TRIO
Software

A Division of Harris Computer Systems

BUDGETARY SYSTEM: BUDGET PROCESS

The Budget Process can be run at any time, but the Approved Amounts cannot be transferred to the budget until **after** the Fiscal End of Year has been completed.

7. Budget Process

At the end of each fiscal year, the amounts in each Expense and Revenue account get cleared out - the Budget Process is used to enter the budgeted amounts for the new fiscal year into those accounts. The steps in the Budget Process are designed to be done in a sequential order. Not all steps are required, however. For example, if the budget figures have already been approved, it is not required that they be put in as Initial, Manager, Elected or Budget Committee Requests. Each menu option will be explained in detail below.

1. Clear Budget Information

When the Budget Process is finalized and Approved Amounts have been transferred, the requested and approved figures do not automatically clear out. (It is recommended that those figures be left as they are until the new budget figures need to be entered.) **Clear Budget Information** is used to set all of the previously entered amounts back to zero. On the *Clear Budget Information* screen, there are options to clear just some amounts or all. It is possible to clear just the Initial, Manager, Budget Committee, Elected or Approved Amounts, or any combination of those. Additionally, just Expense or Revenue accounts can be selected, as well as Budget Comments, and Monthly Budget Breakdown figures.

2. Initial Requests >1. Print Init Req Worksheets

Print Init Req Worksheets allows for the set up and printing of Initial Request Worksheet forms. These forms will show each account with the Current Budget amount and a blank to manually enter the requested amount. The Report Title at the top is editable and will print on each page of the worksheets. It is possible to show Expense accounts, Revenue accounts, or both, as well as a single Division, single Department, Department range, or all accounts. Forms can also be set up to: show totals for each Department, Division, and/or Expense; generate a page break after each Division and/or Department; print inputted budget comments for each account. For the totals and the page breaks, it is not necessary to check those off if they are not needed. If initial request figures are already known and ready to be entered, this step is not necessary.

HARRIS

Budgetary System: Budget Process CONTINUED

2. Initial Requests > 2. Edit/Update Initial Requests

Account	Initial
E 01-01-10-01	1,400
E 10-24-10-01	2,000
E 14-71-50-2?	3,500
E 25-01-10-01	0
E 25-01-10-02	0
E 25-01-10-04	0
E 25-01-10-05	0

This step is where the initial request amounts are actually entered. After selecting whether to work with Expense or Revenue accounts, the program will then list all valid accounts with a field next to it for entering the requested amount. The accounts that are listed here are ones that had journal entries or a budget for them in the last fiscal year. After entering an amount, the information can be saved and edited as many times as necessary. To add or delete an account from the list, select *File>Delete Account (F3)* or *File>Add Account (F4)* – pressing *Insert* will also add a new account. Budget comments for each account can be entered by double clicking on the account number, or by selecting *File>Add Comment (F6)*.

2. Initial Requests > 3. Transfer to Mgr/Comm/Apprv

Once all Initial Requests have been entered, they can then be transferred to the Manager Request, Committee Request, or Approved Amounts fields, depending on what is needed. If the figures have been Approved and it is not necessary to send them to Manager, Elected, or Committee Request, this can be done by selecting *Selected* and checking *Approved*. The same is true for transferring the figures to just Manager, Elected, or Committee, or some combination of those. As with other steps in the process, it is possible to select All accounts, or just Expense or Revenue accounts.

3. Manager Requests

The Manager Requests process works the same as the Initial Request process, except for the Transfer process, which only allows for the transfer of values to Elected or Committee Request, or right to Approved Amounts.

4. Budget Committee Requests

The Budget Committee Requests process works the same as the Initial and Manager Requests processes, except it is only possible to transfer values to Elected Requests or the Approved Amounts field.

5. Elected Request

The Elected Requests process works the same as the Initial, Manager, and Budget Committee Requests processes, except it is only possible to transfer values to the Approved Amounts field.

6. Approved Amounts

The Approved Amounts process, again works the same as the Initial, Manager, and Budget Committee Requests processes, except that there is no Transfer option. The process to transfer Approved to the Current Budget is done through a separate menu item under the Budget Process.

HARRIS

7. Print Custom Budget Report

The Custom Budget Report allows for the viewing of a report that compares prior year budgets to the current year and requested amounts. On the set up screen, under *Fields to Report*, it is possible to select up to 9 categories to show on the report. Under *Selection Criteria*, select the Account Types (Expense, Revenue, or Both) and Reporting Range (All accounts, Department range, or Single Department). Make sure that the rest of the fields are filled out as desired – the last field *Report Title* allows for the designation of a Title that will show on all pages of the Budget Report. Once all criteria is filled out, the report can be run from *File>Print/Preview (F12)*. A portion of a sample report is shown below.

	2002 Actual	2003 Actual	2004 Budget	2004 YTD	2005 Initial	2005 Manager	2005 Committee	2005 Approved
Dept/Div: 1-101 GENERAL GOVT / MEET & ELECT								
PERSONEL SVC								
51-120 SALARIES P/T	564.00	693.00	750.00	473.50	0.00	0.00	0.00	750.00
51-140 OTHER PAYEES	25.00	0.00	150.00	0.00	0.00	0.00	0.00	150.00
51-150 EMPLYR FICA	20.36	28.38	58.00	10.52	0.00	0.00	0.00	58.00

8. Input Budget Comments

Input Budget Comments allows for the entering of printable comments for each Revenue or Expense account. If comments have been entered from the request screen, they will show here as well. Account numbers with comments will be colored blue, and those without will be colored red.

9. Budget Breakdown (Monthly)

This process is a handy tool for looking at the budget on a monthly basis. It is possible to designate a budget for each Expense and Revenue account, which can help in figuring out the budget for the coming year. What is entered here is reflected in the figures on the Expense and Revenue Summary reports if run for Monthly Totals or if the YTD Budget option is selected. The breakdown can be done by either Percent or Amount – if done be Percent, all percentages entered must add up to 100, and if done by Amount, all entered amounts must add up to the Total Budget figure that was entered for that account. To apply the budgeted amount evenly, select *File>Apply Evenly (F3)* – to clear what has been entered, select *File>Clear Breakdown (F4)*. Accounts on the list will show in blue if they have a monthly breakdown entered, if they do not, they will show in red. If *Show Both* is selected, both percentages and amounts entered will show, but neither will be editable.

A. Transfer Approved to Budget

This step will finalize the budget for the new year and should only be run once all budget figures have been entered as, or transferred to, Approved **and** the previous fiscal year has had the End of Year process run on it. **Make sure that all figures are correct in Approved Amounts before running this process.** If the process has already been done once this fiscal year, a warning message will come up stating that there are already amounts in the current budget and asking if the process should continue – if this happens, **Only select *Yes* at the instruction of a TRIO Software representative.** It is very rare that this process should be done more than once in a fiscal year. Once this step is completed, a journal will be created that contains the information for the budget. When this journal is posted, all budgeted Expense and Revenue accounts will show the new Beginning Balance.

HARRIS

Budgetary System: Budget Process *Continued*

B. Create Budget Extract

This step sends a comma delimited text file containing budget information to a floppy disk. The file is named BudExtct.txt and can be imported into Excel or a similar program for viewing outside the TRIO program. It is possible to edit the figures and then import those back into the system – if doing so, it is very important to save the file in the same comma delimited, or CSV, format it is created in.

C. Load Budget Info

This process will load back in a file that has been exported through the Create Budget Extract process. As stated above, if the file has been altered, it is important to make sure it is in the same format as it was created in.

D. Update Budget Table

If several new accounts have been added since the **End of Year (Fiscal)** step was done, run this process to add them into the list of accounts for entering budget information. This saves having to enter each one manually.

E. Update Previous Year Info

The TRIO Budgetary System will keep track of up to 3 years' worth of Budget and Actual totals for Expense and Revenue accounts for use on the Custom Budget Report. This information is archived during the Fiscal End of Year process. However, since the Budgetary System allows for activity to be done in a past fiscal year after the End of Year has been run, the Actual totals for accounts may need to be updated in the current year. This option allows for this to be done. After selecting this option, the system will ask for the year to be updated – select the year and press **F12** to continue. The next screen will prompt for the location of the past year file to update from – double-click on the appropriate directory and click *Open* to finish the updating process. The directory contain the past year database is typically named *TRIOBWXX*, where the XX is the last two digits of the fiscal year archived into that directory. For example, the Fiscal Year 2005 database would typically be located in the *TRIOBW05* directory.

HARRIS

Budget Process Tips and Troubleshooting

- Here is an overview of the TRIO Budgetary Accounting system and how it relates to the Budget Process: At the beginning of the fiscal year, Expense and Revenue accounts do not have a budget associated with them. When the budget process gets run, a journal gets created that assigns the beginning budget for those accounts. This journal also assigns values to the Expense and Revenue Control accounts in the General Ledger. The total of the Expense and Revenue accounts should always match the totals on the Expense and Revenue Summary reports. Whenever a journal is posted that affects an Expense or Revenue account, the system will automatically create a control entry affecting the Revenue and Expense Control accounts by the same amount. By doing this, a General Ledger Summary report (also known as a Trial Balance) should always give an accurate representation of what the Fund Balance for the town is. At the end of the fiscal year, the Expense, Revenue, and corresponding Control accounts get closed out into the actual Undesignated Fund Balance account in the General Ledger and the process starts over again.

- It is perfectly fine to start the budget process for the next fiscal year before the current year has been closed out - this will not cause a problem. However, the **Transfer Approved to Budget** step must be done **after** the close out of the fiscal year. If this gets run before the Fiscal End of Year process is completed, it will cause the figures in the current year to be incorrect, and the new fiscal year will not have any beginning balances. If this does happen for some reason, contact TRIO Software immediately.

- If the Budget Process has been done, but an Expense or Revenue account needs its budget amount adjusted, this can be done through a General Journal entry. Budget adjustment journal entries done to Expense and Revenue accounts should be done with their **RCBF** setting set to B (for Budget Adjustment). The offset account in both cases is typically the Undesignated Fund Balance account – its **RCBF** should stay at R. To increase the initial budget for an Expense account, the journal entry would be a **Credit**; to increase the initial budget for a Revenue account, the journal entry would be a **Debit**. To decrease a budgeted amount, simply do the opposite of what is listed above.

- If desired, it is possible to carry forward account balances so that they do not have their funds moved into Undesignated Fund Balance. The money could then be journaled back into the accounts after the Fiscal End of Year process completes. There are a few options for doing this:

  o First, in **6. Account Setup > 1. Department/Division Titles** there is an option to set up a closeout account for each Department and Division. When the End of Year is run, instead of moving the funds in those accounts to Undesignated Fund Balance, the program will move them to the specified account. This can also be done for Revenues under **6. Account Setup > 3. Revenue Titles**.

  o The next option would be to manually do a general journal before the End of Year Process to move the monies to the desired account(s) – the journal would **Debit** the Expense and Revenue Accounts and **Credit** the Designated Fund Balance (or Carry Forward) account(s).

  o The last, and perhaps best, option is to let the End of Year process complete normally and then in the new year, use a General Journal to journal the amount of the carry forwards from Undesignated Fund Balance to Designated Fund Balance. Regardless of whether the second or third option is selected, in the new year a journal would be done to **Credit** the Carry Forwards onto the Expense accounts and **Debit** the Designated Fund Balance account. Note that when making Carry Forward entries in the General Journal in the new year that an **RCBF** code of F (for Carry Forward) should be used – the rest of the process will be the same as making a regular budget adjustment.