The Cambridge University Finance System (CUFS) has moved University finances away from cash accounting principles. What this means is that we no longer just look at actual amounts spent or received, but also what we expect to come in and go out.

These expected amounts are often referred to as Encumbrances or Commitments. Within the General Ledger there are three separate types of transaction:

- Actual transactions
- Budget transactions
- Encumbrances transactions

Therefore for each account you can view the Actual, Budget or Encumbrance version of the information you require.

**Quick Note**

The budget on a particular account will be shown as a debit entry. This is because the University budgets shown against Departments are estimates of expenditure (and any expenditure will be recorded as a debit in the actual accounts).

**Budgets Allocated by ‘The Centre’: “Chest” Sources of Funds**

- These approved estimates of expenditure are at present the only budgets entered onto the system
- All budgets are entered centrally and details are sent out to Departmental key contacts
- In general the department’s budget is allocated to each department’s **general cost centre code** (e.g. xxBA)
- In the majority of cases this has then been further **split out between the appropriate sources of funds**:
  - …AAAA … chest non-payroll
  - …ABAA… stipends
  - …ACAA… wages
- With the exception of the pay/salaries expenditure the **transaction code EXZZ** (miscellaneous) is used.
Detailed Procedure
Chest Budgets

- The budget is split over the 12 months (i.e. accounting periods) in the financial year. This is known as ‘Phasing’ and it is to assist managers in monitoring their budgets on an ongoing basis.

  Individual managers may want to allocate their budgets to accounting periods in unequal proportions to reflect real demands and trends but can only do this via a Virement Form.

- If a department wants to allocate their budget differently they need to complete a “Virement Form” available on the web at:
  

  and send it to the Financial Planning and Analysis section in the Finance Division, who will be happy to provide advice and assistance.

- Only the Finance Division can raise Budget journals.

Non-Recurrent Grants (Warrants)

- Non-Recurrent Grants (Warrants) are extra amounts of money that come from the centre often for one off activities/ reasons, e.g. building works.

- The departments will still receive the documentation concerning the paperwork as they did before, but the Financial Planning & Analysis section will automatically do the budget adjustments in that current period (i.e. will not normally be phased).

Grants

- Research Grants have been set up as budgets in the Grants module by Research Office.