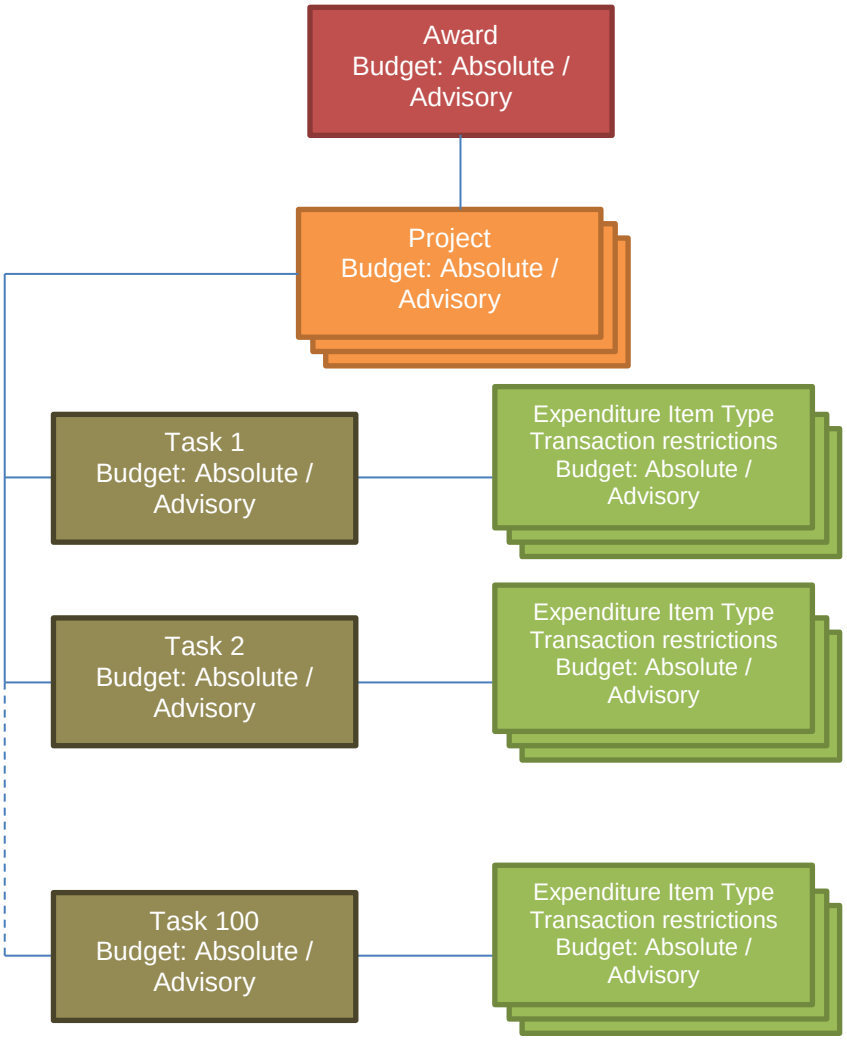
Funds Checking in iProcurement

Within the CUFS setup for research grants there are various ways expenditure on grants can be controlled.



At **Award** level (the research grant itself), the budget will usually be Absolute (i.e. an absolute maximum budget), though in some circumstances it may be Advisory (a recommended level that can be exceeded).

A **Project budget** can similarly be absolute or advisory, but this will also be subject to any restrictions on the award funding the project and any expenditure against other projects funded by the award (if there are any).

Task budgets may also be absolute or advisory. This will be subject to any restrictions at project level and at award level. This may be affected by spending against other tasks in the project.

Expenditure Item Types - CUFS has two types of controls at this level:

(i) Is this particular type of expenditure allowed by the sponsor on this grant (these are known as *Transaction Controls*)?

(ii) If that type of expenditure is allowable then CUFS will then check to see if a budget has been set for that particular category of expenditure (e.g. staff costs) and if so whether there are funds available.

Note: the setup for Expenditure Item Types can differ between tasks on the same project.

The Application of Project Controls in iProcurement?

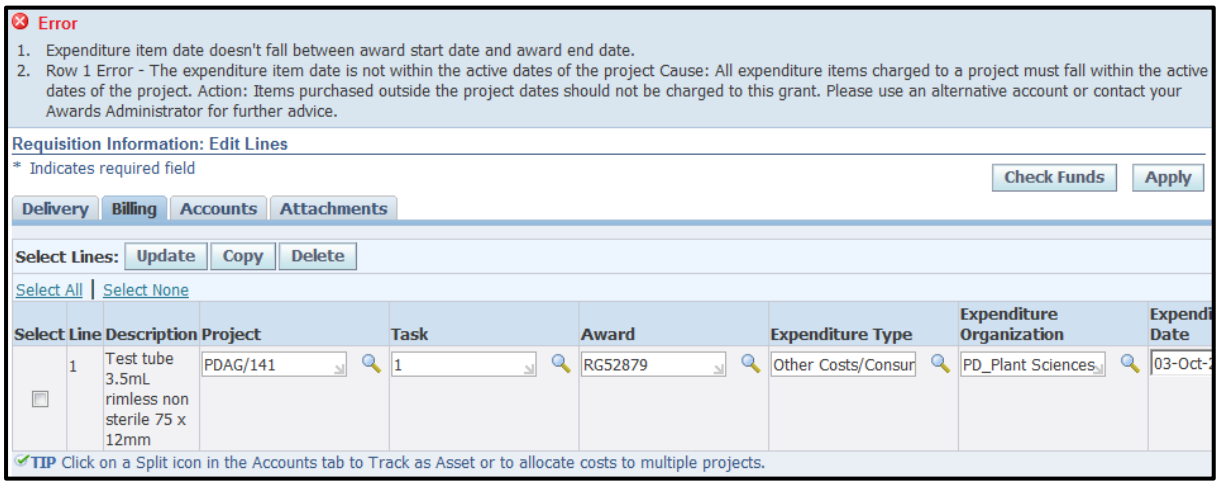
These project controls are applied in two ways in iProcurement.

First, when you attempt to submit a requisition or you navigate around the Edit Lines interface then iProcurement performs a first level of checks against any project information you have entered. These checks comprise of:

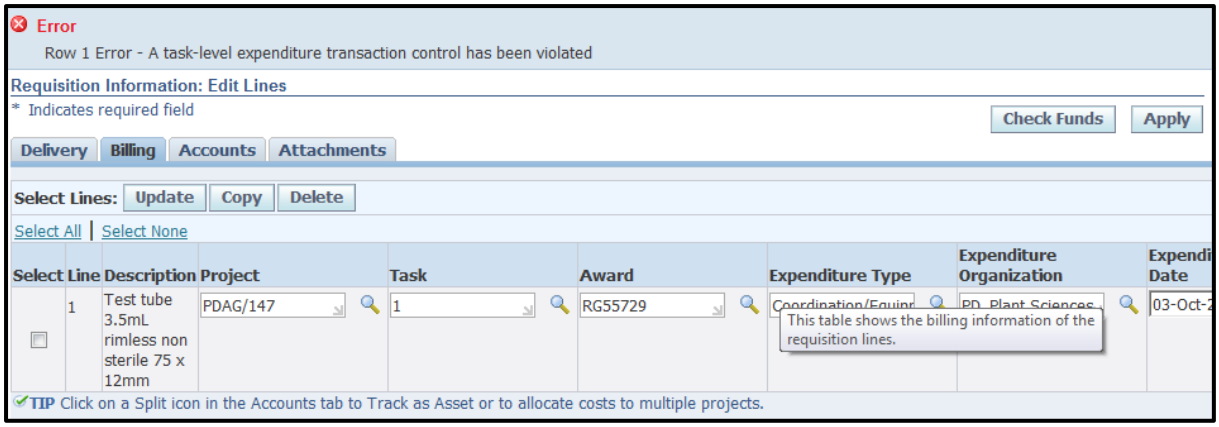
(i) A check whether or not the selected project is active (e.g. the order date falls within the Project's start date and end date).

(ii) A check of the Expenditure Item Types selected to ensure that the expenditure is allowable (i.e. does not violate transaction controls)

If a selected project is out of date or a selected Expenditure Item Type is restricted then iProcurement will show an error message and you will need to rectify the problem before you can continue what you were doing.



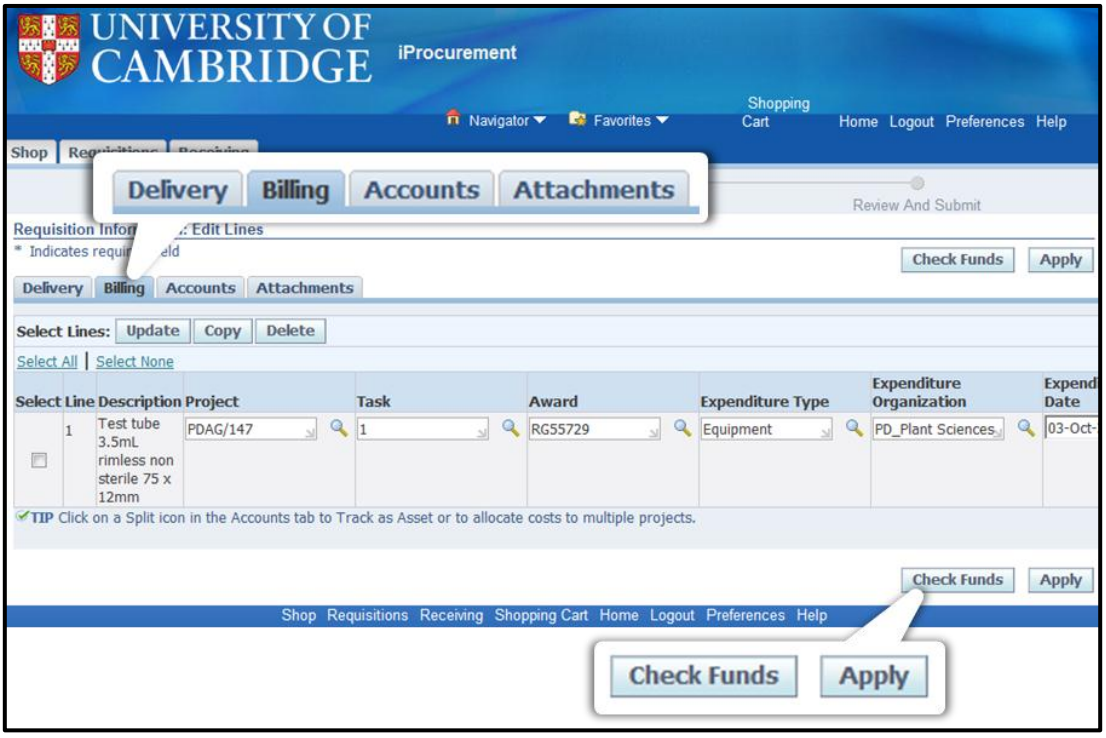
The error message when a project has been selected that is past its end date



The error message when a disallowed Expenditure Item Type is selected

The second set of checks iProcurement conducts is against the Project budgets: this is called *Funds Checking.* This happens automatically when the requisition enters the approval workflow (i.e. you have submitted your requisition).

Alternatively, you can manually perform the function by pressing the **Check Funds** button on the **Billing** tab under **Edit Lines**.



The budgetary checks start by checking any budgetary restrictions against the selected Expenditure Item Type(s) (remember these are set at the expenditure category). These checks then cascade up through Task, Project and Award.

At each level, if the requisition results in an Absolute budget to be exceeded the requisition will fail funds check. Advisory budgets can be exceeded provided Absolute budgets further up in the hierarchy are not exceeded. This is illustrated in the following example.

An example of funds checking

Research Grant setup:

Award: £10,000 (Absolute)

- Project: £10,000 (Absolute)
  - Task 1: £2,000 (Advisory)
    - Other Costs (allowable with Advisory budget)
    - Other expenditure item types disallowed via transaction controls
  - Task 2: £8,000 (Absolute)
    - Other Costs (allowable with Advisory)
    - Travel (allowable with £1,000 Absolute budget)
    - Other expenditure item types disallowed via transaction controls

1st requisition on grant: *for £3,000 against Task 1 and Other Cost / Consumables*

- ✓ Expenditure item type is allowed
- ✓ Budget for expenditure item type is advisory (so it passes funds checking
- ✓ Budget for task is advisory (PASS)
- ✓ Budget for project is £10,000 Absolute. Since this is the first order this budget is not exceeded (PASS)
- ✓ Budget for award is £10,000 Absolute. Since this is the first order this budget is not exceeded (PASS)

Outcome – order passes funds checking

2nd requisition on grant: *flights for two people to America (£1,200) against Task 2 and Travel*

- ✓ Expenditure item type is allowed
- × Budget for expenditure item type is £1,000 Absolute (FAIL)

Outcome – order fails funds checking

3rd requisition on grant: *£7,500 against Task 2 and Other Costs / Consumables*

- ✓ Expenditure item type is allowed
- ✓ Budget for expenditure item type is advisory (PASS)
- ✓ Budget for task is £8,000 absolute, so the order is under budget (PASS)
- × Budget for project is £10,000 Absolute. However, Order 1 was for £3,000 so this order will take the total value of orders for the project over £10,000 (FAIL)

Outcome – order fails funds checking

What Happens When a Requisition Fails a Funds Check?

If you have performed a funds check from within *Edit Lines*, any errors will be listed at the top of the screen. You can correct these errors before submitting your requisition.

For funds check failures that are identified when your requisition enters the approval workflow (i.e. after you have pressed Submit) it may appear that your requisition has submitted normally but this is not the case:

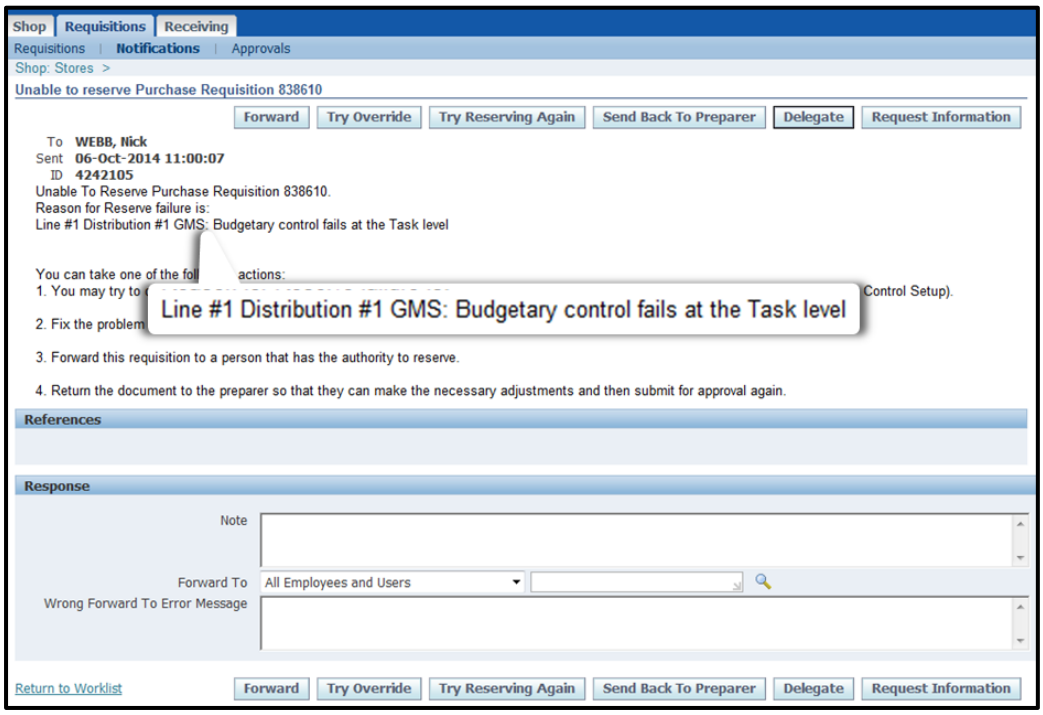
- The requisition itself will fall back to a status of *Pre-approved* (for a requisition created by a Buyer) or *In Process* (for a requisition created by a Requisitioner).
- iProcurement will generate two notifications, with corresponding emails sent to the requester.

Notifications received

The first notification (and email) will have the title ***"Failed to reserve funds for Purchase Requisition…"*** and the second will be entitled ***"Unable to reserve Purchase Requisition…"***.

The notifications (which will appear in the *My Notifications* section of the iProcurement Home page) both contain the same message, which will include a line indicating why the funds check has failed.

E.g. ***"Line #1 Distribution #1 GMS: Budgetary control fails at the Task level"**, indicates that the task selected for line 1 of the requisition does not have sufficient budget to pay for the requisition.*



Note: the buttons and controls shown beneath these messages should not be used.

Your local Grants Administrator or local accounts team should be able to review the grant you are trying to use and advise you on why the funds check failure is occurring and what changes you need to make to the accounting information in order to check out the order successfully.

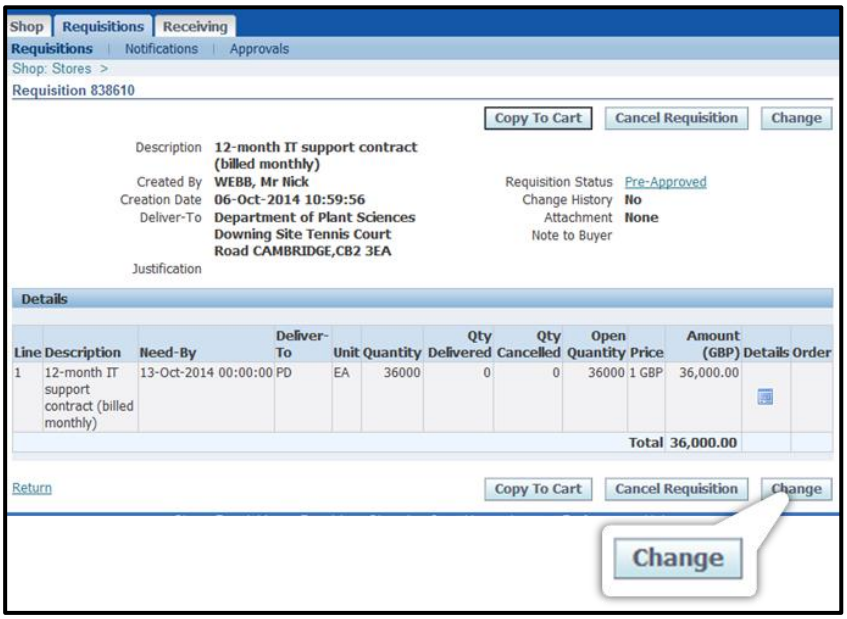
Correcting a Requisition that Has Failed Funds Checking

If a requisition fails funds checking, you will need to liaise with your Grants Administrator or local accounts team to identify the reason the check has failed and what needs changing to allow the requisition to be checked out correctly.

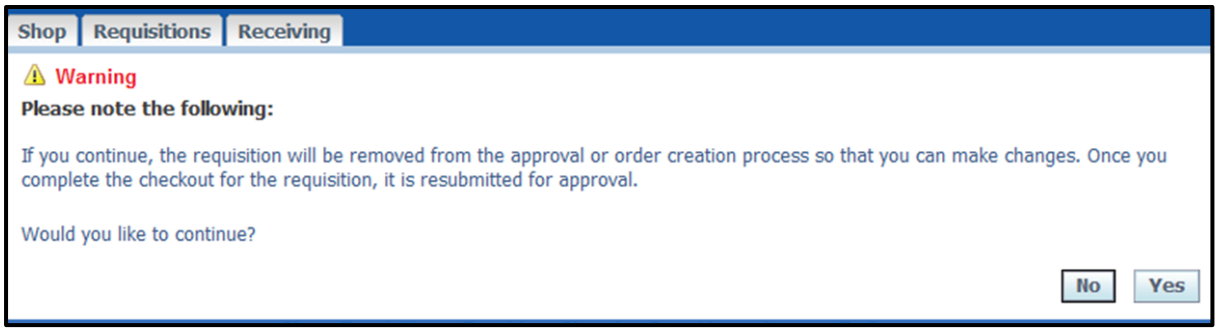
Once you have identified the required changes you should make the changes as follows:

1. Find the requisition from *My Recent Requisitions* or from the *Requisitions* tab and click on the requisition number

2. Click on the **Change** button.



3. On the next screen press **Yes** to confirm you wish to make changes to the requisition.



4. Your requisition has now been loaded back into your shopping cart and you can complete the checkout process again, making the corrections you need to.