

Managing the Budget – Part 2



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1. *Budgeting basics*

1.1. Allocation

The term 'allocation' refers to the Chest Allocation to Departments, this is recorded in the 'A' sources of funds.

This allocation will be uploaded each month as actual income using GP** transaction codes. The upload will be done as per the phasing requested by the department in the original budget upload.

AAA* - Chest non pay expenditure

This is based on the annual planning exercise carried out by schools in the Michaelmas term. Most departments (although not all) will have a Chest allocation.

This allocation is posted as income by the Finance Division according to the phasing set during the planning phase.

AAAA should be used to record departmental running costs which cannot/should not be funded from another source. Other than the Chest allocation no income should be posted to AAAA.

AB**/AC** - Chest stipends/wages

Principally ABAA (stipends) and ACAA (wages), these *Sources of Funds* are used to identify salaries for staff where it has been agreed that their post will be funded directly by the Chest.

AD** - Accumulated balances

Balances on these *Sources of Funds* are accumulated from prior year surplus/deficit on recurrent chest sources (AAAA, ABAA & ACAA) – see above. They can be used to offset any overspends in the current year's AAAA *Source of Funds* or alternatively items of expenditure can be charged directly to these codes

AH** - Non recurrent grants

Departments can apply for non-recurrent grants throughout the year to cover specific one-off items of expenditure. Successful applications will have a budget allocated against a specific AH** *Source of Funds*, which will be notified to them by Financial Planning & Analysis.

These amounts would not be in the original income allocation but will be added during the year via a budget virement.

AN** - Special expenditure, strategic expenditure, managed and administered funds

Administered funds hold Chest allocations to meet certain costs incurred University-wide and which do not form part of the running costs of the central offices that administer them. Income is allocated to these *Sources of Funds* by Financial Planning & Analysis (FP&A).

1.2. Plan

A budget which can cover Chest and non-Chest sources of funds together.

This budget can be phased across the year in a way which best suits the circumstances of the department.

The Budget to Actual reports enable Departments to monitor actual performance against planned figures in order to make adjustments as necessary.

1.3. Central Fund Warrants

Central Fund Warrants occur where (usually) Administered Funds provide an allocation to departments / Schools / Institutions.

- Central Non-recurrent Grant Fund
- Strategic Planning Reserve Fund

If you see transaction code GPAK used, this relates to Administered Funds'

The process is performed by FP&A and a database of Central Fund Warrants processed is maintained.

1.4. Budget journals

Budget journals can be used for two different purposes:

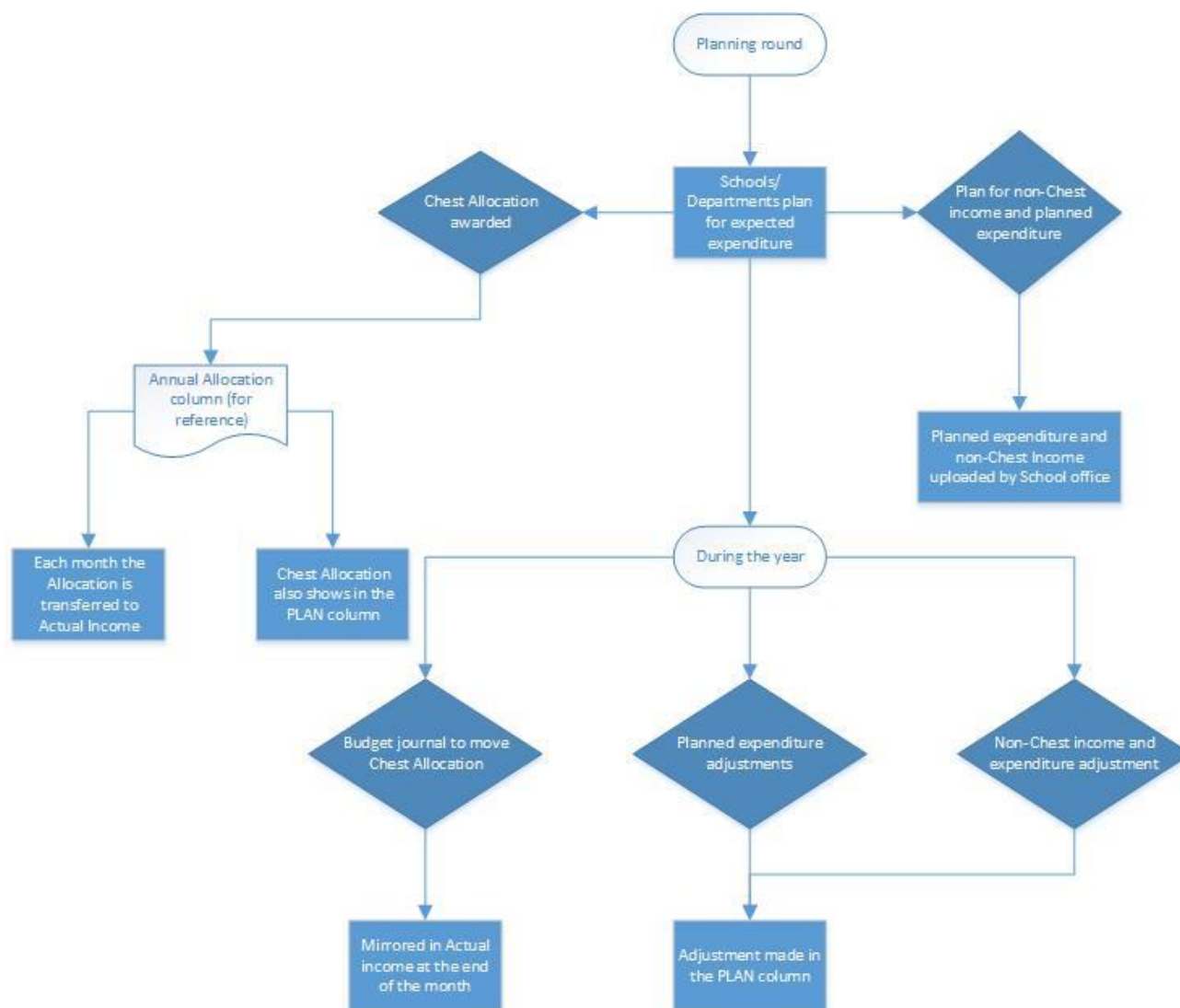
1. Moving Chest Allocation (using GP** transaction codes)
2. Uploading/adjusting planned expenditure and planned non-Chest income

All budget journals will be posted into the PLAN field and these journals are posted by Finance Managers and Advisers.

A department can create a plan for all or some of their cost centres or sections of the department.

Combined with cost centre categorisation and cost centre owners (see section 3) this can be a very powerful monitoring tool.

1.5. Process during the year



2. Review of reports

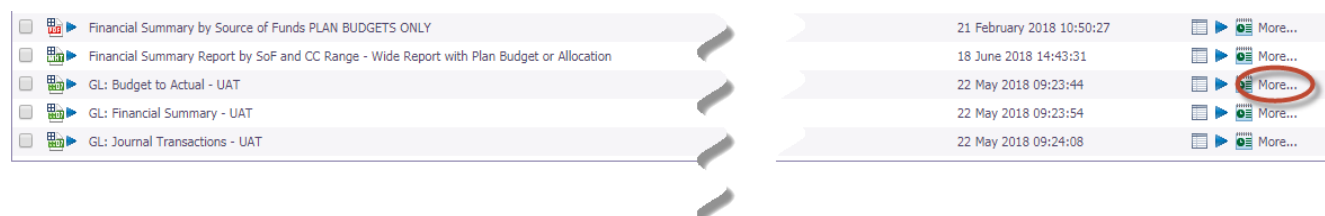
2.1. Cognos report view

A 'report view' is a **copy** of a report that is stored in your personal folders. A production report can be copied into a report view in a personal folder.

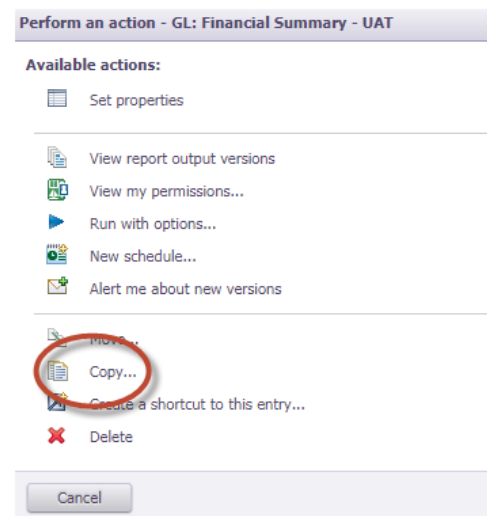
A report view can be set up so that associated prompt values can be pre-selected and saved with the report view. The report view can then be scheduled and run unattended using those values.

Step A: Create a copy of a report view of the report and copy it into one of your folders

- From Cognos Connection, click on 'More...' beside the report that you want to copy.



- Click on Copy

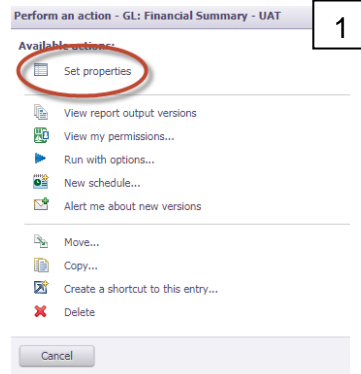


- Optional: Give the report a new name. (You can do this later once the report view has been set up by adjusting the 'properties' for the report view – see Step B, below.)
- Click on 'My Folders', or click on 'Select another location' and navigate to a folder where you have permission to store a report.
- Click on 'OK' to finish

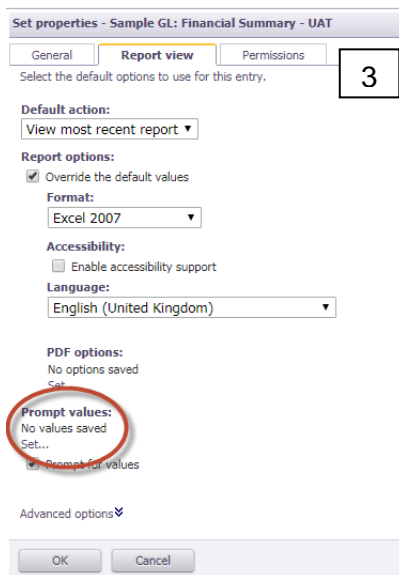
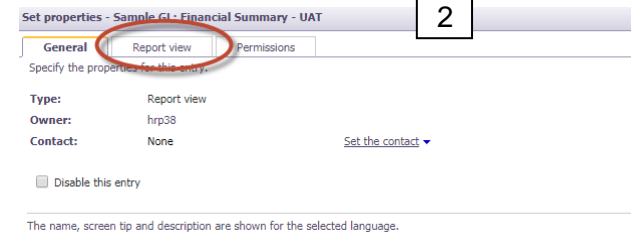
Step B: Set up the defaults for the report

- Navigate to the folder where you stored your report view.
- Click on 'More...'

Click on 'Set properties'



Click on the 'Report view' tab



- Click on 'Set' to select the default prompt values
- For each required prompt, select the desired values
- Click 'OK'

If you take away the check mark in the 'Prompt for values' box in the Set Properties screen, the report can be run unattended on a predefined schedule and will use the values that you selected in the above steps. If you leave the 'Prompt for values' box checked, the report will run interactively and the prompt page will appear and you will be given the opportunity to change the values that you selected in Step B.

Click on 'OK' to save the selected options.

Now you can schedule the report view to run in the background or you can click on the report view to run it interactively (if you set the prompting option appropriately).

Step C: Select other options

- Click on the 'Run with options' icon (blue triangle) and then click on 'advanced options' in the upper right of the screen.
- Click on 'Run in the background' radio button and many options will be displayed such as running the report directly to Excel or PDF. Click on 'Run' after you select the desired options.

If you want to change the prompt values that are used in the report view, repeat the steps in Step B, above.

Note that you can create multiple report views of a single report each with its own separate report options.

2.2. To run the GL Budget to Actual report in Cognos

In Cognos, navigate to: **Public Folders > LIVE > your school folder > Departmental (Shared) Reports > GL: Budget to Actual.**

Public Folders > LIVE > School of the Biological Sciences > Departmental (Shared) Reports



Name		Modified	Actions
<input type="checkbox"/>	GL Reporting	29 September 2015 15:42:05	More...
<input type="checkbox"/>	Grants Reporting	19 July 2016 11:01:13	More...
<input type="checkbox"/>	GL: Budget to Actual	18 September 2018 15:55:44	More...
<input type="checkbox"/>	GL: Financial Summary	25 September 2018 12:50:47	More...
<input type="checkbox"/>	GL: Journal Transactions	3 October 2018 14:40:16	More...

To run the report, click on **Run with Options** icon to the right of the report. Remember not to click on the report name to run as this will bypass the format and output options.

Run with options - GL: Budget to Actual

Select how you want to run and receive your report.

Format:
 Excel 2007 ▼

Accessibility:
☐ Enable accessibility support

Language:
 English (United Kingdom) ▼

Delivery:
☒ View the report now
☐ Save the report
☐ Print the report:
 Printer location:
 Select a printer...
☐ Send me the report by email

Prompt values:
 No values saved
☒ Prompt for values

Run Cancel

Format

Change to required option using the drop down menu e.g. PDF

Delivery

Select to either view the report now, or to send the report by email. The email option will send an email to the person who is running the report unless the address is altered in *advanced options*.



To specify a time to run the report, or for additional formats, languages, or delivery options, use *advanced options*.

It is not recommended that the report is printed as the length of the report is unknown. The report can always be printed once viewed or emailed.

Click on **Run** to display the parameters page

Note: This report contains a number of **re-prompt** buttons that restrict lists of values to only relevant values. When you use a **re-prompt** button you will receive a message stating: **Working... Please Wait... > Your report is running** while the prompt page is regenerated.

You can create a *Report View* to save commonly used parameters, or to create a report schedule

Accounting date parameters

- **Financial Year** (optional)
- **GL Period** (mandatory)

The report must be run for a single GL Period. The returned data is cumulative up to and including period selected.

Select Financial Year: <div>FY17-18 ▼</div>	Select GL Period: <div>* → GL Period Name ▼</div>
<div>Update GL Period List</div>	

Organisation parameters

- **School(s)** (optional) Select your school or required grouping. This will drive which departments/department groups are displayed in the next fields
- **Department Group** (optional) If applicable, further filters selection in next field
- **Department(s)** (optional) Check the department(s) and this generates the cost centre pick list

Note: Your level of access in Cognos will determine which departments you can see information for. The report can be run for Departments, Department Group, Schools, or even across the whole University if you have that level of access.

NOTE: Each time you make a selection, you must click the re-prompt (Update) button for that choice, so that the relevant selection values are returned.

Account Segment Parameters:

- Cost Centre(s) (optional)
- Source(s) of Funds (optional)
- Transaction(s) (optional)

Results can be further restricted by entering ranges for Account Code Segments, **or** by typing in lists of values separated by commas. If you don't need to limit selection, leave options set as **Lowest value** and **Highest value**.

Budget type and Report Layout options

The screenshot displays a web interface for selecting budget parameters. It includes two main sections: 'Select School(s):' and 'Select Department(s):'. Each section has a list of items with checkboxes, a 'Select all' link, a 'Deselect all' link, and an 'Update' button. Below these is an 'Alternative' section for entering department codes as a comma-separated list.

Select School(s):

- ☐ School of Arts and Humanities
- ☐ School of the Biological Sciences
- ☐ School of Clinical Medicine
- ☐ School of the Humanities and Social Sciences
- ☐ School of the Physical Sciences
- ☐ School of Technology
- ☐ UAS
- ☐ NSI
- ☐ Others
- ☐ Associated Bodies

[Select all](#) [Deselect all](#)

Update Department List

Select Department(s):

- ☐ 00: Balance Sheet
- ☐ AA: Central Admin
- ☐ AB: Student Registry: Student Funding
- ☐ AC: Student Registry: Operations
- ☐ AD: Staff & Student Amenities and Facilities
- ☐ AE: Vice Chancellor's Office
- ☐ AF: MISD
- ☐ AG: Finance
- ☐ AH: Human Resources
- ☐ AI: Postdoctoral Affairs

[Select all](#) [Deselect all](#)

Update Cost Centre List

(Alternative) Department Code List (Separate with commas, e.g. AA, AB, AC)

Alternatively, a list of Department codes can also be typed in separated by commas.

Select Budget:

☐ Allocation
☒ Plan

Plan is selected by default. For 2018/19 onwards Allocation is not in use.

Report Layout Options:

☐ Show Departments
☒ Show Cost Centres
☒ Show Sources of Funds
☒ Show Transactions
☐ Show Descriptions for Chart of Accounts Segments
☐ Show Current Month Values
☐ Show Annual Budget vs YTD Actuals
☒ Show Negative Variances in Red
☐ Show Cost Centre Analysis Owner CRSids
☐ Show Cost Centre Analysis Owner Full Names
☐ Show Cost Centre Analysis Category 1
☐ Show Cost Centre Analysis Category 2
☐ Show Cost Centre Analysis Category 3
☐ Show Cost Centre Analysis Category 4

[Select all](#) [Deselect all](#)

Display Cost Centre Analysis Filters

This report allows cost centre owners and categorisation to be selected.

2.3. Report output

In Excel a workbook containing at least two worksheets will open entitled:

- GL Budget vs Actual
- Report Information

GL Budget vs Actual

The GL Budget vs Actual tab shows budget, actual and variance summaries for each account combination that matches the report criteria

Default output columns

The GL Budget vs Actual tab includes the following default fields:

• Cost centre code	• Source of Funds code
• Transaction code	• Annual Plan
• Plan YTD	• Actual YTD
• Variance YTD	

Default output

Cost Centre Code	Source of Funds Code	Transaction Code	Annual Plan	Plan YTD	Actual YTD	Variance YTD
ZZAA	AZZY	FCAA	0.00	0.00	13,727.82	(13,727.82)
ZZAA	GAAA	FCAA	0.00	0.00	(55.00)	55.00
ZZAG	EDAA	AXXY	0.00	0.00	117.26	(117.26)
ZZAG	EDAA	CTCA	0.00	0.00	1,055.83	(1,055.83)
ZZAG	EDAA	EXZZ	0.00	0.00	322.71	(322.71)
ZZAG	EDAA	LZAA	0.00	0.00	(6,443.15)	6,443.15
ZZAG	EZDA	LZCE	0.00	0.00	(6,296.63)	6,296.63
ZZAG	EZEB	LZCE	0.00	0.00	(707.74)	707.74
ZZAG	EZHB	LZCE	0.00	0.00	(1,940.95)	1,940.95
ZZAG	EZJB	LZCE	0.00	0.00	(7,410.92)	7,410.92
ZZAG	EZJB	LZCH	0.00	0.00	(193.94)	193.94
ZZBA	AAAA	ABAA	0.00	0.00	147.77	(147.77)
ZZBA	AAAA	CCCA	0.00	0.00	72.08	(72.08)
ZZBA	AAAA	EXZZ	265,390.00	22,116.00	0.00	22,116.00
ZZBA	AAAA	GPAA	(265,390.00)	(22,116.00)	(22,116.00)	0.00
ZZBA	AAAD	EXZZ	27,371.00	2,281.00	0.00	2,281.00

Report Information

Report Information	
Report Name	GL: Budget to Actual
Run By	cr602
Report Date	14 Sep 2018 11:17:06
Parameters Entered	
Financial Year	
GL Period	AUG-18
School(s)	
Department Group	
Department(s)	ZZ: Ecology
Cost Centre(s)	
Source(s) of Funds	Between AAAA and LZZZ
Transaction Code(s)	Between AAAA and NZZZ
Budget	Plan
Report Layout Options	Show Cost Centres, Show Sources of Funds, Show Transactions, Show Negative Variances in Red
Cost Centre Analysis Owner CRSid(s)	
Cost Centre Analysis Owner Full Name(s)	
Cost Centre Analysis Category 1	
Cost Centre Analysis Category 2	
Cost Centre Analysis Category 3	
Cost Centre Analysis Category 4	

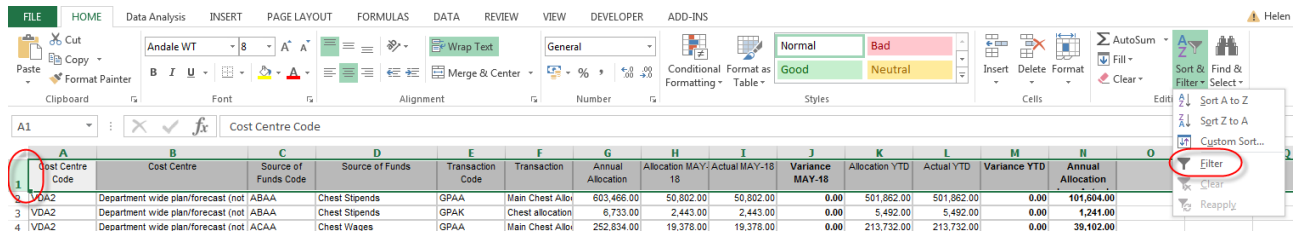
The *Report Information* tab includes the runtime details of the report, such as the name, user who ran the report, date and time the report was run, and the parameters used for the report

2.4. Excel manipulation tools

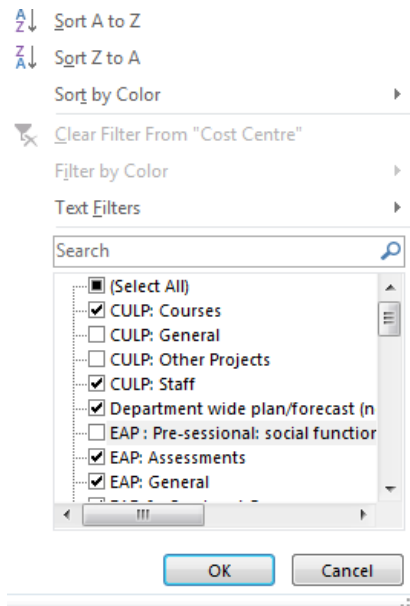
Filters

Putting filters on each of the columns means that you can see just the data that is relevant to your query.

Select the top row and click on the filters option

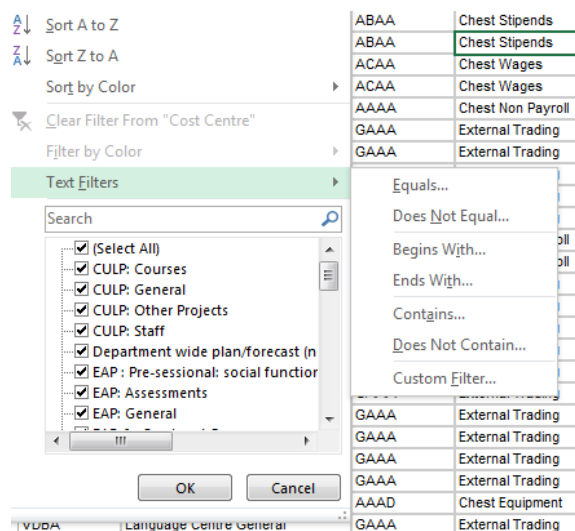


There are a number of ways to filter:



Select and deselect the options required

Text filters are a useful way to filter large amounts of data



3. Cost Centre Categorisation

3.1. Why use categorisation?

Cost centres can be categorised and allocated an owner within UFS which means that reports can be run for specific elements of the accounts for a department directly from the system.

This reduces the need for lengthy and sometimes complex manipulation of large amounts of data outside of the system.

3.2. What is categorisation?

- Add up to four categories to cost centres, these categories can be set to the departments specification
- Add a cost centre owner
- Ability to report specifically on single/multiple categories
- Produce reports for specific elements of a department or for specific individuals who may be responsible for a range of cost centre codes
- All within UFS

3.3. Key issues when setting up categorisation

CUPS responsibility needed

The Cost centre categorisation function only exists in the GL Dept Supervisor responsibility



ADI required

The process is run via ADI and some users may need to undertake some separate set up on their PC's for this to work.

Accidental deletion/amending

Anyone with the correct access can amend and add categories. Within the team it is important to establish processes and procedures to ensure that there are no accidental amendments

Structure

The categorisations are not centrally set and so each department can choose to use whatever analysis structure that best suits their needs. It is worth spending some time initially deciding how this will work best and then ensure that everybody uses the same format.

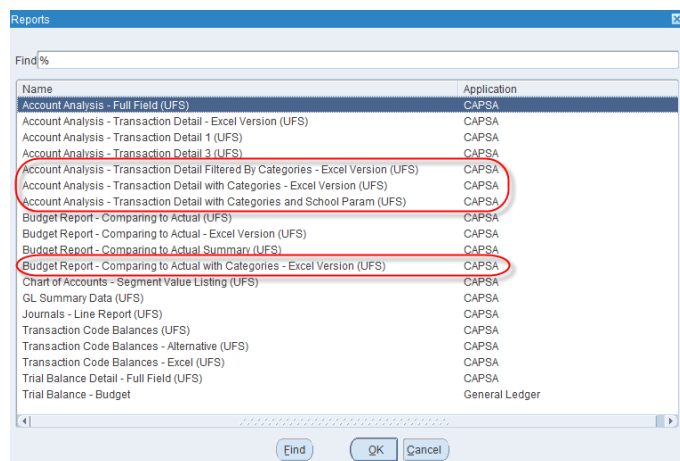
It is also worth involving the school office in these discussions as there may be some categories that could be used consistently across all of the departments in the school, making overall reporting much easier.

3.4. How to set up cost centre owners and categories

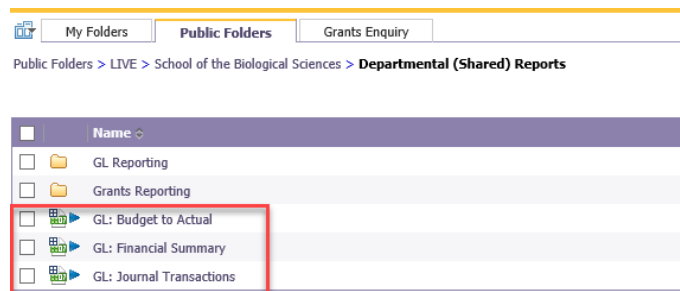
See the separate *Cost centre categorisation* manual for step by step instructions

3.5. Running reports which make use of the categories

Reports in UFS



Reports in Cognos



4. Creating a PLAN

4.1. Sources of funds and restrictions

There are many different income sources within the University. Each type of income is given its own Source of Funds code. When the income is spent, the expenditure should be coded to the same Source of Funds as the income, allowing the University to track and report on how it is using its different types of funding.

Detailed guidance on the different sources of funds and their uses and restrictions can be found in Chapter 3 of the Financial Procedures Manual (FPM) - Section 2

<https://www.finance.admin.cam.ac.uk/policy-and-procedures/financial-procedures/chapter-3-chart-accounts/section-2-source-funds-codes>

4.2. Transaction codes

The code consists of 4 letters, the first identifies what sort of account the transactions should be attributed to and the last 3 refine this more precisely.

First letter	Grouping	Meaning
A to D E and F	Expenditure	Salaries and wages Non-pay costs including depreciation (FB**)
H (and J) K L N	Income	Office for Students (and NCTL) grants Fee income Other operating income Investment income
P R S T U	Assets	Tangible fixed assets Investment property Investments and bank accounts Stock Debtors
V W	Liabilities	Creditors Deferred capital grants
X XH	Funds	Fund balances brought forward Gains or losses from investment revaluation

More information on the use of transaction codes can be found in Chapter 3 of the FPM - Section 3

<https://www.finance.admin.cam.ac.uk/policy-and-procedures/financial-procedures/chapter-3-chart-accounts/section-3-transaction-codes>

5. Uploading a PLAN

5.1. Timing

The original budget upload at the start of the year is just for the Chest Allocation. Once this is uploaded, budget journals can be used to add non-Chest items.

This can be uploaded by the Finance Advisers/Managers, adjustments can be made throughout the year if circumstances change or more information becomes available.

Budget journals are used for Chest Allocation movements as well as planned expenditure and non-Chest income

5.2. Who is involved?

Departments can send details for the Plan to the Finance Advisers/Managers who can upload it using a journal template.

5.3. Reports to run before preparing the Plan

Run a Budget to Actual report to see the current position.

Review any budgets set previously (in whatever format).

5.4. Format

The Plan is uploaded by the School Finance Managers/Advisers via an ADI process.

Dept code	Cost Centre	Source of Funds	Transaction	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Description	Total

The Plan needs to be prepared in a specific format on a simple spreadsheet so that it can be entered into the ADI and uploaded into the Plan column on UFS.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R
Dept	Cost Cent	Source of Funds	Transact	AUG-17	SEP-17	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	JUL-18	Description	Total
1	VD	VDCB	GAAA	ETZ	0	0	0	0	0	0	0	0	0	0	0	0 Rail Travel	0
2	VD	VDCB	GAAA	ETZ	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66 Other/General Travel & Transport	500
3	VD	VDEL	ABAA	AHKA	6234.58	6234.58	6234.58	6234.58	6234.58	6234.58	6234.58	6234.58	6234.58	6234.58	6234.58	6234.58 Stipends: Administration: Grade 10	74815
4	VD	VDEL	ABAA	GPAA	-6083.66	-6083.66	-6083.66	-6083.66	-6083.66	-6083.66	-6083.66	-6083.66	-6083.66	-6083.66	-6083.66	-6083.66 Main Chest Allocation per Blue Book	-73004
5	VD	VDEL	ABAA	GPAA	-150.91	-150.91	-150.91	-150.91	-150.91	-150.91	-150.91	-150.91	-150.91	-150.91	-150.91	-150.91 Chest allocation - Admin fund warrants issued	-1811
6	VD	VDEL	ACAA	CHFA	3220.08	3220.08	3220.08	3220.08	3220.08	3220.08	3220.08	3220.08	3220.08	3220.08	3220.08	3220.08 Wages: Administration: Grade 5	38641
7	VD	VDEL	ACAA	GPAA	-3197.83	-3197.83	-3197.83	-3197.83	-3197.83	-3197.83	-3197.83	-3197.83	-3197.83	-3197.83	-3197.83	-3197.83 Main Chest Allocation per Blue Book	-38374
8	VD	VDEL	ACAA	GPAA	-22.25	-22.25	-22.25	-22.25	-22.25	-22.25	-22.25	-22.25	-22.25	-22.25	-22.25	-22.25 Chest allocation - Admin fund warrants issued	-267
9	VD	VDEL	GAAA	AAHA	3274.41	3274.41	3274.41	3274.41	3274.41	3274.41	3274.41	3274.41	3274.41	3274.41	3274.41	3274.41 Stipends: Academic staff - teaching only; Grade 7	39293
10	VD	VDEL	GAAA	AAHA	10014.33	10014.33	10014.33	10014.33	10014.33	10014.33	10014.33	10014.33	10014.33	10014.33	10014.33	10014.33 Stipends: Academic staff - teaching only; Grade 8	120172
11	VD	VDEL	GAAA	EY2C	3083.33	3083.33	3083.33	3083.33	3083.33	3083.33	3083.33	3083.33	3083.33	3083.33	3083.33	3083.33 Overheads: FWP	37000
12	VD	VDEM	GAAA	BDAA	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66	41.66 Stipends: Casual: Other: Fees	500

Income recorded on the spreadsheet as a negative (ends up as a credit in the upload journal)

Expenditure recorded on the spreadsheet as a positive (ends up as a debit in the upload journal)

5.5. Upload journal

NB this stage is only performed by FA/FM's

	A	B	C	D	E	F	G	H	I	J	K	L	M	O
3			View Context	View Header	View Line									
4			Balance Type			Budget								
5			Database			COUTTS.UFSLIVE								
6			Ledger			CAPSA Set of Books								
7														
8			Category											
9			Source											
10			Organization											
11			Currency											
12			Budget											
13			Group ID											
14			Batch Name											
15			Batch Description											
16			Journal Name											
17			Journal Description											
18														
19			Upl Period	Entity	Department	Cost Centre	Source of Funds	Transaction	Spare	Debit	Credit	Line Description	Messages	
20			List - Text	* List - Text						* Number	* Number	Text		
21			AUG-17	U	VD	VDCB	GAAA	ETFZ	0000			0 Rail Travel		
22			AUG-17	U	VD	VDCB	GAAA	ETZZ	0000	41.66		Other/General Travel & Transport		
23			AUG-17	U	VD	VDEL	ABAA	AHKA	0000	6234.58		Stipends; Administration; Grade 10		
24			AUG-17	U	VD	VDEL	ABAA	GPAK	0000			6083.66 Main Chest Allocation per Blue Book		
25			AUG-17	U	VD	VDEL	ABAA	GPAK	0000			150.91 Chest allocation - Admin fund warrants issued		
26			AUG-17	U	VD	VDEL	ACAA	CHFA	0000	3220.08		Wages; Administration; Grade 5		
27			AUG-17	U	VD	VDEL	ACAA	GPAK	0000			3197.83 Main Chest Allocation per Blue Book		
28			AUG-17	U	VD	VDEL	ACAA	GPAK	0000			22.25 Chest allocation - Admin fund warrants issued		
29			AUG-17	U	VD	VDEL	GAAA	AAHA	0000	3274.41		Stipends; Academic staff - teaching only; Grade 7		
30			AUG-17	U	VD	VDEL	GAAA	AAIA	0000	10014.33		Stipends; Academic staff - teaching only; Grade 8		
31			AUG-17	U	VD	VDEL	GAAA	EYZC	0000	3083.33		Overheads: FWP		
32			AUG-17	U	VD	VDEM	GAAA	BDAA	0000	41.66		Stipends: Casual: Other: Fees		
33			AUG-17	U	VD	VDEM	GAAA	CJFA	0000			0 Wages; Library; Grade 5		
34			AUG-17	U	VD	VDEM	GAAA	EBDO	0000			0 Journals		
35			AUG-17	U	VD	VDEM	GAAA	ETDZ	0000			0 Taxi Hire		

5.6. Reading the Budget to Actual report (Plan)

Sign convention

Income (Chest Allocation and any other income) shown as a negative

Expenditure shown as a positive

Variances: Adverse = Negative

Favourable = Positive

Checks

Both Chest and non-Chest items will appear in the PLAN column.

As only budget journals using GP** transaction codes need to balance, the overall PLAN column does not necessarily balance to zero. It is possible for departments to plan to over or underspend.

Chest and non-Chest sources of funds can all be budgeted for in the PLAN column.

6. Variances

6.1. Things to consider if there are variances

Has everything been invoiced?	Check that invoices have been raised for all external and internal customers
Are there any coding errors?	Check that income and/or expenses haven't been coded to the wrong place
Outstanding invoices?	Check to see if there are invoices outstanding for expenses which will use the surplus
Are the fees/charges appropriate?	Consider whether costs have increased over time but the fees/charges have not been increased at the same rate
Phasing issues	Consider whether the income and expenses been phased correctly in the plan. It might be enough to know that is why there are differences, the plan may need to be adjusted in year or just be changed for future years. See the section below on budget journals for guidance on how to make budget phasing adjustments
Can surpluses be used?	Think about whether any genuine surpluses could be used to cover or reduce deficits elsewhere See the section below on transfer codes for guidance about how brought forward and in year surpluses can be made
Can more money be found?	Consider whether additional resources can be found or diverted from another activity.
Is spending too high?	Think about whether spending has genuinely reached the limit and needs to be curtailed for a time
What other use can be made of the surpluses?	Consider whether any genuine surpluses can be invested See Chapter 12 of the FPM for information on regulations around investments https://www.finance.admin.cam.ac.uk/policy-and-procedures/financial-procedures/chapter-12-investments

7. *Transfer codes*

Transfer codes are one method used to transfer income and expenditure between CUFS accounts.

WARNING: they are not used in every circumstance and can only be used with certain sources of funds.

The same transfer code must be used on both side of the transaction

LXBB Transfer of Income

EZXX Transfer of Expenditure

7.1. Why are they used?

All transactions should initially be coded to the correct University account with the appropriate source of funds and transaction codes that reflect the true nature of the supply.

However, there are occasions when managing departmental budgets where it is found beneficial to transfer expenditure within the department and to use a surplus to help fund other activities.

Where the surplus is allowed to be used in this way, you should use the 'transfer codes'. The Tax and TRAC Teams can then ignore these transactions when completing their returns and calculating the true cost of an activity.

Whether, or not they can be used in a particular scenario will often be determined by the source of funds in question. For this purpose Sources of Funds can be split into three main categories.

Category	Sources of funds
Unrestricted sources of funds	AAAA, ADAA, EF**
Restricted sources of funds	D***, F***, H***, I***, J***, K***, M***
Trading accounts	G***

Detailed information on how to use transfer codes is in Chapter 3 of the FPM and Best Practice Guide Number 3 https://www.finance.admin.cam.ac.uk/files/bpg_3_transfer_codes_vs_1.2_pub.pdf

8. Budget journals

Each journal must have a unique batch name, this can be determined by the school but could be the same convention as for actuals.

department code / name initials / date / unique reference number

RULES

1. GPAA should never be used for adjustments.
2. Any in-year movement of Chest Allocation should use the relevant GP** code for that School
3. Each month GP** codes should add to zero (using AAZF.AFAA as a balancing item if changing phasing from original upload)
4. Any AAZF.AFAA.GP** should total zero for the full year
5. Only use AAZF.AFAA.GP** when changing the phasing, small rounding differences should be adjusted within the journal
6. Plan values for expenditure and other non-Chest income can be moved around with FM/As approval (to increase income use a negative number, to increase expenditure use a positive number)
7. For some sources of funds (e.g. AAAA, ABAA and ACAA), you may want to maintain a match between Chest income allocation and expenditure plan in which case make sure your movements in month net to zero at the SoF/CC level
8. If Chest Allocation is moved between Schools the GP** code of the issuing School is used

8.1. Example: Moving the Allocation to different cost centres with phasing change

Source of																	Description	Total - OK
Dept	Cost Centre	Funds	Transactio	OCT-17	NOV-17	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	JUN-18	JUL-18					
VF	VFDA	AAAA	GPAH	35217	11739	11739	11739	11739	11739	11739	11739	11739	11733	BV 18/027 - REDISTRIBUTE BGM AAAA BUDGET ACROSS COST CENTRES	140862			
VF	VFDB	AAAA	GPAH	-3972	-1326	-1326	-1326	-1326	-1326	-1326	-1326	-1326	-1326	BV 18/027 - BGM GENERAL ADMINISTRATION BUDGET	-15906			
VF	VFDE	AAAA	GPAH	0	0	0	0	0	0	0	0	0	0	-22000 BV 18/027 - BGM CLEANING BUDGET	-22000			
VF	VFDF	AAAA	GPAH	-1622	-542	-542	-542	-542	-542	-542	-542	-542	-542	BV 18/027 - BGM BINDING BUDGET	-6500			
VF	VFDJ	AAAA	GPAH	-253	-83	-83	-83	-83	-83	-83	-83	-83	-83	BV 18/027 - BGM GENERAL SCIENCE BUDGET	-1000			
VF	VFDK	AAAA	GPAH	-1753	-583	-583	-583	-583	-583	-583	-583	-583	-583	BV 18/027 - BGM BIOLOGICAL SCIENCES BUDGET	-7000			
VF	VFDL	AAAA	GPAH	-1753	-583	-583	-583	-583	-583	-583	-583	-583	-583	BV 18/027 - BGM PHYSICAL SCIENCES BUDGET	-7000			
VF	VFDN	AAAA	GPAH	-1003	-333	-333	-333	-333	-333	-333	-333	-333	-333	BV 18/027 - BGM TECHNOLOGY BUDGET	-4000			
VF	VFDN	AAAA	GPAH	-10003	-3333	-3333	-3333	-3333	-3333	-3333	-3333	-3333	-3333	BV 18/027 - BGM ELECTRONIC BOOKS BUDGET	-40000			
VF	VFDQ	AAAA	GPAH	-1003	-333	-333	-333	-333	-333	-333	-333	-333	-333	BV 18/027 - BGM MATHEMATICS BUDGET	-4000			
VF	VFDT	AAAA	GPAH	0	0	0	0	0	0	0	0	0	0	-20000 BV 18/027 - BGM MAINTENANCE BUDGET	-20000			
VF	VFDU	AAAA	GPAH	-2500	0	0	-2500	0	0	-2500	0	0	0	-2500 BV 18/027 - BGM CRC LEVY BUDGET	-10000			
VF	VFDV	AAAA	GPAH	-3456	0	0	0	0	0	0	0	0	0	0 BV 18/027 - BGM MANAGED CLUSTER BUDGET	-3456			
VF	VFCJ	AAAA	GPAH	1247	417	417	417	417	417	417	417	417	417	417 BV 18/027 - MEDICAL - SPLIT BOOK BUDGET BETWEEN UNI & NHS	5000			
VF	VFCP	AAAA	GPAH	-1247	-417	-417	-417	-417	-417	-417	-417	-417	-417	-417 BV 18/027 - MEDICAL - SPLIT BOOK BUDGET BETWEEN UNI & NHS	-5000			
VF	VFCB	AAAA	GPAH	-872	-292	-292	-292	-292	-292	-292	-292	-292	-292	-292 BV 18/027 - MEDICAL - SET UP E-BOOKS BUDGET	-3500			
VF	VFCA	AAAA	GPAH	872	292	292	292	292	292	292	292	292	292	292 BV 18/027 - MEDICAL - SET UP E-BOOKS BUDGET	3500			
AA	AAZF	AFAA	GPAH	-7899	-4623	-4623	-2123	-4623	-4623	-2123	-4623	-4623	-4623	39883 BV 18/027 - PHASING ADJUSTMENT	0			
				0	0	0	0	0	0	0	0	0	0		0			

Each month should balance to zero (the balancing figure should be taken to AA.AAZF.AFAA.GPAH)

The total taken to AA.AAZF.AFAA should net to zero across the period

Notes:

- Each month, the total across the budget virement should come to zero. If there is a change of phasing, the balancing figure needs to be posted to AA.AAZF.AFAA.GPA*.
- Across the year, check that the balance on AA.AAZF.AFAA.GPA* is zero (see final column to the right).
- The totals for each cost centre should all balance to zero at the end of the journal

Any changes to the Chest Allocation in these budgets will be transferred into the Actual income entries during the monthly posting performed by Central Accounting.

8.2. GP** transaction code budget journals

Budget journals where Chest Allocation is moved from one code to another should always balance.

Each month any movement posted to GP** codes in the PLAN field will be posted as Actual Income on GP** codes by Central & Research Accounting.

Any budget journal entries posted to PLAN on any other (NON GP**) codes will not be transferred into Actual entries but will remain in PLAN for reference of planned income/expenditure.

When moving Chest Allocation from one code to another (as income on GP** transaction codes), Schools may want to move the corresponding expenditure on the expenditure transaction codes. This can be included in the same journal and uploaded into PLAN at the same time.

8.3. GP** codes

Chest Allocation is shown as income on GP** transaction codes. There is one code (GPAA) for the initial budget upload only and thereafter, each School/Institution has its own GP** code to use for in-year journals to move Allocation within that School/Institution.

Code	Description
GPAA	Main Chest Allocation as per Blue Book
GPAB	Chest Allocation – SAH
GPAC	Chest Allocation – SHSS
GPAD	Chest Allocation – SBS
GPAE	Chest Allocation – SCM
GPAF	Chest Allocation – SPS
GPAG	Chest Allocation – SoT
GPAH	Chest Allocation – NSI
GPAJ	Chest Allocation – UAS
GPAK	Chest Allocation – Admin fund
GPAL	Chest Allocation – Admin fund clawback of funds
GPAM	Chest Allocation – Y/E tidy up

8.4. All other budget journals

These are the same as the budget journals for Chest Allocations described above, but can be for any source of fund – both Chest and non-Chest. They can be used to post planned non-Chest Income, as well as planned Chest and non-Chest expenditure into the PLAN budget field.

PLAN journals, that are not for Chest Allocation on GP** codes, are the only type of journal that do not have to balance. It is possible to plan for an over or underspend.

The same budget template can be used for Budget PLAN Journals, as are used for budget journals for Chest Allocation. Both amounts are posted in the same way into the PLAN field in CUFS.

In Actual v Budget reports, all amounts posted to PLAN will show – Chest and non-Chest income and expenditure, as this is at transaction code level.

As described above, School Finance teams (Finance Advisers and Finance Managers) will have access to post these journals into the PLAN budget field.

The PLAN budget field will be frozen at 5pm of Working Day 3 of month-end, and then unfrozen after month-end process is complete.

8.5. Budget journal examples

The budget journals can only be posted by Finance Managers and Finance Advisers (FM/FA) using a template, which is provided by FP&A. If you want to make any budget journals the information should be passed to your FM/FA

This template will display an error message if the GP** transaction codes do not net to zero (while Chest Allocation can be moved, the total must always remain the same)

Increase in income (-ve)	Decrease in income (+ve)
Increase in expenditure (+ve)	Decrease in expenditure (-ve)

8.6. Increase in wage/stipends cost

Someone is more expensive, allocation is moved from the School pot (GA.GABB) to the department (GS.GSBA)																		
Dept	CC	SoF	Trx	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	JUL-19	Description	Total	
GA	GABB	ABAA	GPAB	300	300	300	300	300	300	300	300	300	300	300	300	Bloggs - grade increase	3,600	
GS	GSBA	ABAA	GPAB	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	Bloggs - grade increase	(3,600)	
GA	GABB	ABAA	AAIA	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	(300)	Bloggs - grade increase	(3,600)	
GS	GSBA	ABAA	AAIA	300	300	300	300	300	300	300	300	300	300	300	300	Bloggs - grade increase	3,600	
Sum of Income (GP**) codes				-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sum of Expenditure codes				-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Additional rows can be inserted above as necessary																		
Please do not use pence																		
Journal OK																		

The first part of the journal moves the Chest Allocation from the School 'pot' to the department. These two rows must net to zero (i.e. no overall change to the total Chest Allocation) – this change will be made in Actuals as part of the month end process.

The bottom two rows are taking things one stage further and moving the planned expenditure to match the allocation move. This change will adjust PLAN which can be compared with the actual position throughout the year.

8.8. A new post

A new post																												
No change to the Chest Allocation as Department, CC and SoF all remain the same																												
Dept	CC	SoF	Trx	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	JUL-19	Description	Total											
MA	MABA	ACAA	CHDA	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	New post	18,000											
MA	MABA	ACAA	CBA	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	New post	(18,000)											
Sum of Income (GP**) codes				-	-	-	-	-	-	-	-	-	-	-	-	-		-										
Sum of Expenditure codes				-	-	-	-	-	-	-	-	-	-	-	-	-		-										
Additional rows can be inserted above as necessary																												
Please do not use pence																												
Journal OK																												

Expenditure is moved from a general wages fund (CBA) into the specific fund (CHDA)

This is just a change to PLAN, there is no need to move any Chest Allocation as the Dept, CC and SoF remain the same.

8.9. Unpaid leave

Unpaid leave - moving Allocation from ABAA (Chest Stipends) to ABAD (Savings accruing for unpaid leave)																										
Moving expenditure from ABAA but not yet putting it into ABAD as it is not yet known what expenditure is expected from these funds																										
Dept	CC	SoF	Trx	AUG-18	SEP-18	OCT-18	NOV-18	DEC-18	JAN-19	FEB-19	MAR-19	APR-19	MAY-19	JUN-19	JUL-19	Description	Total									
LA	LABA	ABAA	GPAF	500	500	500	500	500	500	500	500	500	500	500	500	Unpaid leave of absence	6,000									
LA	LABA	ABAD	GPAF	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	Unpaid leave of absence	(6,000)									
LA	LABA	ABAA	ACJA	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	Unpaid leave of absence	(6,000)									
Sum of Income (GP**) codes				-	-	-	-	-	-	-	-	-	-	-	-	-	-									
Sum of Expenditure codes				(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(500)	(6,000)									
Additional rows can be inserted above as necessary																										
Please do not use pence																										
Journal OK																										

The Allocation is moved from Chest Stipends to Savings accruing from unpaid leave.

The expenditure is taken from Chest Stipends but not put into Savings accruing as the expected expenditure is not yet known. This means that the budget journal does not balance but this is ok as GP** codes are in balance. Budget journal entries that affect PLAN only do not have to net to zero.

8.10. More detailed breakdown of costs

Department provides more detailed breakdown of expenditure so the Allocation and related expenditure can be more precisely allocated																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							</
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The Chest Allocation is moved from a general CC (VFCA) into a selection, this change will be reflected in Actual income at month end.

For budgeting purposes the expenditure is moved in the same way so that PLAN is as detailed as possible.

9. *Where to go for help?*

School Finance Managers/Advisors for School specific queries

<https://www.finance.admin.cam.ac.uk/about-us/contact-us>

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Financial Systems Group for reporting queries fsg.system.support@admin.cam.ac.uk

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