Transaction Processing to an Award

Purpose
This document describes the criteria and process used for verifying expenditure allowability and funds availability when processing transactions (i.e., actual expenditures or encumbrances/commitment) to a project/task/award (PTA).

Criteria for Expenditure Allowability and Funds Availability
In the RF Oracle business system transactions are processed to a project'/task/award based on

1. *Transaction Allowability* – item date, close date, project/task/award status, transaction controls.

2. Funds Availability – budget and budgetary controls.

Transaction Allowability
When transactions are processed in the RF Oracle business system, the system first verifies that the project/task/award will accept the transaction and that the expenditure item date is within the active period for the project/task/award.

Below are the general requirements for transaction allowability

- The date the transaction is processed must be prior to the close date on the award and active installments
- Award status must be "Active" or "At-Risk"
- Project status must be "Approved"
- Task must be chargeable
- Expenditure item date must fall within the active dates of the project/task/award and installments
- Expenditure must not violate any existing project and/or task transaction controls. For information on transactions controls, refer to
  "Transaction Controls" .
- Expenditure item date is not prior to June 1, 1999. This is the first Oracle system date and the first GL period.

Funds Availability
One it is determined that the expenditure is allowable on a PTA the funds availability is verified through a process called Funds Checking. The Funds Checking process verifies that funds are available based on the budgeted amounts and any existing budgetary control restrictions. When the system attempts to process an expenditure that is in excess of the budget and existing budgetary control restrictions, items "fail funds checking" or create shortages (payroll encumbrances). For more information, refer to "Budgetary Controls" .

The *Funds Checking Process* occurs nightly.

Funds Checking Process

Actual Expenditures for Payroll and Grants Balances

To reflect a more accurate project/task/award balance, the Research Foundation funds checking process allows all actual expenditures for payroll and batches entered in the Grants module (usage, miscellaneous transactions, or time card) to charge to a PTA regardless of funds availability. Therefore, payroll transactions and grants batches can overspend a PTA regardless of budget and budgetary control restrictions.

Payroll Encumbrances

The RF payroll encumbering process determines funds availability for encumbrance creation based on the available budget and any existing budgetary controls for a PTA. Encumbrances are created up to the available balance based on budgets and any existing budgetary controls. Therefore, funds in excess of the budget will create an encumbrance shortage. For more information on payroll encumbering, refer to "Payroll Encumbering Process".

Accounts Payable (AP), Purchasing (PO), Requisitions (REQ)

The on-line funds checking process is used for transactions that are entered through the AP/PO/REQ module. If sufficient funds are not available based on the budget and budgetary controls, the items fails funds checking and is not processed to the project/task/award until it is reconciled.

- AP invoices that fail funds checking are placed "on-hold"
- Purchase orders and requisitions that fail funds checking remain "incomplete"

Monitoring Overexpended Awards

Overexpended awards, projects, and tasks should be monitored timely and the appropriate action should be taken. For more information, refer to

- "Correcting Overexpended Awards, Projects, and Tasks"

Monitoring AP/PO/REQ Holds

Accounts Payable invoices, purchase orders, and requisitions "on-hold" or "incomplete" should be monitored timely and the appropriate actions should be taken.

For information on monitoring AP invoices, refer to

- "Invoice Holds"
- Invoice on Hold Report - For a description of the report see "Accounts Payable Oracle Reports"

Change History

- **February 17, 2004**- New document.