

## Budgetary Controls

### Purpose

This document describes budgetary controls and provides functional guidance on how budgetary controls work.

### Function of Budgetary Controls

Budgetary Controls are parameters that set funds control level for awards, tasks, and resource groups, and resources in a project. There are three different funds control levels: Absolute, Advisory, or None, that can be established at four different budgets levels: Award, Task, Resource Group, or Resource.

Budgetary Controls work in conjunction with the budget to determine funds availability when the funds checking process is run. For additional information, refer to "[Transaction Processing to an Award](#)".

**Note:** Payroll and grants batches (usages, miscellaneous, or time cards) will be charged to awards regardless of budgetary controls.

### Establishing Budgetary Control

Establishing budgetary controls is a two-step process:

1. Defaults are defined by award upon award establishment through the Award Management form in the Budgetary Control alternate region. Refer to the work instructions "[Create an Award](#)."
2. Budgetary controls are set by project in the Budgetary Control form. Refer to the work instructions "Setting or Changing Default Budgetary Controls on an Award."

Because default budgetary controls are defined by award and set by project, if

- an award funds multiple projects, default budgetary controls must be set for each project separately.
- a project is funded by multiple awards, default budgetary controls must be set for each award.

**Note:** If both steps are not completed, budgetary controls will not successfully be established.

A baselined budget is required to establish budgetary controls. A distributed budget is needed to have Resource Group or Resource levels of funds control.

Budgetary controls will not restrict spending outside of budgeted categories, i.e., transactions will be able to process to unbudgeted categories. To prevent this Transaction Controls must be applied or budget must be established in all categories (enter 0.00 if no budget amount is applicable). For more information, refer to "[Transaction Controls](#)".

## Level of Budget Controls

The budget level is the level of the budget where funds control restrictions are placed to determine how transactions will process based on budgeted amounts. The chart below describes the different budget levels that funds controls can be established on:

Budgetary Control Level	Restriction
Award	Restricts spending based on the total project budget associated with that specific award (i.e., total of all task budgets)
Task	Restricts spending based on the task budget
Resource Group	Restricts spending based on the Resource Group (i.e., Expenditure Category, Major Category)
Resource	Restricts spending based on the Resource (i.e., Expenditure Type, Minor Category)

## Level of Funds Control

The funds control level determines how funds are reserved for transactions. The level determines if funds can be processed in excess of budget or up to the budgeted amount. The table below describes the different funds control levels.

Budgetary Control Level	Restriction
Absolute	Transactions process up to the total budget.
Advisory	Transaction will process even when no funds or insufficient funds are available.
None	All transactions will process.

## Changing Budgetary Controls

Budgetary controls can be changed

- individually through the Budgetary Control form, or
- can be completely reset by changing the defaults in the Award Management form and then deleting and resetting the defaults in the Budgetary Control form.

For more information, refer to

- ["Create an Award"](#).
- ["Changing Individual Budgetary Controls"](#).

## Budgetary Control Scenarios

The budgeted amounts and the funds control set at each budgetary control level will determine transaction restrictions for a project/task/award. The following table provides functional scenarios on the use of budgetary controls:

Budgetary Control Levels	Type of Restrictions	Example of Functionality
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Award - Absolute Task - Absolute Resource Group - Absolute Resource - Absolute	Most restrictive form of budgetary control. Restricts spending to the Resource budget level (expenditure type) Cannot overspend the total budgeted for any of the Resources (expenditures types). <b>Note:</b> Does not restrict spending in unbudgeted categories.	Domestic Travel has a budget of \$500.00. Once the total budget has been reached for that Resource items will fail funds checking even if the total budget has funds available.
Award - Absolute Task - Absolute Resource Group - Absolute Resource - None	Restricts spending to the Resource Group level (expenditure category) Cannot spend over the total budgeted for any of the Resource Groups (expenditure categories) Can spend freely amount the Resources for a budgeted Resource Group. <b>Note:</b> Does not restrict spending in unbudgeted categories.	Travel has a budget of \$15,000.00. Can spend in Domestic Travel, Foreign Travel, or any other Resource within the Travel Resource Group as long as you remain within the total budget for that Resource.
Award - Absolute Task - Absolute Resource Group - None Resource - None	Restricts spending to the Task level. Cannot spend over the Total task budget. Can spend freely among the Resource Groups and Resources for budgeted Task.	Total Task budget is \$15,000.00. Can spend in Supplies, Equipment, Domestic Travel, or any other Resource Group or Resource as long as you do not exceed the total Task budget.
Award - Absolute Task - None Resource Group - None Resource - None	Restricts spending of the budget at the Project level only. Can spend over the total that has been budgeted for any of the Tasks as long as it does not go over the total award amount that has been funded and budgeted to the Project.	Project 1/Task 1/Award 1 has a budget of \$15,000.00. Project 1/Task 2/Award 1 has a budget of \$5,000.00. As long as you remain within the total budget for the Project #20,000.00, Task 1 will be able to spend from Task 2 budget up to the total of both.

## Change History

- February 17, 2004 - New document.

## Feedback

Was this document clear and easy to follow? Please send your feedback to [webfeedback@rfsuny.org](mailto:webfeedback@rfsuny.org).