Departmental Budgeting

Dept: Accounting

Budget Adjustments

There are three different types of budget adjustments available to adjust, correct, or otherwise modify a departmental budget: budget transfers, budget amendments, and budget modifications.

Budget Transfers

Budget transfers are used to move budget funds from one budget to another or from one account to another within its own budget. The purpose of these movements should be to place budget funds in the correct account where an expense has been charged. They must be for at least $100 and they require the signature of the department head.

Budget Amendments

Budget Amendments are similar to Budget Transfers, except that they utilize funds from the University Contingency Fund. These funds must first be approved by the President, CFO, and the appropriate Vice President on a “Request for Encumbrance of Contingency Funds” form. Once approved, the Budget Office will encumber the funds until the expenses have been incurred by the department.

When the project is completed and the expenses have been charged to the department a Budget Amendment Form needs to be submitted, with documentation of the expenses attached, in order for the funds to be released to their organization. The Budget Office will transfer the funds from the University Contingency Fund to the appropriate organization account or accounts to offset the incurred expenses.

Budget Modifications

A Budget Modification will increase both income and expense in an organization. Typically, they are used to create a new department or modify an existing one. They must be signed by the department head and their vice president and have supporting documentation attached.

Reviewing Your Department Operating Statement

On a monthly basis, check your Monthly Variance and your department’s Year-to-Date Variance to see if you are properly budgeting for expenses. Your goal is to always show an accurate variance that reflects the true activity in your account when compared to the appropriate monthly budgets.

Other Helpful Hints...

Scenario #1—When to Use a Journal Voucher vs. a Budget Transfer

Bob was charged $500 for 10 staff members who went to a seminar. Six of these people are from his department and the other four are from Betty’s department. Bob budgeted $300 for this seminar and Betty budgeted $200. Therefore, Bob processes a Journal Voucher to move $200 of these expenses to Betty since the budgets are in the right places.

Scenario #2—When to Use a Budget Transfer vs. a Journal Voucher

Dept. A & Dept. B have each been charged $1,500 for 6 faculty who flew to a conference. Three are from each department. Dept. A budgeted $1,000 for travel and Dept. B budgeted $2,000; therefore, Dept. B needs to process a Budget Transfer to move $500 of their budget to Dept. A since the charges are in the right place.

All questions regarding budgeting issues should be directed to the Budget Office (ext 5095).