



Infor LN Financials User Guide for Budget Control

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About this document

This document describes the process to set up the Budget Control functionality for budget managers.

Assumed knowledge

Understanding this document is easier if you have some basic knowledge of the functionality of the various logistic LN and Financials.

Document summary

This document is a compilation of the help topics for the Budget Control module that are listed under Infor LN, Financials, *Online Manual Topics*.

How to read this document

This document was assembled from online help topics. As a result, references to other sections in the manual are presented as shown in the following example:

- For details, refer to *To set up Budget data*. To locate the referred section, please refer to the Table of Contents or use the Index at the end of the document.

Underlined terms indicate a link to a glossary definition. If you view this document online, clicking the underlined term takes you to the glossary definition at the end of the document.

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Budget Control Overview

Budget Control is an integrated process that is used to track and control the budget-related business transactions. Budget control is also known as Encumbrance Accounting or Commitment Accounting. The process enables financial managers to precisely define how and when budgets are controlled. The functionality facilitates real-time budget checking and thereby, prevents unauthorized deficits. Supported Business Processes are procurement flows, Journal Vouchers, Purchase Invoices and so on.

The Budget Control module in the Financials package is designed to integrate accounting and budgeting functions into the underlying business processes. Accounting distributions are retrieved from the appropriate policy levels, such as requisition entities, vendors, or purchased commodities.

The Budget Control defines the relationship between accounting and budgeted funds through the roll up structures.

The Budget Control supports among other the following budgeting activities:

- **Budget policy management**
Budget managers can set up company-wide finance policy to control budget. The settings in the Budget Control Policy (tfbgc0110m000) session determine how budgets are controlled for the various document types.
- **Budget structure**
Budget Control enables budget managers to transform the existing budget structures into a new budget structure while retaining existing budget accounts and General Ledger account mapping. You can define the budget roll-up structures and budgetary levels.
- **Budget authorizations**
Authorizations can be defined for users or roles and budget accounts.
- **Budget transfers/ amendments**
Budget managers can make budgetary transfers/ amendments during the budget year.
- **Exception handling**
Budget Control functionality allows you to analyze and resolve the exceptions.
- **Budget balances**
The budget balances functionality determines how budget amounts can be entered and how the budget balances are displayed. Example: **Annually** or **Periodically**.

- **Budget adjustments**

Budget managers can make direct adjustments to the budget control balances. Budget adjustments can be specified to correct a budget balance if required. Managers can also reserve the budgets in anticipation of a future transaction.

- **User Profiles**

For a user profile, the budget manager can define the notification levels and text templates to notify other users.

To set up budget control data

To set up the budget control data, use the following sessions:

1. **Implemented Software Components (tccom0100s000)**
Select the **Budget Control** check box to enable the budget control functionality.
2. **Budget Control Policy (tfbgc0110m000)**
Define a new budget control policy. See: *To set up budget policy data (p. 13)*.
3. **Budgets (tfbgc1100m000)**
Define the budget code, specify the budget amount display method and the period type for the budget year.
 - Select the budget code in the **Budget** field
 - Define the pattern in which the budget amounts are displayed, select either **Annually** or **Periodically** option in the **Maintain and Track Budget Balances** field.
 - Define the period type. Select either **Fiscal** or **Reporting** option in the **Period Type for Budget Year** field.
4. **Budgets per Year (tfbgc1110m000)**
 - Select the **Budget** to be linked, from the Budgets (tfbgc1100m000) session. Define the currency used for budget balance amounts and transactions.
 - Submit the budget for approval, click **Submit for Approval**, the **Status** of the budget is set to **Pending Approval**. If you have appropriate authorizations, you can approve the budget.
 - To approve the budget, click **Approve**, the **Status** of the budget changes to **Approved**.
5. **Budget Accounts (tfbgc1120m000)**
Define the necessary budget account and dimensions. The budget accounts can be used for any budget year.
6. **Budget Structure (tfbgc1130m000)**
Define the budget structure and link the required budget accounts. **Note:** To define a budget structure, the budget must have the status **Modify**.
7. **Budget Structure - Ranges (tfbgc1630m000)**
Define the ranges of budget accounts for the budget structure, if required.

8. Budget Authorizations (tfbgc1170m000)

Define the budget authorizations for a budget at the following levels:

- **Budget Account**
- **Budget Level**
- **Budget Structure**

9. User Profiles (tfbgc1180m000)

Define the user profile. The user can control the budget activities, if you select the **Budget Controller** check box in the User Profile (tfbgc1680m000) session. Set the level of notifications to be received, when an exception occurs. The exception notification can be received for the following levels:

- **Budget Account**
- **Budget Level**
- **Budget Structure**

10. Budgets per Year (tfbgc1110m000)

Click **Import Budgets** to import budget accounts and amounts from an external file. The Import Budgets (tfbgc5100m000) session opens. To import budget details, See: *Import Budget Transactions (p. 16)*.

11. Budgets per Year (tfbgc1110m000)

Click **Create Budget Structure** to add new budget accounts to the budget tree.

12. Budget Amounts (tfbgc1650m000)

Review the budget amounts. To release the budget amounts, See: *To maintain budget amount details (p. 15)*.

13. GL Codes (tfgld4575m000)

Specify the GL code in the **GL Code** field. Select **Ledger Account** and **Used for Budgets** check box. Select **Active** check box to activate the GL code.

14. Transaction Types (tfgld0511m000)

Define transaction types for the following transactions :

- Cost Invoices
- Purchase Corrections
- Invoices related to purchase orders
- Credit notes related to purchase orders
- Journal vouchers
- Recurring Journal Vouchers
- Cash

15. Budgets per Year (tfbgc1110m000)

Select the **Active** check box to activate the budget.

16. Budget Control Policy (tfbgc0110m000)

Select the **Budget Control Active** check box to activate the budget control policy.

To set up budget policy data

In the Budget Control Policy (tfbgc0110m000) session, you can define the budget policy that controls the processing of the active budgets.

The policy specifies how the budgets are controlled for the different document types. The budget control policy settings determine how and when the available budget check is performed.

As part of the data setup, you must define data in the following tabs in the Budget Control Policy (tfbgc0110m000) session.

- **General**

In the **General** tab, perform the following actions:

- Select **Budget Control Active** check box, to activate the budget policy for the budget year.
- Select either **Annual Budget** or **Year-to-Date Budget** option to define the method of checking available budget.
- Select either **Block**, **Warn**, or **Continue** to set the action to be performed when the budget check fails.
- Specify the tolerance amount and the percentage in **Amount** and **Percentage** fields, for which the budget is not blocked.
- To block the finalization process when the budget exceeds the limit, select the **Block Budget Exceptions** option or to allow the finalization process, you must select the **Allow Budget Exceptions** option.

- **Dimensions**

In the **Dimensions** tab, select the dimension types used in the budget accounts.

- **Number Groups**

Define the number groups and series for the budget control transactions such as **Budget Transfer**, **Budget Amendment** and **Budget Control Adjustment**.

- **Purchase Requisitions**

When the **Check Available Budget** check box is selected, the budget check process for the purchase requisitions is performed. The budget is checked at the document entry level when you select the **Document Entry** option or when you submit the document when you select **Document Submittal** option or at document approval process when you select **Document Approval** option. The budget check date can be either requisition date or requested date.

- **Purchase Orders**

When the **Check Available Budget** check box is selected, the budget check process for the purchase orders is performed. The budget is checked either at the document entry level when you select the **Document Entry** option or at document approval process when you select the **Document Approval** option. The budget check date can be either **Order Date** or **Planned Receipt Date**.

- **Receipts**

When the **Check Available Budget** check box is selected, the budget check process for the warehouse receipts is performed. The budget check date can be either **Actual Receipt Date** or **Planned Receipt Date**.

- **Purchase Invoices**

To check the available budget for the following transactions, select the required check box:

- **Invoices**
- **Corrections**
- **Credit Notes**

For invoices and credit notes, the budget is checked either at the document entry level when you select **Document Entry** option or at document approval process when you select **Document Approval** option.

- **Issues**

When the **Check Available Budget** check box is selected, the budget check process is performed. The budget is checked either at the document entry level when you select the **Document Entry** option or at the document approval process when you select **Document Approval** option. The budget check date for orders can be either **Order Date** or **Planned Delivery date**. The budget check date for shipments can be either **Actual Delivery Date** or **Planned Delivery Date**.

- **Journal Vouchers**

To check the available budget for the following transactions, select the required check box:

- **Journal Vouchers**
- **Bank Journals**
- **Standing Orders**

- **History**

Review the details of the user who modified the budget policy and the date of modification. You can also include a note, if necessary.

To maintain budget amount details

Budget structure amounts

The list of budget accounts defined for a budget level and their budget amounts can be viewed in the Budget Structure - Amounts (tfbgc1150m000) session. You can view the overview of all carried forward budget and allotment amounts of the budget accounts for a defined budget structure.

Budget amounts

For each accounting period, the budget amounts can be entered directly for a budget account in the Budget Amounts (tfbgc1650m000) session. The budget is logged by the audit trail, only after the budget is approved or frozen. The budget account can have budget amounts for each budget period and budget year. The number of budget periods that can be used is set in the budget policy and in General Ledger. Budget amounts are expressed in a budget currency and are released or allotted based on a percentage or the amount specified in the **Release Proposal** field.

Budget amount can be used only after the budget is released. The budget checking process is executed only for the released or allotted part of the budget amounts.

To **Release** or **Unrelease** the budget amounts to a single budget account, complete the following steps:

1. Specify the budget amount to be released in the **Release Proposal > Amount** field or specify the percentage of budget amount to be released in the **Release Proposal > Percentage** field.
2. Select either the **Unrelease** or **Release** option to release or hold the budget amounts in the **Release Option**.
3. Click the **Release** button.

To release the budget amounts to a range of budget accounts or budget levels or periods, complete the following steps:

1. Click the **Release Budgets** button, the Release Budgets (tfbgc1200m000) sessions opens.
2. Specify the required range and click the **Release** button.

Reorganize the budget

The budget can be reorganized at the middle of the fiscal year. When there are major changes in the organization, all the transactions of one department must be moved to an other department. You can also rebuild the existing budget and modify the changes. Before you reorganize, copy the current budget to the new budget and approve the budget. Use the Reorganize Budget (tfbgc1250m000) session to reorganize or rebuild the budget.

To reorganize the budget, perform the following actions in the Reorganize Budget (tfbgc1250m000) session:

1. Select the **Reorganize** option.
2. Select the new budget in the **New Budget** field.
3. Select the balance type such as **Commitment** check box to view the different of the balance amounts.
4. Select the **Simulate** option and click **Process** to process the new budget in the simulation mode. Review the results and make changes if necessary.
5. Finally, you can select the **Update** option and click **Process** to process the new budget.

In the Budgets per Year (tfbgc1110m000) session, review the status of the budget. The status changes to **Reorganize**. The budget is also activated automatically.

In the Budget Manager Dashboard (tfbgc3600m000) session, review the old budget balances and budget transactions that are moved to the new budget.

Import Budget Transactions

Many organizations use MS-Excel application to control budget details. The budget details can be imported to LN. To import budget transactions, use the following sessions:

1. **Budgets per Year (tfbgc1110m000)**
Select the budget to which the budget transactions must be imported. Click **Import Budgets**, the Import Budgets (tfbgc5100m000) session opens.
2. **Import Budgets (tfbgc5100m000)**
Click **Show Budget Import Template**, the *budget import template* spread sheet opens. Save the sheet on your local drive in the .CSV format. Click **Import Budget**, the Import Budget (tfbgc5200m000) opens.
3. **Import Budget (tfbgc5200m000)**
Select the spread sheet in the **File Name** field. Click **Import**. Review the confirmation message.
4. **Import Budgets (tfbgc5100m000)**
Review the budget accounts imported. Select a budget account and click **Budget Amounts**. The Import Budget Amounts (tfbgc5110m000) session opens.

5. **Import Budget Amounts (tfbgc5110m000)**
Review the budget amounts, modify the amounts, if necessary.
6. **Import Budgets (tfbgc5100m000)**
Click **Process Imported Budget**, the Process Imported Budget (tfbgc5200m100) session opens.
7. **Process Imported Budget (tfbgc5200m100)**
Select the **Replace Existing Amounts** option and the **Create Budget Accounts** check box to create new budget accounts and replace the existing amounts. Click **Process** button, to process the imported budgets.
8. **Budget Structure (tfbgc1130m000)**
Review the budget structure and budget accounts imported. **Note:** New budget accounts are created and existing budget accounts are not overwritten.

Chapter 4

Budget Check in Procurement

4

Prerequisites to start procurement process

The prerequisites to start procurement process in Budget Control:

- In the Procurement Parameters (tdpur0100m000) session, set **Log Financial Economic Transactions** field to **Order Price** to generate purchase requisitions and purchase orders.
- In the Mapping Scheme (tfgld4573m000) session, create a new mapping scheme and copy the active mapping scheme to the new version.
- Insert the integration document types (IDT) of the budget control. create new element groups for the ledger account and dimensions.

Purchase budget control

You can use budget control to check purchase transactions against available budgets.

For purchase requisitions, orders, and receipts, you can specify if, how, and when budget checks must be executed.

Note

To implement budget control, select the **Budget Control** check box in the Implemented Software Components (tccom0100s000) session.

After the available budget is checked, budget transactions are generated in the Budget Transactions (tfbgc4500m000) session and budget balances are updated in the Budget Balances (tfbgc3500m000) session.

These budget transactions are generated:

- **Purchase requisitions**
Generates budget transactions of the **Commitment** type and updates the commitments budget balance.

- **Purchase orders**
Generates budget transactions of the **Encumbrance** type and updates the encumbrance budget balance.
- **Purchase receipts**
Generates budget transactions of the **Receipt Expense** type and updates the expense budget balance.

If a budget check fails, a budget exception is applicable that must be resolved before the relevant purchase procedure can continue.

Budget control master data

Before purchase transactions can be checked against available budgets, you must set up the budgets.

For more information, refer to:

- *To set up budget control data (p. 11)*
- *To set up budget policy data (p. 13)*
- *To maintain budget amount details (p. 15)*

This table shows the fields that you must specify in the Budget Control Policy (tfbgc0110m000) session to check and update budgets for purchase requisitions, purchase orders, and purchase receipts:

Purchase Requisitions tab	Purchase Orders tab	Receipts tab
Check Available Budget	Check Available Budget	Check Available Budget
Requisition Check Available Budget upon	Purchase Order Check Available Budget upon	Receipts Budget Check Date
Requisition Budget Check Date	Purchase Order Budget Check - Date	
-	Purchase Order Include Tax	-

Check and update the available budget

Budget account distribution (BAD)

The available budget for a purchase requisition line, order line, or receipt line can be checked only if a correct budget account distribution (BAD) is linked to the line. The generated or defaulted BAD is used to link the purchase transaction to the budget.

A BAD requires this data:

- **Financial company**
The financial company is determined based on the requisition's or order's **Purchase Office** field. If no purchase office is specified, LN cannot generate a BAD and check the budget.
- **Ledger account and dimensions**
The ledger account and dimensions are determined based on the requisition or order line's **General Ledger** field. If no general ledger is specified on the line, a default ledger account and default dimensions are retrieved from the Mapping Scheme (tfgld4573m000) session.
- In a requisition line without a project, the ledger account and dimensions mapping is defaulted from integration document type, 10001045 Purchase order/General costs.
- In a requisition line with a project, the ledger account and dimensions mapping is defaulted from integration document type, 10090060 Budget Procurement/On order.
- **Budget check date**
The check date is defaulted from the Budget Control Policy (tfbgc0110m000) session for the relevant document type.
- **Quantity**
A total quantity that must be equal to the line's ordered or received quantity. Therefore, the percentage in the BAD must be equal to 100.

You can view and modify a BAD in the Budget Account Distribution (tcbgc1100m000) session, which you can start by selecting **Budget Account Distribution** from the appropriate menu in these sessions:

- Purchase Requisition Lines (tdpur2502m000)
- Prepare Conversion Purchase Requisition Lines (tdpur2502m100)
- Purchase Order Lines (tdpur4101m000)
- Purchase Order Line Details (tdpur4101m200)
- Purchase Receipts (tdpur4106m000)

Note

If, for example, a purchase requisition line is converted to a purchase order line, the BAD from the requisition line is defaulted and linked to the purchase order line.

Checking and updating the available budget

When the budget is checked for a line, the budget check can fail. In this case, the **Budget Exception** check box can be selected in the applicable session. If this check box is selected, the budget exception must be handled before you can continue with the purchase procedure.

However, the **Budget Exception** check box is selected only if:

- Insufficient budget is available for the checked line
- The **When Budget is Exceeded** field is **Block** in the Budget Control Policy (tfbgc0110m000) session

To resolve the budget exception, you can, for example, change the line amount or the BAD. You can then manually check the budget for lines that have the **Budget Exception** check box selected and have a correct BAD.

To check the budget, select **Check Budget** from the appropriate menu in these sessions:

- Purchase Requisition Lines (tdpur2502m000)
- Prepare Conversion Purchase Requisition Lines (tdpur2502m100)
- Purchase Order Lines (tdpur4101m000)
- Purchase Order Line Details (tdpur4101m200)
- Purchase Receipts (tdpur4106m000)

Note

If insufficient budget is available for a line and the **When Budget is Exceeded** field is:

- **Continue**, the budget transactions are written and the purchase procedure can continue.
- **Warn**, the user is notified about the budget shortage, but the budget transactions can be written and the purchase procedure can continue.

Purchase requisitions

Purchase requisition approval process

When the last approver in the external approval process approves a requisition, the **Spend Approved** check box is selected on the requisition header. Irrespective of the value of the **Requisition Check Available Budget upon** field in the Budget Control Policy (tfbgc0110m000) session, the budget check is automatically executed.

If the **Budget Exception** check box is selected for one or more lines that are not rejected, the requisition cannot be approved. First the budget exception must be handled. To handle the budget exception, requisition lines with the **Spend Approved** check box selected can be modified, as well as the linked BAD. When the budget exceptions are handled for all lines and the budget check is done for all lines, the requisition status changes from **Pending Approval** to **Approved**.

Budget exceptions for rejected lines can be ignored during approval. The commitments for these rejected lines are reversed during final approval.

Purchase requisition conversion process

Approved requisitions can be converted to a purchase order or request for quotation (RFQ).

When a requisition line is converted to a purchase order, the requisition line's **Commitment** transaction is reversed when the purchase order line's **Encumbrance** transaction is booked. The moment of budget checking and encumbrance booking is determined by the **Purchase Order Check Available Budget upon** field in the Budget Control Policy (tfbgc0110m000) session. If this field is **Document Entry**, the requisition commitment is reversed at purchase order line entry. If this field is **Document Approval**, the

check and update are performed at purchase order approval and, therefore, the requisition commitment is reversed when the purchase order line is approved for the first time. The commitment is also reversed when the generated purchase order line is deleted or canceled.

Note

- The link between the requisition and the purchase order line is stored in the Linked Requisition Line Data (tdpur2502s000) and Purchase Order Line - Linked Information (tdpur4502s000) sessions.
- When a requisition line is converted to a purchase order line, the BAD is copied to the order line.

When a requisition line is converted to an RFQ, the requisition line's **Commitment** transaction is not reversed, because budget transactions are not booked for RFQs. The reversal of the commitment booking is done when the generated RFQ is deleted or when it is converted to a purchase contract or price book. When the RFQ is converted to a purchase order, the requisition commitment is reversed when the generated purchase order line is created or approved, dependent on the **Purchase Order Check Available Budget upon** parameter, or when it is deleted or canceled.

Note

- The link between the requisition and the RFQ is stored in the Linked Requisition Line Data (tdpur2502s000) and the link between the purchase order and the RFQ is stored in the Purchase Order Line - Linked Information (tdpur4502s000) and Linked RFQ Data (tdpur1502s000) sessions.
- When a purchase order line is generated from an RFQ line that was generated from a requisition line, the BAD of the requisition line is copied to the order line. The BAD can only be copied if the financial companies of the requisition and order are still the same.
- Converted requisitions can only be deleted if the requisition line's **Commitment** budget transaction was reversed by the linked purchase order line or RFQ line.

Purchase orders

Purchase backorders

After a final receipt, the original purchase order line's **Encumbrance** transaction is reversed for the total line amount. If a backorder line is created, an **Encumbrance** transaction is booked for the backorder line amount. The original order line's BAD is copied to the backorder line.

If the **Combine Open Backorders** check box is selected in the Purchase Order Types (tdpur0194m000) session, an existing open backorder line can be updated with a new backorder quantity.

If this is the case:

1. The existing back order line becomes unapproved
2. You must manually update the linked BAD with the additional quantity

3. The budget is checked
4. If no budget exception is applicable, the back order line is approved again
5. The budget is checked

Note

For potential backorders, the budget is not checked or updated.

Copied purchase orders

The following apply to a copied purchase order line:

- If the line is copied from an actual purchase order line, the linked BAD is also copied.
- If the line is copied from a purchase history line, the BAD cannot be copied.
- If the new line's quantity differs from the quantity on the original order line, the BAD is not automatically updated. You must manually update the linked BAD.

You can copy purchase order lines in the Copy Purchase Order (tdpur4201s000) session.

Purchase return orders

For a **Return Inventory** purchase order line:

- No budget check is executed for the return order line, only a budget balance update.
- If the return order line is linked to an original purchase order line or to an original purchase order receipt, the BAD of the original order line is copied to the return order line.
- When the purchase receipt is confirmed, the **Encumbrance** balance is decreased with the quantity of the return order line and the **Receipt Expense** balance is increased. Therefore, a BAD must be copied or generated for the return order line.

For a **Return Rejects** purchase order line, if the **Payable to Supplier** check box is selected in the Inventory Handling Parameters (whinh0100m000) session, the above actions are also applicable. However, if the **Payable to Supplier** check box is cleared, the budget balance is not updated when rejected goods are returned. The receipt expense is reversed at the moment of rejection.

Purchase additional costs

If lines with additional costs must be added to a purchase order, these additional cost lines are generated during the approval of the purchase order. The budget check and update for these additional cost lines is always executed at line entry. If the budget check fails, the **Budget Exception** check box is selected and the **Approved** check box is cleared for the line.

If the purchase order is modified after approval, the additional costs can be recalculated. Dependent on the **(Re)calculate Additional Costs** field in the Purchase Order Parameters (tdpur0100m400) session, additional costs are recalculated automatically, interactively, or not. When additional costs are recalculated, first the existing additional cost lines are deleted. Next, new cost lines are retrieved and added to the purchase order. For the newly added cost lines, the budget check is executed.

Purchase receipts

In the Purchase Receipts (tdpur4106m000) session:

- The received quantity can be less than or more than the ordered quantity.
- Various purchase receipts can be specified for one purchase order line. The last receipt is the final receipt.
- The budget check and **Receipt Expense** update are performed when the receipt is confirmed. After confirmation, the receipt can still be corrected.

Example

Ordered quantity: 100

Received qty	Final receipt	Budget check	Budget update
60	no	no, (60 is less than 100)	<ul style="list-style-type: none"> ■ Encumbrance-60 ■ Receipt Expense+60
20	no	no, (60+20=80 is less than 100)	<ul style="list-style-type: none"> ■ Encumbrance-20 ■ Receipt Expense+20
10	yes	no, (90 is less than 100)	<ul style="list-style-type: none"> ■ Encumbrance-20 ■ Receipt Expense+10

Received qty	Final receipt	Budget check	Budget update
120	no	yes, for 120 pcs	<ul style="list-style-type: none"> ■ Encumbrance-100 ■ Receipt Expense+120
20	yes	yes, for 140 pcs	Receipt Expense+20

Price and discount change after receipt

When a receipt is registered for an order line, in the Change Price and Discounts after Receipt (tdpur4122m000) session, you can still change price and discounts for the purchase order line.

When a price and discount change is saved, a budget check is executed. If the budget check fails, an error message is given and the change cannot be saved.

Receipt corrections

You can change the received quantity for a confirmed receipt, or make a final receipt non-final in the Correct Purchase Receipt (tdpur4106s100) session.

When a receipt correction is saved, a budget check can be executed. If the budget check fails, a message is displayed and the receipt correction cannot be saved.

These receipt corrections are available:

- **Received quantity is decreased**
No budget check is required, because the received quantity is less than the original quantity. For a final receipt, the BAD must be updated with the new total quantity for the purchase order line. On the budget balance, the **Receipt Expense** is decreased with the quantity decrease. In case of a final receipt, the **Encumbrance** is not increased. In case of a non-final receipt, if the total received quantity is less than the ordered quantity, the **Encumbrance** is increased with the received quantity decrease.
- **Received quantity is increased**
The BAD must be updated and a budget check must be executed. On the budget balance, the **Receipt Expense** is increased with the quantity increase. In case of a final receipt, the **Encumbrance** is not decreased. In case of a non-final receipt, if the total received quantity is less than the ordered quantity, the **Encumbrance** is decreased with the received quantity increase.
- **Final receipt is made non-final**
No budget check is required, because the total quantity is still the same after correction. On the budget balance, the **Receipt Expense** does not change, but the **Encumbrance** is increased if the total received quantity is less than the ordered quantity. If the total received quantity is greater than or equal to the ordered quantity, no update is needed.
- **Non-final receipt is made final**
No budget check is required, because the total quantity is still the same after correction. On the budget balance, the **Receipt Expense** does not change, but the **Encumbrance** is decreased if the total received quantity is less than the ordered quantity. If the total received quantity is greater than or equal to the ordered quantity, no update is needed.

Budget check in procurement

After defining a budget policy for the new budget, you can control the budgets balances using budget accounts. The budget balances are classified in the procurement cycle as below:

- Total estimated budget amount
- Budget allotted or released
- Commitments

- Encumbrance
- Receipt expense
- Other expense

Total Available budget = Allotment - Commitment - Encumbrance - Total Expense.

(Total Expense = Receipt Expense + Expense)

Note

The budget check process can also be executed for the transactions like purchase return order, purchase order with cost item and cost invoice with multi currency.

Budget check in purchase requisitions

Budget check in purchase requisitions

1.

Purchase requisition process

- Create a new purchase requisition line, in the Purchase Requisition (tdpur2600m000) session, specify the item and order quantity.
- Select the requisition line, and click **Budget Account Distribution**. The Budget Account Distribution (tcbgc1100m000) session opens. Delete the line and insert the GLcode defined for the budget account.
- Click **Submit** to submit the requisition. If an exception occurs See: *To handle budget exceptions (p. 41)*.
- Review the status, the **Status** changes from **Created** to **Pending Approval**.
- Approve the requisition, the status changes to **Approved**.
- Click **Convert Purchase Requisitions** to convert the requisition to purchase order.

2.

Budget check process

- The execution of budget check process depends on the parameter option you select in the Budget Control Policy (tfbgc0110m000) > **Purchase Requisitions** tab:
 - At purchase requisition entry when you select **Document Entry** option
 - At submitting the requisition when you select **Document Submittal** option
 - At the approval of requisition when you select **Document Approval** option.

3.**Budget balances**

Review the budget balances. The budget balance of type commitment is updated and the allotment amount is reversed.

- Review the **Commitment** and the **Allotment** fields in the Budget Balances (tfbgc3500m000) session.
- Review the budget transactions generated in the Budget Transactions (tfbgc4500m000) session.

Note

In the Budget Account Distribution (tcbgc1100m000) session, after the budget check process, the **Budget Exception** field is selected when the transaction is blocked or when an exception occurs. You must resolve the exception before you check the budget again. See: *To handle budget exceptions (p. 41)*.

Budget check in purchase orders

1.**Purchase order process**

- Select the purchase order.
- In the Purchase Orders (tdpur4100m000) session, click **Approve** to approve the purchase order.
- Review the budget details.
- Click **Release to Warehousing** to release the order to warehouse.

2.**Budget check process**

- The execution of budget check process depends on the parameter option you select in the Budget Control Policy (tfbgc0110m000) > **Purchase Orders** tab:
 - At purchase order entry when you select **Document Entry** option
 - At the approval of order when you select **Document Approval** option.

3.**Budget Balances**

- Review the budget balances, the budget balance of type encumbrance is updated and commitment is reversed. Review the **Encumbrance** and **Commitment** fields in the Budget Balances (tfbgc3500m000) session.
- Review the budget transactions generated in the Budget Transactions (tfbgc4500m000) session.

Budget check in warehouse receipts

1.

Warehouse receipt process

- Receive the warehouse order in the Warehouse Receipt (whinh3512m000) session.
- Click **Confirm** to confirm the warehouse receipt.

2.

Budget check process

- The execution of budget check process depends on the parameter option you select in the Budget Control Policy (tfbgc0110m000) > **Receipts** tab:
 - On the actual receipt date when you select **Actual Receipt Date** option
 - On the planned receipt date when you select **Planned Receipt Date** option.

3.

Budget Balances

- Review the budget balances, the budget balance of type receipt expense is updated and encumbrance is reversed. Review the **Receipt Expense** and **Encumbrance** fields in the Budget Balances (tfbgc3500m000) session.
- Review the budget transactions generated in the Budget Transactions (tfbgc4500m000) session.

Budget check in purchase invoices

1.

Purchase invoice process

- Create new transaction with the transaction type purchase invoice in the Transactions (tfgl1101m000) session.
- Set the **Invoice Type** to **Invoice Related to Purchase Orders** in the Purchase Invoice Entry (tfacp2600m000) session.
- Specify the **Business Partner**, **Amount** and **Tax Country/Code**. Review the matched invoice with the receipt line in the Matched Invoices by Receipt Line (tfacp2551m000) session.
- If a budget exception occurs, resolve the exception before you check the budget. See: *To handle budget exceptions (p. 41)*.
- Approve the purchase invoice and finalize the transaction batch.

2.**Budget check process**

- The execution of budget check process for invoices and credit notes depends on the parameter option you select in the Budget Control Policy (tfbgc0110m000) > **Purchase Invoices** tab:
 - At purchase invoice or credit note entry when you select **Document Entry** option
 - At the approval of invoice or credit note when you select **Document Approval** option.

3.**Budget Balances**

- Review the budget balances in the Budget Balances (tfbgc3500m000) session.
- Review the budget transactions generated in the Budget Transactions (tfbgc4500m000) session.

Internal Procurement

The internal procurement functionality is used to handle material from a central location warehouse. Purchases made for the internal purpose are handled using internal warehouse orders.

To process an internal warehouse order complete the following steps:

1. Use Purchase Order Lines (tdpur4101m000) session to create a purchase order, specify the **Item, Ordered Quantity, Price** and **Warehouse** code .
2. Approve the purchase order and release the order to Warehousing.
3. Use the Warehouse Receipt (whinh3512m000) session to receive the order and confirm the receipt.
4. Use the Warehousing Order (whinh2100m100) session to create a warehouse order with **Order** set to **Service (Manual)** and **Inventory Transaction Type** set to **Issue**. Save the changes and specify the **Item, Order Price** and **Ordered Quantity** in the order line. **Activate** and **Process** the warehouse order.
5. Review the budget transactions generated in the Budget Transactions (tfbgc4500m000) session and budget balances in the Budget Balances (tfbgc3500m000) session.

Return order

When the material is returned back, create a return order to handle the return order process. To process a return order, complete the following steps in the Warehousing Order (whinh2100m100) session:

1. Create a warehouse return order. Click **Create Return Order** on the previous warehouse order.
2. Set the **Order** to **Service (Manual)** and **Inventory Transaction Type** to **Receipt**. Save changes.
3. **Activate** and **Process** the warehouse return order.

4. Review the budget transactions generated in the Budget Transactions (tfbgc4500m000) session and budget balances in the Budget Balances (tfbgc3500m000) session.
5. When a budget exception occurs, resolve the exception before you check the budget. See: *To handle budget exceptions (p. 41)*.

Financials and Budget Control

When Budget Control is integrated with Financials, budget checks must be executed each time transactions are processed.

Budget checks can be executed for these financial processes:

- *Standing orders (p. 31)*
- *Recurring journal vouchers (p. 32)*
- *Journal voucher (p. 32)*
- *Bank journal (p. 33)*
- *Reverse journal voucher (p. 34)*
- *Purchase invoice corrections (p. 34)*

Standing orders

To create a standing order and check the budget for a standing order, use these sessions:

1. **Cash Management > Manual Cash Transactions > Standing Orders (tfcmg1510m000)**
 - Select the business partner code, and click New to create a new standing order.
 - Set the **Posting Method** to **Costs**, and specify the transaction amount and tax code in the **Transaction Amount** and **Tax Country/Code** fields.
 - On the **Payment Details** tab, specify the **Payment Method** and **Business Partner Bank** codes. Save the changes and from the appropriate menu, click **Maintain Posting Data**. The Posting Data of Standing Orders/Stand-Alone Pmt (tfcmg1115s000) session opens.
2. **Posting Data of Standing Orders/Stand-Alone Pmt (tfcmg1115s000)**

Select the **Ledger Account** and **Tax Country/Code** values. Save the changes. The budget exception error occurs.
3. **Budget Manager Dashboard (tfbgc3600m000) > Budget Balances (tfbgc3500m000)**

Select the standing order and click the **Budget Control Adjustment** button. The Budget Control Adjustments (tfbgc2120m000) session opens.
4. **Budget Control Adjustments (tfbgc2120m000)**

Select the **Budget Account**, specify the amount to be added in the **Amount** field and select the **Reason** for the adjustment. Click **Process** to process the adjustment. The budget amount is released automatically.

5. **Standing Orders (tfcmg1510m000)**
Review the cleared **Budget Exception** check box. Click **Check Budget for Document** to check the budget.
6. **Budget Manager Dashboard (tfbgc3600m000)**
Review the budget balances and budget transactions.

Recurring journal vouchers

To create a recurring journal voucher and check budget for a recurring journal vouchers, use these sessions:

1. **Recurring Journal (tfgld0140m100)**
 - Specify the **Recurring Journal** code and description.
 - Set the transaction type to **Journal Vouchers**.
 - Set the dates in the **Effective Date To** and **Effective Date Range** fields.
 - In the recurring journal vouchers line, select the ledger account from which the amount is transferred and also the ledger account to which the amount is moved. Example, the amount is transferred to Department 2 from Department 1. The transfer can be made any number of times.
 - Set the dates in the **Effective Date To** and **Effective Date Range** fields.
 - On the **Schedule** tab, from the appropriate menu, click **Create Schedule**. The Create Schedule (tfgld0143s100) session opens. Specify schedule data, if necessary.
 - Set the **Recurring Journal Status** to **Released**.
 - Click **Generate Recurring Journal Transactions** from the appropriate menu. The Generate Recurring Journal Transactions (tfgld0240m000) session opens.
2. **Generate Recurring Journal Transactions (tfgld0240m000)**
Click **Generate** to generate the recurring journal transactions. Finalize the batch.
3. **Budget Manager Dashboard (tfbgc3600m000)**
Review the budget balances and budget transactions for the journal voucher.

Journal voucher

To create a journal voucher and check the budget for a journal voucher, use these sessions:

1. **Transactions (tfgld1101m000)**
Select the transaction with the transaction type set to **Journal Vouchers**. The Journal Voucher Documents (tfgld0618m000) session opens.

2. **Journal Voucher Documents (tfgld0618m000)**
 - Create a new journal voucher line, select the ledger account and specify the amount to be moved to another account. Example: Department 1 to Department 2.
 - The budget exception occurs for the department 2.
 - From the appropriate menu, select **Budget Account Distribution**. The Budget Account Distribution (tcbgc1100m000) session opens.
3. **Budget Account Distribution (tcbgc1100m000)**
Review the ledger account and dimensions.
4. **Budgets per Year (tfbgc1110m000)**
Change the **Status** of the budget to **Modify**.
5. **Budget Structure - Ranges (tfbgc1630m000)**
Link the budget account of department 1 to budget account of department 2. Click the **Validate Budget Structure** button to validate the budget structure.
6. **Budgets per Year (tfbgc1110m000)**
Reset the **Status** of the budget to **Approved**.
7. **Journal Voucher Documents (tfgld0618m000)**
Re-check the budget, the budget exception is cleared. Finalize the batch.
8. **Budget Manager Dashboard (tfbgc3600m000)**
Review the budget balances and budget transactions for the journal voucher.

Bank journal

To create a bank journal voucher and check the budget for a journal voucher, use these sessions:

1. **Transactions (tfgld1101m000)**
Select the transaction with the transaction type set to **Journal Vouchers**. The Journal Voucher Documents (tfgld0618m000) session opens.
2. **Journal Voucher Documents (tfgld0618m000)**
 - Create a new journal voucher line, select the ledger account and specify the expense amount. Example: incur bank charges for 10 EUR.
 - Save the changes. If the budget exception occurs, override the exception. Otherwise, finalize the batch.
3. **Budget Manager Dashboard (tfbgc3600m000)**
Override the budget exception, if necessary. Review the budget balances and budget transaction for the journal voucher.

Reverse journal voucher

To create a reverse journal voucher and check the budget for a journal voucher, use these sessions:

1. **Reverse Entry (tfgld1295m000)**
Select the **Transaction Category**, **Transaction Type** and **Document Number**. Specify the new transaction type and click **Continue** to reverse the journal voucher.
2. **Budget Manager Dashboard (tfbgc3600m000)**
Override the budget exception if an exception occurs. Review the budget balances and budget transaction for the journal voucher.

Purchase invoice corrections

To perform purchase invoice corrections and check the budget, use these sessions:

1. **Transactions (tfgld1101m000)**
Select the transaction for which you must make corrections, with the transaction type set to **Purchase Corrections**. The Purchase-Invoice Corrections (tfacp2110s000) session opens.
2. **Purchase-Invoice Corrections (tfacp2110s000)**
3. **Purchase-Invoice Corrections (tfacp2110s000)**
Click **Process** to execute the purchase invoice correction. Finalize the batch.
4. **Budget Manager Dashboard (tfbgc3600m000)**
Override the budget exception if an exception occurs. Review the budget balances and budget transactions for the journal voucher.

Budget Manager Dashboard - overview

Budget manager dashboard provides a complete overview of the budget accounts of a budget. It allows the managers to control and monitor all the budget activities of all the budget structures.

Use the dashboard to perform the following functions:

- Review the accounts that have an exception.
- Maintain the accounts.
- Review the details of budget control balances for a specific budget account in the budgetary roll up structure.
- Review the graphical representation of the budget control roll up structures.
- Navigate all the budget balances and exceptions.

The dashboard displays four different sessions in one frame. The following are the four sessions:

- **Budget Structure Tree**
Use the Budget Accounts Tree (tfbgc3600m100) session, to view the graphical display of all the levels of the budget structure. You can expand each level to view the lower budget levels. When you select a level, the data in all the other panes also changes to display the details of the selected level in the form of budget structure tree.
- **Budget Exceptions**
Use the Budget Exceptions (tfbgc4550m000) session, to view the exceptions with the status Open, for the selected budget structure level or account . You can manage the exceptions directly from the manager dashboard using the options such as budget transfer, override, amendments, adjustments and so on.
- **Budget Annual amounts**
Use the Annual Amounts (for Budget Manager Dashboard) (tfbgc3500m300) session to view the annual budget balance type amounts for the selected budget account. You can also view the balance available amount and also the distribution of budget amounts over budget accounts in a graphical chart. The graphical chart can be a bar chart or a pie diagram.

■ **Budget Balances**

Use the Budget Balances (tfbgc3500m000) session, to view budget balance amounts of all the periods for the selected budget account. When you select a period, you can view all the transactions for the period.

Budget Transfers

Budget amount can be transferred from one budget account to another. After a budget is approved and activated, you can use the Budget Transfers (tfbgc2500m000) session, to transfer the budget amounts for the budget year. You must hold the allotted amount before you transfer the amount.

Note

You cannot transfer a portion of the budget that has already been allotted from a budget account, nor can you transfer more than the amount that has been budgeted.

To transfer the budget amounts, complete the following steps in the Budget Transfers (tfbgc2500m000) session:

1. Select the number series, budget year and budget code in the **Budget Transfer**, **Budget Year** and **Budget** fields respectively.
2. Specify the account from which the amount must be transferred in the **From Budget Account** field, and the account to which the amount must be transferred in the **To Budget Account** field.
3. Specify the reason to transfer amounts in the **Reason** field.
4. Specify the amount to be transferred in the **Transfer Amount** field. The values in the other fields are populated automatically. The maximum amount that can be transferred is displayed in the **Available to Transfer** field.
5. If required, you can change the **Proposed To Budget** amount, the other fields such as **Transfer Amount**, **Release Amount** or **Unrelease Amount** are populated automatically.
6. To unrelease or hold the transferred budget amount automatically from the **From Budget Account**, select the **Direct Unrelease** check box. To release the transferred budget amount automatically, to the **To Budget Account**, select the **Direct Release** check box.
7. The **Unrelease Amount** or the **Release Amount** fields are enabled only if you do not select the **Direct Unrelease** or **Direct Release** check boxes. You can modify the amounts, if necessary.
8. Select the *Unrelease From Budget*, *Transfer Amounts* or *Release To Budget* button to hold, transfer or release the budget amounts.

Note

The budget amounts transferred, updates the budget and the allotment amounts for the account. All the transfers can be tracked and viewed in the Budget Transactions (tfbgc4500m000) session.

Budget Amendments

Budget amendments are the transactions that increase or decrease budgets. Budget amendments can be made for the budget year in the Budget Amendments (tfbgc2540m000) session. You can make the necessary amendments after the budget is approved and activated. Also, you can amend the budget when an exception occurs.

You can perform following types of amendments:

- **Increase Budget**
To increase the budget for a budget account.
- **Decrease Budget**
To decrease the budget for a budget account. You cannot decrease the budget below the current allotment. You must first unrelease the allotted budget and then decrease the budget.

To process a budget amendment, complete the following steps in the Budget Amendment (tfbgc2640m000) session :

1. Specify the reason to amend the budget in the **Reason** field.
2. Specify the amount to be modified in the **Budget Amendment** field.
3. Click the *Process* button, to process the amendment.
4. Review the status, the **Amendment Status** changes from **Open** to **Processed** status.

Note

All budgetary amendments are tracked by a budget control audit trail process.

Budget Adjustments

The budget adjustments can be made to adjust the budget balances or to reverse the budget amounts. To adjust the balance amounts, create a transaction in the Budget Control Adjustments (tfbgc2120m000) session.

Adjustments can be made to the following types of budget balances:

- Commitment
- Encumbrance
- Expense
- Payment
- Budget

You can use adjustments to resolve budget exceptions that occur during the budget check process. You cannot delete or amend the budget adjustment after you save the adjustment and the budget is rechecked,. To readjust or reverse the transaction, you must enter a new transaction.

To adjust the budget amounts, complete the following steps in the Budget Control Adjustments (tfbgc2120m000) session:

1. Select the number series, budget year and the budget code in the **Adjustment**, **Budget Year** and **Budget** fields, respectively.
2. Specify the amount to be adjusted in the **Amount** field and the effective date in the **Effective Date** field.
3. Select the reason to adjust the amount in the **Reason** field. You can attach a document or add a text to specify the reason for the adjustment.

Reconciliation of the budget

In the reconciliation process, all budget transactions must be reconciled with general ledger transactions. The general ledger transactions can originate from integration transactions, journal vouchers, bank journals, standing orders and so on. When budget control functionality is active, the budget transactions are also originated. There can be differences between these transactions due to currency differences, period differences or manipulation of data without executing the budget check.

Note

Before reconciliation, all integration transactions must be mapped. Use the Reconciliation of Budget Balance with GL Balance (tfbgc3110m000) session, to view the financial integration, logistics, general ledger and budget control transactions. You can also make corrections using the Budget Control Adjustments (tfbgc2120m000) and Transaction Entry (tfgl1140m000) sessions.

To reconcile the budget transactions with the general ledger transactions, use the following sessions:

- **Reconciliation of Budget Balance with GL Balance (tfbgc3110m000)**
Click the *Find* button to search the budget to be reconciled. From the appropriate menu, click **Start Reconciliation**; the Start Reconciliation (tfbgc3210m000) session opens.
- **Start Reconciliation (tfbgc3210m000)**
Click **Process** to start the reconciliation process. A report is printed with the differences between budget account amounts and general ledger amounts. For each budget account, reconciliation lines are generated in the Reconciliation of Budget Balance with GL Balance (tfbgc3110m000) session.
- **Reconciliation of Budget Balance with GL Balance (tfbgc3110m000)**
 - Select the budget accounts which do not have differences, and from the appropriate menu, click **Transaction Checked**; the **Checked** check box is selected for the budget account.
 - After all the budget accounts are checked, from the appropriate menu, click **View Differences Only** to view the budget accounts with the differences.
 - Use the Budget Control Adjustments (tfbgc2120m000) and Transaction Entry (tfgl1140m000) sessions to solve the differences.

Export Budget transactions

Budget transactions can be exported to an external file from LN. To export budget transactions use the following sessions in sequence:

1. **Budget Manager Dashboard (tfbgc3600m000)**

In the Budget Balances (tfbgc3500m000) pane, select the budget account and click **Export Balance to Excel**. The Print Budget Balances (tfbgc3400m000) session opens.

2. **Print Budget Balances (tfbgc3400m000)**

- Click **Show Template** to open the default template. Save the spread sheet on your local drive with the .CSV format. You can modify the charts, formula, if required. Save changes and the file is now saved in .xls format. Select the .CSV format file in the **File Name** field.
- Select the .xls format file in the **Open in Spreadsheet** field.
- Click **Print** to print the details to the selected spread sheet.

To handle budget exceptions

Handling exceptions

Following are the various ways in which the budget exception can be resolved or analyzed:

- **Review**
Review the transactions that are **Superseded** or **Handled**.
- **Override**
Select the exception line and click **Override** to override the exception and later approve the exception.
- **Reject**
To reject the exception or undo the rejection or override the exception:
 - Select the exception line and click **Reject** to reject
 - Click **Undo Reject** to undo reject process
 - Click **Undo Override** to undo the override process.
- **Set to Handle**
Set the closed exceptions or open exceptions to the status **Handled**. Select the exception line and click **Set to Handled**.
- **Transfer**
Transfer the budget amounts. Select the line and click **Budget Transfer**, the Budget Transfers (tfbgc2500m000) session opens. See: *Budget Transfers (p. 36)*.
- **Amend or Modify**
Modify the budget details. Select the exception line and click **Budget Amendment**, the Budget Amendments (tfbgc2540m000) session opens. See: *Budget Amendments (p. 37)*.

For each of the above actions, the budget manager can notify the user through e-mail. In the Budget Exceptions (tfbgc4550m000) session, select the exception line and click **Notify** to send notification. The e-mail editor opens, make changes to the content, if required and send the e-mail.

Types of Budget Exceptions

Budget exceptions can occur during the budget check process. The transaction is blocked for further processing until the exception is resolved. Budget managers with proper authorizations can analyze and resolve these exceptions.

Following are the types of exceptions that can occur during the budget check process.

- **Amount exceptions**

When the requested budget exceeds the available budget, a budget exception occurs. If the budget available is insufficient, the budget manager can do the following to resolve the exception:

- Reduce or modify the requested quantities or items to the cost which can fit in the budget.
- Override the exception, if necessary.
- Amend the existing budget or transfer amounts from another budget account.
- Reject the exception and cancel the item.

- **Account exceptions**

Account exception occurs, when the relation between ledger and budget roll-up accounts cannot be determined. When an account exception occurs, the budget manager can do the following:

- Verify whether the account requires budget checking. If the budget check is not necessary, the account can be excluded from the future budget check process. If the budget check is necessary, the account must be added to the budget control roll-up structures.
- Override the account exception.

- **Policy exceptions**

Policy exceptions cannot be overridden, they must be resolved before to save the transaction successfully. Following are the types of policy exceptions:

- Budget policy exception: The budget control policy is not defined for the financial company.
- Structure policy exception: Structures are not assigned for the available budget.
- Date policy exception: When the effective date of the budget transaction does not fall in the range of dates defined in budget control policy, a date policy exception or an associated document date policy exception occurs.

Chapter 7

Year End Processing

7

Year end process

You use the year end procedure to move the closing balances from one year to the opening balances for the next year. If the books are not final and you require the opening balances for the next year, you can run a provisional year closing procedure.

The new budget accounts can be linked to the old budget accounts by using budget account relations defined in the Year-end Budget Account Relations (tfbgc3660m000) session.

Note

When data changes are transferred to the chart of accounts from one fiscal year to the next fiscal year, such accounting changes are also transferred during the year end process.

To execute the year end process, use these sessions:

1. **Budgets per Year (tfbgc1110m000)**
Select the old budget to be copied, and from the appropriate menu, select the **Copy to new Budget or Budget Year** command. The Copy Budget to new Budget or Budget Year (tfbgc1210m000) session opens.
2. **Copy Budget to new Budget or Budget Year (tfbgc1210m000)**
 - Specify the new budget year and code in the **Budget Year** and **Budget** fields.
 - By default, the **Budget**, **Budget per Year**, **Budget Structure** check boxes are selected. Select the **Budget Amounts**, **Budget Authorizations** and **Text** check boxes, if required.
 - Click **Copy** to copy the current budget to the new budget.
3. **Budgets per Year (tfbgc1110m000)**
 - Select the new budget and click the **Submit for Approval** button, the **Status** of the budget changes to **Pending Approval**. Click **Approve** to approve the budget.
 - Select the **Active** check box to activate the budget.
4. **Year-end Budget Account Relations (tfbgc3660m000)**
To define relation between the current budget accounts and the new budget accounts perform the following actions:
 - Select new budget year and budget code in the **To Budget Year** and **To Budget** fields.

- Specify the new budget account in the **To Budget Account** field and select the current account in the **Add a From Budget Account** field.
- Click **Add Account** to relate the current account to new budget account. Repeat the process for all the accounts in the structure.
- Click **Year-end Process**. The Year-end Process (tfbgc3670m000) session opens.

5. Year-end Process (tfbgc3670m000)

- Select the budget year and budget code in the **Budget Year** and **Budget** fields.
- Select the **All** option in the **Carry Forward Available Budget Amounts** field to carry forward all the available budget amounts.
- Select the **Carry Forward Transactions** check box, to carry forward the transactions of type commitments, encumbrances and receipt expenses.
- Click **Process** to execute the year end procedure.

6. Archive Budget Transactions (tfbgc4202m000)

Archive the old budget transactions. Select the range of budgets or budget accounts in the **Budget** and **Account** fields. Click **Archive** to archive the transactions.

7. Delete Budget Control Documents (tfbgc2200m000)

If required, delete the budget amendments, budget transfers or budget control adjustments, for the selected range of budget year and budget.

Budget Control Reports

To review the budget control details, you can generate the following budget control reports:

- **Policy Audit**
The report prints the differences between the two selected budget policies. Use the Print Policy Audit (tfbgc0410m000) session to print the policy audit report.
- **Budget Audit**
The report prints the differences between the two selected budgets. Use the Print Budget Audit (tfbgc1412m000) session to print budget audit report.
- **Budget Transactions**
The report prints all budget transactions based on the selection ranges and balance types. Use the Print Budget Transactions (tfbgc4400m000) session to print the budget transactions report.
- **Budget Exceptions**
The report prints all budget exceptions based on the selection ranges and balance types. Use the Print Budget Exceptions (tfbgc4450m000) session to print the budget exception report.
- **Budget Balances**
The report prints all the annual budget amounts. Use the Annual Amounts (for Budget Manager Dashboard) (tfbgc3500m300) session to print the report. You can also print periodic balances using the Print Budget Balances (tfbgc3400m000) session.

Appendix A

Glossary

A

additional costs

Charges for extra services, such as extra packaging, insurance, and so on. Additional costs are added to the freight costs of a shipment, load, or a freight order cluster. They are levied for shipment lines or freight order cluster lines, which can be invoiced to the customer. This depends on the agreements made with the business partner.

appropriate menu

Commands are distributed across the **Views**, **References**, and **Actions** menus, or displayed as buttons. In previous LN and Web UI releases, these commands are located in the *Specific* menu.

budget account

A budget account generally covers an organized set of activities, programs, or services directed toward a common purpose or goal. Budget accounts are the basic building block of the budget levels in the master budget hierarchy.

budget balance type

The budget balances that must be updated for a transaction such as budget check, release, amendment and budget transfer.

The types of budget balances are:

- **Budget**
- **Allotment**
- **Commitment**
- **Encumbrance**
- **Receipt Expense**
- **Expense**

commitments

Represents the start of a spending process through the generation of a purchase requisition. A commitment sets aside an estimate amount from the budget. This prevents other commitments that could exceed the budget. A commitment is not a legal obligation.

encumbrance

An obligation in the form of a purchase order, contract or salary commitment that is chargeable to an appropriation, and for which part of an appropriation is reserved.

GL code

Represents a ledger account and the corresponding dimensions. GL codes are used to represent ledger accounts to users who are not familiar with the structure of the chart of accounts.

To specific logistic transactions, you can link a GL code. Such integration transactions are mapped directly to the ledger account and dimensions of the GL code, they are not included in the mapping process.

integration document type

Represents a type of Operations Management transaction for the purpose of mapping and posting the integration transactions to Financials and for financial reconciliation.

The integration document types supplied by LN each have the corresponding business object attached to them. For example, the integration document types for the various sales order transactions have the **Sales Order** business object linked to them.

potential backorder

A backorder that must be manually confirmed and that can be modified by the user.

The following can result in a potential backorder:

- The received quantity of the purchase order line is less than the ordered quantity at the time of delivery date.
- The received quantity is partially rejected during inspection.
- The received quantity is equal to the ordered quantity, but the user changes the backorder quantity from zero into a higher value.

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