashboard</td>
<td>Fiscal Year</td>
<td>All</td>
<td>Everyone</td>
<td>Grid</td>
<td>Includes pending and exceptions</td>
</tr>
<tr>
<td>Grants Management Dashboard</td>
<td>Inception to Date</td>
<td>24, 25</td>
<td>PIs, Grants Administrators, Fiscal Officers</td>
<td>Grid</td>
<td>Includes projected indirect costs based upon actual expenses and expenditures</td>
</tr>
<tr>
<td>Financial Indicators Dashboard</td>
<td>Fiscal Year</td>
<td>All</td>
<td>Deans, Chairs</td>
<td>Graphic</td>
<td>High level summary data</td>
</tr>
<tr>
<td>Comparative Dashboard</td>
<td>Fiscal Year</td>
<td>All</td>
<td>Everyone</td>
<td>Graphic</td>
<td>To compare</td>
</tr>
</tbody>
</table>
### Analysis Dashboard

| Budget Control Report | Fiscal Year | All | Everyone | Grid | Refreshed every 15 minutes
|-----------------------|-------------|-----|----------|------|-----------------------------
| Budget Exception Report | Current Information | All | Everyone | Grid | Used to identify specific transactions that failed to pass through Budget Control
| Budget Summary Report | Fiscal Year | All | Everyone | Grid | Budget transactions summarized at the department level
| Budget Detail Report | Fiscal Year | All | Everyone | Grid | Budget transactions available at the Journal Line level of detail
| Fund Balance Report | Fiscal Year | 20-22, 40-42 | Everyone | Grid | Used specifically for budgets that include a Fund Balance
| Project Summary Report | Inception to Date | 24, 25 and 52 | Everyone | Grid | Used specifically for Projects

### Financial Operations Dashboard

The Financial Operations Dashboard is the primary dashboard to track budgets and expenditures across all funds. This dashboard includes pending transactions and exceptions.

### Grants Management Dashboard

The Grants Management dashboard is targeted to sponsored programs. This dashboard includes inception to date amounts. It also contains a calculation to project anticipated indirect costs based upon actual expenses and encumbrances.

### Financial Indicators Dashboard

The Financial Indicators dashboard is a higher level, graphically based format that is intended to showcase information at the department level or higher.

### Comparative Analysis Dashboard

The Comparative Analysis dashboard is a graphically based format that allows for comparison from high level summarized information to a specific account for a Chartfield.
Budget Control Report

The Budget Control report pulls data from the previous data warehouse, the UDW. This report is updated every fifteen minutes and provides the most up to date information about available balance.

Budget Exception Report

The Budget Exception report provides information about failed transactions. This report only reports the most currently updated information and does not provide historical data.

Budget Summary Report

The Budget Summary report is a basic budget report with summarized information. This report does not include pending transactions or exceptions.

Budget Detail Report

The Budget Detail report is a basic budget report with detailed information at the journal line level. This report does not include pending transactions or exceptions.

Fund Balance Report

The Fund Balance report contains current year budget information for Chartfields that have a Fund Balance. A Fund Balance is a spendable balance that rolls over from year to year. This is not an inception to date report.

Project Summary Report

The Project Summary report provides inception to date information.

9. Sponsored Programs
   a. Available Balance

   Sponsored Programs receive an initial award and also receive a separate and additional overhead allocation, which is generally a percentage applied to the direct spending. The initial grant award is used to pay for direct expenses, and the overhead is used to pay for indirect costs, which are also referred to as Facilities and Administrative Costs. For budgeting purposes, the initial award and overhead are aggregated and displayed together as one total. This means that the available balance includes the balance for direct costs and indirect costs.

   b. Indirect Costs

   Indirect Costs represent a portion of the overall grant that is collected by NYU to help offset the costs of general operations. This is also referred to as Facilities and Administrative Cost, F&A, Overhead, and Applied Overhead. It is defined as "Cost incurred for common or joint objectives that cannot be readily and specifically identified with a particular project or program. Also referred to as "indirect cost." Facilities and Administrative costs include such items as utilities and other plant costs, and certain general expenses that
are to some degree attributable to the project or program." The percentage applied to determine the overhead allocation is determined by an agreed upon rate.

The Budget Check for indirect costs occurs at the account level. This is the only occasion where the Budget Control rules are applied at the account level.

c. Projected Indirect Costs

The Grants Management dashboard includes an estimate for Indirect Costs that have not yet been applied. This estimate is based on actual expenses and encumbrances. The intent of this is to more fully show the impact of indirect costs on the available balance.

10. Known Issues

a. Timing

Timing differences during processing can cause incorrect balances to show until the processing returns to alignment. For example, a transaction could be applied to relieve the encumbrance for purchase that has been completed. There could be a delay before the amount is posted to the General Ledger as an Actual Expense. This would cause the available balance to be incorrectly inflated.

- Available Balance: $50,000
- Encumbrance Relief: +$5,000
- New Available Balance: =$55,000

Until the actual amount is posted, the Available Balance will appear to be inflated on the report.

b. Negative Encumbrances

Negative Encumbrances typically occur when a payroll setup transaction fails. This means that the initial entry to establish an encumbrance for a salary fails. However, each month as the salary is paid, the encumbrance is relieved. This causes the encumbrance to turn negative. The negative encumbrance incorrectly increases the available budget. This will not be resolved until the initial entry is cleared from the exceptions.