

Commitment Control 101

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Agenda

- What is Commitment Control?
- Budget Structure
- Project Budgeting
- Basic KK processing
- Control vs Track
- Budget Ref vs Budget Period
- ENCUMB ledger

Commitment Control

- Commitment Control is the PeopleSoft module that enables users to control expenditures actively against predefined, authorized budgets.
- Responsible for budget checking source transactions and updating the corresponding detail ledgers and ledger groups.
- Data posts to the KK ledgers once a valid budget check is received.
- For financial reporting
 - DETAIL_EN and ENCUMB are used to report encumbrance balances
 - ACTUALS is used to report expenditures

Commitment Control

- Pre-encumbrance: Amount the institution is expected to spend, but has no legal obligation. Created when a Requisition is budget checked. Noted by _PR
- Encumbrance: Amount that institution has legal obligation to spend. Created when a Purchase Order is budget checked. Noted by _EN
- Expense: Amount expended. Should mirror amounts in ACTUALS ledger for revenue or expense accounts. Created when a voucher, expense report, or journal is budget checked. Noted by _EX

KK Tables

GL Tables

Summary

LEDGER_KK

LEDGER

*Ledger
Groups*

**APPROP, ORG, DETAIL,
PROJ_GRT, PRMST_EXP,
PRMST_REV, REVEST**

**ACTUALS, CAPITAL,
GAAP, ENCUMB**

Detail

KK_ACTIVITY_LOG

JRNL_LN



Budget Structure

Budget Structure

- **Appropriation (APPROP)**
 - Highest level of budgeting
 - Control spending – transactions will not pass budget checking if funds are not available
 - Parent of the ORG Budget
 - Configured to allow Personal Service Transactions (5xxxxx) to pass budget checking even if funds are not available.
- **Organization (ORG)**
 - Department or operating budget
 - Track without budget – transactions will be processed and a warning message logged
 - Child of the APPROP budget
 - Cannot exceed APPROP budget for same chartstring
- **DETAIL**
 - Contains all revenue and expenditure transactions
 - No budget is entered at this level
 - Used for reporting and reconciliation purposes only
 - Captures all chartfield values at level entered

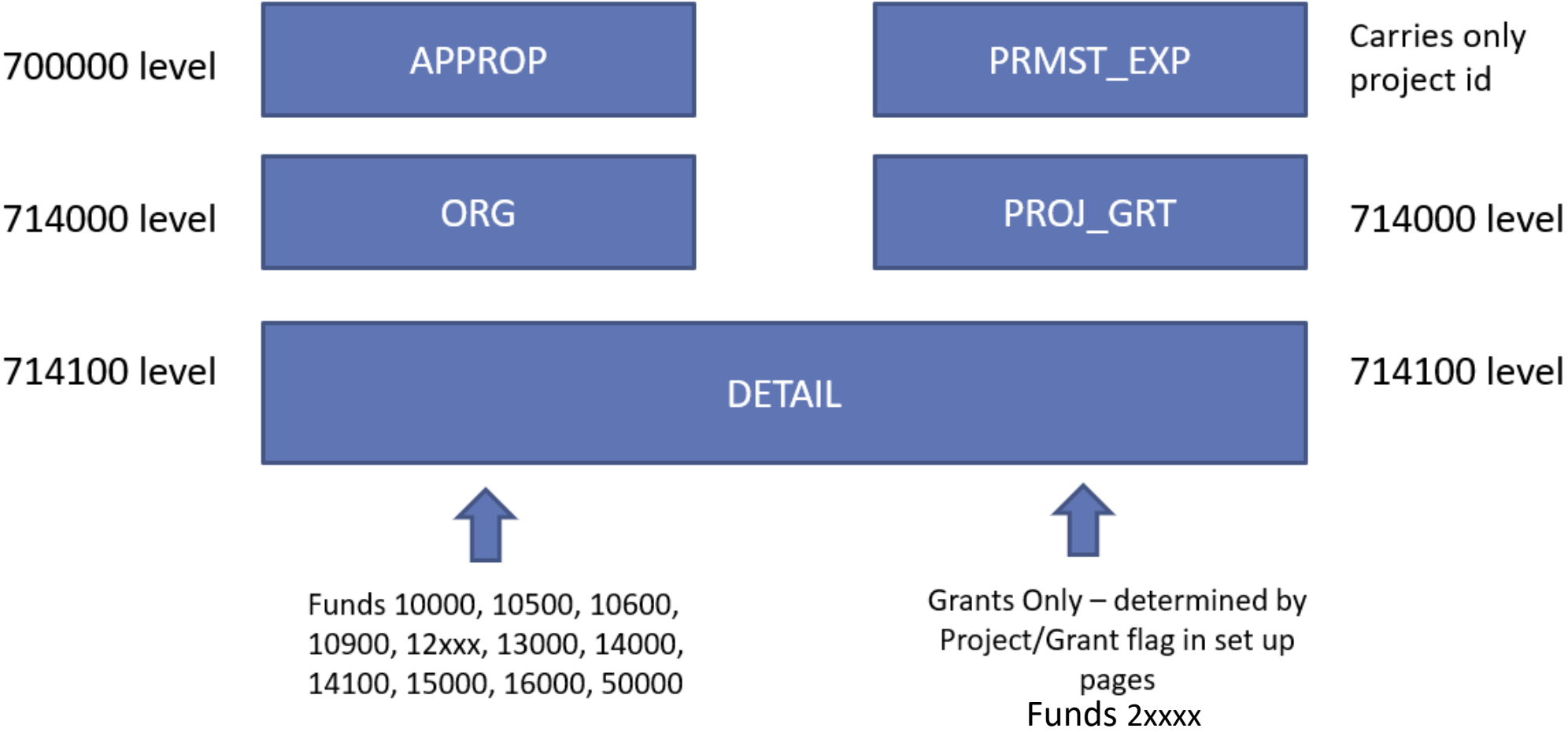
Budget Structure

- **Project Master Expense (PRMST_EXP)**
 - Cumulative project budget
 - Can cross fiscal and budget years
 - Only project id and budget amount are entered
 - Parent of PROJ_GRT
- **Project Grant (PROJ_GRT)**
 - Entered at same level as ORG budget
 - All chartfields are included
 - Child of PRMST_EXP

Budget Structure

- **REVENUE**
 - Track revenues recognized against estimated revenues
 - Georgia *FIRST* makes no distinction between recognized and collected revenue.
 - Recognized and collected balances are updated during budget checking
- **Project Master Revenue (PRMST_REV)**
 - Budget for expected revenue
 - Can cross fiscal and budget years
 - Only project id and budget amount are entered
 - Sibling of PRMST_EXP

Budget Structure



Budget Rollup

- Commitment Control relies on the hierarchical structure in the account tree to determine how budget lines are set up and where transactions should look for funds.
- Budgets are created and maintained at higher levels than transactions.
- The levels are recorded in the Account Budget Translation Tree.
- Budgetary accounts must appear on this tree (4xxxxx-8xxxxx).

Budget Rollup

- Appropriation Level
 - 400000, 500000, 600000, 700000, and 800000
- Summary Level would be Organization, Project and Revenue
 - Ex. 502000, 714000, etc.
- Detail level is what is entered on Purchase Orders, Vouchers, and Journal lines and is the lowest level at which accounting transactions post.
 - Ex. 502100, 714100 etc.

Rollup Tree

Tree Manager

SetID: 27000 **Last Audit:** Valid Tree
Effective Date: 01/01/1901 **Status:** Active
Tree Name: BDXLATE_ACCOUNT Budget Translation - Accounts

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

[000000](#) >[700000](#) >[714000](#)

[Collapse All](#) | [Expand All](#) [Find](#) [First Page](#) 39 of 227 [Last Page](#)

- 📁 000000 - All Accounts
 - 📁 400000 - Revenues
 - 📁 500000 - Personal Services
 - 📁 600000 - Travel
 - 📁 700000 - Operating Supplies & Expenses
 - 📁 702000 - Purchases for Resale
 - 📁 703000 - Cost of Goods Sold
 - 📁 704000 - Cash Over/Short
 - 📁 712000 - Motor Vehicle Exp
 - 📁 **714000 - Supplies and Materials**
 - 📁 [714001 - 714999]
 - 📁 715000 - Repairs And Maintenance
 - 📁 717000 - Utilities
 - 📁 719000 - Rents- Non-Real Estate
 - 📁 720000 - Insurance And Bonding

Budget Rollup

- Example of account roll-up for Fund 10000:

Ledger Group	Ledger	Account	Fund	DeptID	Program	Class	Bud Ref	Amount
APPROP	APPROP_EN	700000	10000	1010100	11100	11000	2020	4,620.00
ORG	ORG_EN	714000	10000	1010100	11100	11000	2020	2,000.00
ORG	ORG_EN	715000	10000	1010100	11100	11000	2020	2,620.00
DETAIL	DETAIL_EN	714100	10000	1010100	11100	11000	2020	1,000.00
DETAIL	DETAIL_EN	714210	10000	1010100	11100	11000	2020	1,000.00
DETAIL	DETAIL_EN	715110	10000	1010100	11100	11000	2020	2,620.00

Budget Rollup

- Example of account roll-up for Restricted Funds:

Ledger Group	Ledger	Account	Fund	DeptID	Program	Class	Project ID	Bud Ref	Amount
PRMST_EXP	PRMST_EX						GRT123		4,620.00
PROJ_GRT	PROJ_GR_EX	714000	20000	1010100	11100	11000	GRT123	2020	2,000.00
PROJ_GRT	PROJ_GR_EX	715000	20000	1010100	11100	11000	GRT123	2020	2,620.00
DETAIL	DETAIL_EX	714100	20000	1010100	11100	11000	GRT123	2020	1,000.00
DETAIL	DETAIL_EX	714210	20000	1010100	11100	11000	GRT123	2020	1,000.00
DETAIL	DETAIL_EX	715110	20000	1010100	11100	11000	GRT123	2020	2,620.00

Project Budgeting

Project Budgeting

- Projects are special initiatives or other business that need to be tracked with a Project ID, but are not restricted/sponsored funds
- Institutions have two options to handle project budgeting
 - APPROP Budgets will not have to be entered with a Project ID in order for a transaction with a Project ID to pass budget checking at the APPROP level
 - APPROP Budget will have to be entered with a Project ID for transactions with a Project ID to pass budget checking at the APPROP level
- If making a change, the strong recommendation is to make it effective with a Budget Reference and to do it at the beginning of a new fiscal year.

Project Budgeting

- Example with Project ID as optional on APPROP:

	Account	Fund Code	Department	Program	Class	Project ID	Budget Ref	Amount
Budget:	700000	10000	1010100	11100	11000		2020	50,000
Transactions:	714100	10000	1010100	11100	11000		2020	22,000
	714100	10000	1010100	11100	11000	PRJ123	2020	<u>11,300</u>
					Remaining	Spending	Authority	16,700

Project Budgeting

- Budgeting with Project ID on APPROP

Transaction with Project ID

	Account	Fund Code	Department	Program	Class	Project ID	Budget Ref	Amount
Budget:	700000	10000	1010100	11100	11000	PRJ123	2020	20,000
Transactions:	714100	10000	1010100	11100	11000	PRJ123	2020	<u>11,300</u>
						Remaining Spending Authority		8,700

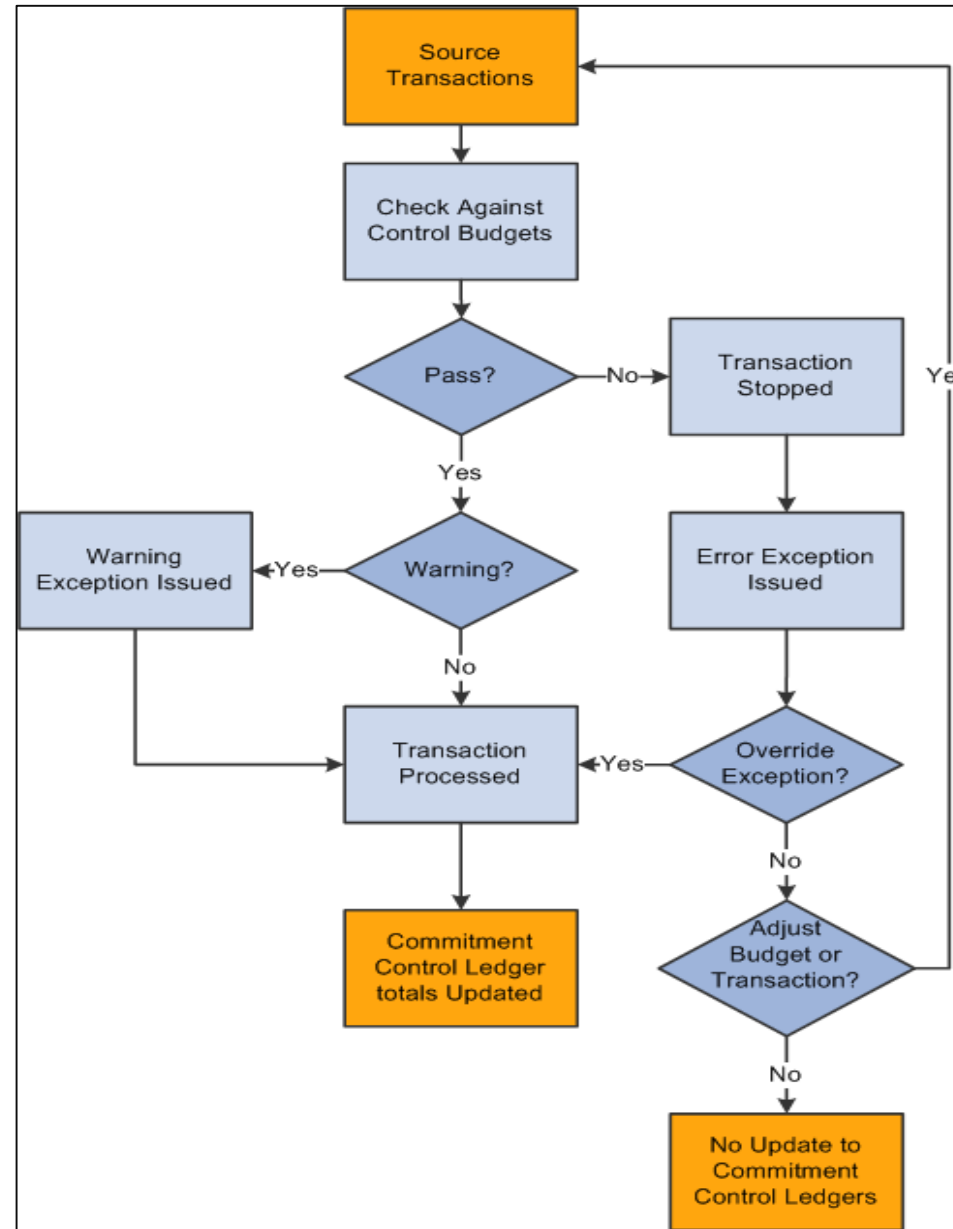
Transaction without Project ID:

	Account	Fund Code	Department	Program	Class	Project ID	Budget Ref	Amount
Budget:	700000	10000	1010100	11100	11000		2020	30,000
Transactions:	714100	10000	1010100	11100	11000		2020	22,000
						Remaining Spending Authority		8,000

Budget Checking

BUDGET CHECKING

Processing Source Transactions against Control Budgets



Budget Checking

- **KK_SOURCE_HDR**

- When budget checking is run against a transaction, the budget processor will record the information in the **KK_SOURCE_HDR** table.
- A unique KK_TRAN_ID is assigned to each transaction header being budget checked.
- Data will remain in the table unless the transaction is deleted.

KK_SOURCE_HDR							
KK_TRAN_ID	KK_TRAN_DT	KK_SOURCE_TRAN	KK_PROCESS_STATUS	KK_PROC_INSTANCE	BUSINESS_UNIT	PO_ID	PROCESS_INSTANCE
0010798861	6/27/2019	PO_POENC	W	12983592	53000	527897	12983592

Budget Checking

- **KK_ACTIVITY_LOG**

- When source transactions are budget checked, the corresponding detail ledgers and ledger groups are updated. The system creates activity lines and stores them in the **KK_ACTIVITY_LOG** table.
- Lines are identified by a **KK_TRAN_ID**, **KK_TRAN_DT**, and **KK_TRAN_LN**.

- Example: Purchase Order

KK_ACTIVITY_LOG

KK_TRAN_ID	KK_TRAN_DT	KK_TRAN_LN	LEDGER_GROUP	LEDGER	FISCAL_YEAR	PERIOD	SEQNBR	ACCOUNT	DEPTID	FUND_CODE	CLASS_FLD	PROGRAM_CODE	BUDGET_REF	MONETARY_AMOUNT
0010798861	6/27/2019	1	APPROP	APPROP_EN	2019	12	0	700000	8021958	50000	11000	17620	2019	30,308.00
0010798861	6/27/2019	1	ORG	ORG_EN	2019	12	0	715000	8021958	50000	11000	17620	2019	30,308.00
0010798861	6/27/2019	1	DETAIL	DETAIL_EN	2019	12	0	715123	8021958	50000	11000	17620	2019	30,308.00

Budget Checking

- **KK_LIQUIDATION** table tracks open balances for document.
- Once a transaction passes budget checking, KK will log a row in this table for each transaction line and ledger group.
- **KK_POSTED_AMT** represents the total source transaction amount.
- **ACTIVITY** represents the activity against total amount.
- **MONETARY_AMOUNT** represents the remaining open balance.

KK_TRAN_ID	KK_TRAN_DT	KK_TRAN_LN	LEDGER_GROUP	BASE_CURRENCY	KK_POSTED_AMT	MONETARY_AMOUNT	ACTIVITY
10798861	6/27/2019	1	APPROP	USD	30,308.00	15,661.60	14,646.40
10798861	6/27/2019	1	DETAIL	USD	30,308.00	15,661.60	14,646.40
10798861	6/27/2019	1	ORG	USD	30,308.00	15,661.60	14,646.40

Budget Checking

- **KK_TRANS_LOG** stores the budget checking history of a document
- Similar to **KK_ACTIVITY_LOG**
- The SEQNBR is the count for each time the document is budget checked. A new row is inserted for each budget check.

KK_TRANS_LOG

KK_TRAN_ID	KK_TRAN_DT	KK_TRAN_LN	SEQNBR	DT_TIMESTAMP	CLOSED_VALU	KK_SOURCE_TRAN	ACCOUNT	DEPTID
0010798861	6/27/2019	1	1	6/27/19 12:49 PM	N	PO_POENC	715123	8021958
0010798861	6/27/2019	1	2	9/16/19 9:39 AM	N	PO_POENC	715123	8021958
0010798861	6/27/2019	2	2	9/16/19 9:39 AM	N	PO_POENC	715100	9910000

Budget Checking

- **KK_EXCPTN_TBL** stores Commitment Control transaction budget checking exceptions
- **KK_OVERRIDE_TBL** stores the user id that overrode the budget checking for a document.
- Budget Check Exception Status:
 1. Warning: Transaction posted and no further action needed
 2. In Process: Transaction is stuck and will be ignored by process
 3. Error: Transaction failed budget check and must be corrected before it can be posted

Budget Checking – Liquidation

- Transaction liquidation example:

	PreEncumbrance	Encumbrance	Expense
Requisition	400.00		
Purchase Order	(400.00)	400.00	
Voucher		(400.00)	400.00
	-	-	400.00

Control versus Track

- Setting a ledger to Control will cause transactions to fail budget checking if the chartfield combination does not have enough spending authority and prevent processing until addressed.
 - Users can either add funds to the budget or override the transaction.
- Setting a ledger to Track with Budget will prevent a transaction from passing budget check if a budget does not exist at all. Requires at least a \$0 budget for chartstring.
- Setting a ledger to Track will not prevent a transaction from being processed if a budget doesn't exist. The process will create a warning and still post.

Control versus Track

GeorgiaFIRST Ledger Configuration

Budget Type	Track versus Control
Appropriation	Control
Organization	Track
Revenue Estimate	Track
Project/Grant	Track and/or Control, based on Chartfield definition
Project Master Expense	Track and/or Control, based on Chartfield definition
Project Master Revenue	Track
Detail	Track

- This is a typical setup
- There is some institution discretion for ORG and for the Project ledgers

Budget Period vs. Budget Reference

- What is the difference?
 - **Budget Period** is the PeopleSoft delivered field that is intended to track a budget year. However, due to budgetary rules that are unique to Georgia, the Budget Period field did not always work for our purposes. GaFIRST institutions no longer use Budget Period after Budget Period 2015.
 - **Budget Reference** is also a PS delivered field, but was intended to be an additional indicator of a budget that may not fall into the Budget Period Calendars that are defined, such as multiyear overlapping budgets. Budget Reference works better for us because it is subject to chartfield inheritance, and does not get “reset” by PeopleSoft Financials according to accounting date.

ENCUMB Ledger vs DETAIL_EN

- DETAIL_EN is a PeopleSoft delivered Commitment Control ledger
 - Commitment Control ledgers reside in the LEDGER_KK table
 - Commitment Control ledgers do not have a option to close the ledgers
 - So, no period 0 / beginning balances
- ENCUMB ledger is a reporting ledger that resides in the LEDGER table and is based off of DETAIL_EN
 - There is a nightly process that copies the information from DETAIL_EN to ENCUMB with the same chartfields
 - The process then creates an offset to the 381100, which becomes your Encumbrance Payable Liability
 - The ENCUMB ledger can be ledger closed to create period 0 balances for the next fiscal year.

ENCUMB Ledger vs DETAIL_EN

During Fiscal Year 2018

	<u>Table</u>	<u>Account</u>	<u>Fund Code</u>	<u>Dept ID</u>	<u>Program</u>	<u>Class</u>	<u>Budget Ref</u>	<u>Amount</u>
DETAIL_EN	LEDGER_KK	733100	10000	1057409	11100	11000	2018	14,195.00
ENCUMB	LEDGER	733100	10000	1057409	11100	11000	2018	14,195.00
ENCUMB	LEDGER	381100	10000	1057409	11100	11000	2018	(14,195.00)

During Fiscal Year 2019

	<u>Table</u>	<u>Account</u>	<u>Fund Code</u>	<u>Dept ID</u>	<u>Program</u>	<u>Class</u>	<u>Budget Ref</u>	<u>Amount</u>
DETAIL_EN	LEDGER_KK	733100	10000	1057409	11100	11000	2018	14,195.00
ENCUMB	LEDGER	342100	10000	1057409	11100	11000	2018	14,195.00
ENCUMB	LEDGER	381100	10000	1057409	11100	11000	2018	(14,195.00)

- There are queries based off of both DETAIL_EN and ENCUMB
- Just be aware of that they are two sides of the same “coin”

Questions?



Please remember to fill out the session survey in the app.

