

## FUNDING YEAR/KEEP & CREATE ACCOUNTS

The primary driver for the keep & create process is the need to report general fund expenditures by the year in which funds were appropriated. Can we change our processes so that we don't need to create new accounts each year?

### PROPOSED CHANGES TO APPROPRIATED OPERATING ACCOUNTS:

Account Type	FMIS Keep & Create	Proposed KFS
General Operating	GL & SL	<ul style="list-style-type: none"> <li>• Spend down all funds</li> <li>• No encumbrances allowed at year-end</li> <li>• Primarily used for payroll</li> </ul>
Special/Revolving	SL only	<ul style="list-style-type: none"> <li>• Comingle expenditures from multiple years</li> </ul>
RTRF	GL & SL	<ul style="list-style-type: none"> <li>• Change how funds are managed                             <ul style="list-style-type: none"> <li>– Modify Executive Policy E5.216</li> </ul> </li> <li>• Comingle expenditures from multiple years</li> </ul>
CTAHR	GL & SL	<ul style="list-style-type: none"> <li>• Manually create sub-accounts to track expenditures by federal fiscal years</li> </ul>
VOC ED	GL & SL	<ul style="list-style-type: none"> <li>• Accounts managed as projects</li> <li>• Manual account creation each year</li> </ul>

### WHAT THAT MEANS FOR YOU:

- ❖ Same account codes will be used every year
  - The last digit of account codes will no longer represent the funding year
  - PNF account codes do not need to be updated each year
- ❖ Prior year encumbrance liquidations will not be easily distinguishable from current year expenditures
  - Will not be able to obtain all E&E related to a particular academic year
- ❖ No general fund encumbrances allowed at the end of the fiscal year
  - To ensure there are no carryovers, use general funds to pay for payroll
  - Payroll encumbrance will not be allowed
    - Include in the next year's payroll projections:
      - After-the-fact and SCOPIS employees – services rendered June 1-30
      - Faculty and lagged employees – services rendered June 16-30
  - Contracts and other current expenses should be paid with non-general funds

### Community Colleges Pilot

The community colleges have been tasked to spend all of their general funds this fiscal year (no encumbrances).

## **BUDGETING**

Budgets must be entered at the account level by object code

- Will create object codes representing A-Personnel/O-Other Current Expense budget pools

KFS does not have quarterly budgeting capability

- Enter full-year budgets
- Will eliminate the need to enter budgets by quarter

Baseline Budget Construction module not user-friendly with limited utility

- Developing an eDoc to load budgets (line item entry on the document or import from spreadsheet)

## **SUFFICIENT FUNDS CHECKING**

Instead of building summary-level edits in the system, spending will be managed either with account-level edits or no edits at all (spending to be managed via reporting). The decision to turn on/off account edits will be made by each campus and/or school.

## **BUDGET MANAGEMENT**

It is unlikely that webBLS and UBUD will be available when we convert to Kualii. Budgets and projections will need to be managed outside the system.

TBD:

- What types of budget reports will be required? How often will they be run? What levels of aggregation?
- How to collect/manage revenue and expenditure projections currently being reported in webBLS (to calculate projected ending cash balance for Special and Revolving funds)?