

# SECTION 5: BUDGETS

## Budget Restrictions

### INTRODUCTION

*Budget Restrictions* provides detailed procedures for recording restrictions of expenditures and/or deferrals of revenue on budget authorizations. Budget restrictions/deferrals are used to reserve part of an authorization that may not be available due to uncollectible appropriated revenues or other agency imposed restrictions.

When an appropriation is funded from budgeted revenues, the appropriation may be spent only to the extent that budgeted revenues are earned. If the budgeted program revenue estimates are higher than the actual revenue the agency can realize during the fiscal period, restrictions are used to adjust authorized expenditure amounts. At the same time that a spending authorization is restricted, the budgeted revenue estimate is deferred. This expenditure authority restriction and corresponding revenue authority deferral protects the agency from incurring obligations not authorized by law. Generally, it is not necessary to defer unbudgeted revenues. Instead of recording a deferral, unbudgeted revenue estimates should be decreased.

Budget restrictions to reduce spending authorizations are generally initiated by the agency to ensure no over-expenditures occur. In some circumstances, restrictions may originate from the Office of Management and Budget. Refer to *Alaska Administrative Manual (AAM) 40.030 - Deferred Revenue Estimates*.

Edits that apply to budget restrictions are: 1) the sum of the total control revenue and the total control expenditure must equal zero; and 2) the absolute revenue value must equal the absolute expenditure value. This maintains the balance of funding sources to expenditure authority in an appropriation recorded by the auto AB process.

### Budget Restrictions and Lapsing

When the annual lapsing program runs on September 1 of each year, AKSAS lapses all unobligated general funds and any remaining unspent balance of the appropriated revenues. AKSAS logic assumes all revenues will be collected, all actual expenditures are funded by appropriated revenues, and any balance remaining is a general fund lapse. For AKSAS to correctly lapse expenditure authority by funding source, unrealized appropriated revenues must be deferred before the lapsing program runs.

### AKSAS TRANSACTIONS

520-10: Budget Restriction

### PROCEDURES

#### **I. Compile source documentation.**

Each agency is responsible for determining when budgetary expenditure restrictions and/or revenue deferrals are required. Documentation might include an analysis of actual expenditures and revenues to date compared to budgeted receipts and projected expenditures and revenues for the remainder of the year.

#### **II. Record (or increase) an expenditure restriction and/or revenue deferral.**

Budgetary transactions are used to adjust budgets by account.

A. From the AKSAS Main Menu, start (or restart) a financial batch. On the Financial Data Entry Menu:

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1. Enter **AB** (Auth Bgt and Restr Rev Est) in the **SELECTION** field.
  2. If your agency uses an easytran shell for entering budget restriction transactions, tab to the **EASYTRAN NUM** field and enter the easytran number for the transaction.
  3. Press <Enter> to display the 520-xx: Appropriation Budget transaction screen.
- B. Enter data in the following fields. For more detailed information on these fields, refer to *Section 4: Financial Transactions & Batch Processing*.
1. **TRANS CODE MINOR** - Enter **10** (Budget Restriction).
  2. **ADDITIONAL AUTH RD** - If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.  
  
*NOTE: Restrictions/deferrals entered after the end of the reappropriation period (July - August) for terminated appropriations require authorization by the Division of Finance as defined in the AKSAS Handy Guide.*
  3. **DOCUMENT NUMBER** - Defaults to the batch and sequence number assigned by AKSAS. No entry necessary.
  4. **SOURCE RD CODE** - Defaults to the AKSAS input (sign-on) RD code. If the default RD code is not authorized to record budget restriction transactions, enter a SOURCE RD CODE as authorized according to department procedures.
  5. **TOTAL AMOUNT** - Enter the sum of the financial line AMOUNT fields. Leave blank if the sum of the financial line amounts equal zero.
  6. **SPREAD AMT (Y/N)** - Defaults to **N** (enter dollar amounts by financial line). No entry necessary.  
  
*NOTE: Although not typically used with this transaction, the SPREAD AMT (Y/N) field can be used to spread the total amount across the financial line amount fields. Refer to Section 4: Financial Transactions & Batch Processing, Common Fields for more information on using this field.*
  7. **DESCRIPTION LONG** - Enter detailed descriptive information, up to 120 characters, for the restriction. The first 20 characters of the first line are used for reporting purposes.
  8. **FISCAL PERIOD CODE** - Defaults to **C** (current fiscal year). If the transaction is not for the current year, P (prior fiscal year) may be entered as defined in the *AKSAS Handy Guide*.
  9. **BUDGET TYPE** - Enter **RST** (restriction).
  10. **DENOMINATOR** - If SPREAD AMT (Y/N) = N, leave blank. If SPREAD AMT (Y/N) = Y, enter the sum of the NMR fields.
  11. **POSTING MONTH** - Leave blank. Defaults to the current posting month. This field is not available for agency use.
- C. Enter **expenditure restriction FINANCIAL** line data to decrease spending authority. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.
1. **AMOUNT** - Enter the amount of the expenditure restriction associated with this financial line with a leading minus (-) sign.

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2. **SY** - Defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the two-digit set-up year associated with the collocation code.
  3. **CC** - Enter the eight-digit collocation code for this financial line.
  4. **PGM** - Enter a five-digit program code if required by your agency for this financial line.
  5. **LC** - Enter an eight-digit ledger code if required by your agency for this financial line.
  6. **ACCT** - Enter a five-digit expenditure (70000 and LLs) account for the AMOUNT entered. The account code entered must be authorized to record budgets, generally logical level 40 or above.
  7. **FY** - Defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter a two-digit federal fiscal year.
  8. **NMR** - If SPREAD AMT (Y/N) = N, leave blank. If SPREAD AMT (Y/N) = Y, enter the percentage or portion of the TOTAL AMOUNT to be distributed to this financial line.
  9. **LINE DESC** - If necessary, enter additional descriptive information for the financial line.
  10. Repeat Steps 1 - 9 to enter additional expenditure restriction financial lines as necessary for this transaction.
- D. Enter **revenue deferral FINANCIAL** line data to defer revenue amounts. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.

***NOTE:** Revenue deferrals are not recorded for expenditure authorizations funded solely by general fund monies. If this transaction does not defer revenue, go to Step IV to submit the transaction for certification.*

1. **AMOUNT** - Enter the amount of the revenue deferral for this financial line as a positive number.
2. **SY** - Defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the two-digit set-up year associated with the collocation code.
3. **CC** - Enter the eight-digit collocation code for this financial line.
4. **PGM** - Enter a five-digit program code if required by your agency for this financial line.
5. **LC** - Enter an eight-digit ledger code if required by your agency for this financial line.
6. **ACCT** - Enter a five-digit restricted revenue account (50000 and LLs) for the AMOUNT entered. The account code entered must be authorized to record budgets (RECORD BUDGETS indicator is YES).
7. **FY** - Defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter a two-digit federal fiscal year.
8. **NMR** - If SPREAD AMT (Y/N) = N, leave blank. If SPREAD AMT (Y/N) = Y, enter the percentage or portion of the TOTAL AMOUNT to be distributed to this financial line.
9. **LINE DESC** - If necessary, enter additional descriptive information for the financial line.
10. Repeat Steps 1 - 9 to enter additional revenue deferral financial lines as necessary for this transaction.

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- E. Press <Enter> to display online errors. Correct errors until the message NO ONLINE ERRORS TO DISPLAY is received. Press <Enter> again to submit the transaction for certification and processing. Refer to the *Appendix* for a list of online errors, warning messages, and corrective actions.

*NOTE: Review any WARNING messages displayed. If these messages do not require correction, press <PF3> to override.*

- F. Go to Step IV to submit the transaction for certification.

### III. Release (or decrease) an expenditure restriction/revenue deferral.

- A. From the AKSAS Main Menu, start (or restart) a financial batch. On the Financial Data Entry Menu:
1. Enter **AB** (Auth Bgt and Restr Rev Est) in the **SELECTION** field.
  2. If your agency uses an easytran shell for entering budget restriction transactions, tab to the **EASYTRAN NUM** field and enter the easytran number for the transaction.
  3. Press <Enter> to display the 520-xx: Appropriation Budget transaction screen.
- B. Enter data in the following fields. For more detailed information on these fields, refer to *Section 4: Financial Transactions & Batch Processing*.
1. **TRANS CODE MINOR** - Enter **10** (Budget Restriction).
  2. **ADDITIONAL AUTH RD** - If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.
  3. **DOCUMENT NUMBER** - Defaults to the batch and sequence number assigned by AKSAS. No entry necessary.
  4. **SOURCE RD CODE** - Defaults to the AKSAS input (sign-on) RD code. If the default RD code is not authorized to record budget restriction transactions, enter a SOURCE RD CODE as authorized according to department procedures.
  5. **TOTAL AMOUNT** - Enter the sum of the financial line AMOUNT fields. Leave blank if the sum of the financial line amounts equal zero.
  6. **SPREAD AMT (Y/N)** - Defaults to **N** (enter dollar amounts by financial line). No entry necessary.  
  
*NOTE: Although not typically used with this transaction, the SPREAD AMT (Y/N) field can be used to spread the total amount across the financial line amount fields. Refer to Section 4: Financial Transactions & Batch Processing, Common Fields for more information on using this field.*
  7. **DESCRIPTION LONG** - Enter detailed descriptive information, up to 120 characters, for the restriction. The first 20 characters of the first line are used for reporting purposes.
  8. **FISCAL PERIOD CODE** - Defaults to **C** (current fiscal year). If the transaction is not for the current year, P (prior fiscal year) may be entered as defined in the *AKSAS Handy Guide*.
  9. **BUDGET TYPE** - Enter **RST** (restriction).
  10. **DENOMINATOR** - If SPREAD AMT (Y/N) = N, leave blank. If SPREAD AMT (Y/N) = Y, enter the sum of the NMR fields.

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11. **POSTING MONTH** - Leave blank. Defaults to the current posting month. This field is not available for agency use.
- C. Enter **expenditure FINANCIAL** line data to release or decrease an expenditure restriction. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.
1. **AMOUNT** - Enter the expenditure restriction amount to be released or decreased with this financial line as a positive number.
  2. **SY** - Defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the two-digit set-up year associated with the collocation code.
  3. **CC** - Enter the eight-digit collocation code used to record the original expenditure restriction.
  4. **PGM** - If a program code was used in the original expenditure restriction, enter that five-digit program code.
  5. **LC** - If a ledger code was used in the original expenditure restriction, enter that eight-digit ledger code.
  6. **ACCT** - Enter the five-digit expenditure (70000 and LLs) account used to record the original expenditure restriction.
  7. **FY** - Defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter a two-digit federal fiscal year.
  8. **NMR** - If SPREAD AMT (Y/N) = N, leave blank. If SPREAD AMT (Y/N) = Y, enter the percentage or portion of the TOTAL AMOUNT to be distributed to this financial line.
  9. **LINE DESC** - If necessary, enter additional descriptive information for the financial line.
  10. Repeat Steps 1 - 9 for each expenditure restriction to be released or decreased with this transaction.
- D. Enter **revenue deferral FINANCIAL** line data to release or decrease the original revenue referral. If the original budget restriction transaction did not have revenue deferral lines, go to Step IV to submit the transaction for certification. Refer to *Section 4: Financial Transactions & Batch Processing* for more information about financial fields.

**NOTE:** *Revenue deferrals are not recorded for expenditure authorizations funded solely by general fund monies. If this transaction does not release or decrease a revenue deferral, go to Step IV to certify the transaction.*

1. **AMOUNT** - Enter the revenue deferral amount to be released or decreased with this financial line with a leading minus (-) sign.
2. **SY** - Defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made. If the default value is not correct, enter the two-digit set-up year associated with the collocation code.
3. **CC** - Enter the eight-digit collocation code used to record the original revenue deferral.
4. **PGM** - If a program code was used in the original revenue deferral, enter that five-digit program code.
5. **LC** - If a ledger code was used in the original revenue deferral, enter that eight-digit ledger code.

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6. **ACCT** - Enter the five-digit restricted revenue account (50000 and LLs) used to record the original revenue deferral.
  7. **FY** - Defaults to the current federal fiscal year if no entry is made. If a federal fiscal year is required by your agency and the default value is not correct, enter a two-digit federal fiscal year.
  8. **NMR** - If SPREAD AMT (Y/N) = N, leave blank. If SPREAD AMT (Y/N) = Y, enter the percentage or portion of the TOTAL AMOUNT to be distributed to this financial line.
  9. **LINE DESC** - If necessary, enter additional descriptive information for the financial line.
  10. Repeat Steps 1 - 9 for each revenue referral to be released or decreased with this transaction.
- E. Press <Enter> to display online errors. Correct errors until the message NO ONLINE ERRORS TO DISPLAY is received. Press <Enter> again to submit the transaction for certification and processing. Refer to the *Appendix* for a list of online errors, warning messages, and corrective actions.

**NOTE:** Review any WARNING messages displayed. If these messages do not require correction, press <PF3> to override.

### IV. Submit the transaction for certification.

Budget restriction transactions require certification. Submit the transaction and related backup to the appropriate individual in your agency for certification according to department procedures. Refer to *Section 2: AKSAS Security & Authorities, Certifying Officer Authority* for more information.

### V. Verify the transaction processed.

For more information regarding batch maintenance, refer to *Section 4: Financial Transactions & Batch Processing*.

- A. The next morning, check DM - Maintain Batches to determine if the budget restriction transaction processed successfully. If the transaction did not process, view the transaction and determine the corrective action. If necessary, resubmit the corrected transaction for certification and processing. Refer to the *Appendix* for a list of error messages and corrective actions.
- B. Once the transaction has processed successfully, review the Financial Transaction (FTP) Register to verify all processed information for the transaction is correct. If the results of the processed transaction are not as intended, correct the error using a new 520-10: Budget Restriction transaction.

### VI. Archive/file processed transactions.

Maintain copies of the processed transactions and related backup according to department procedures.

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### ACCOUNTING ENTRIES

The following table shows the actual accounting entries recorded in AKSAS as a result of processing a 520-10: Budget Restriction transaction. The accounting entries with a financial source code of UD (user-defined) are entered in the transaction by the user.

A 520-10: Budget Restriction transaction records a memo accumulator entry (posting type 08) that is used in the available balance calculation of appropriations. Expenditure restrictions and revenue deferrals have no system-generated offsetting entry and are not accounted for as part of the budgetary reserves of the funds.

#### **520-10: Budget Restriction**

	<b>Collocation Code</b>	<b>Account</b>	<b>Posting Type</b>	<b>Financial Source</b>
Expenditure Restriction	Entered by user	Expenditure	08	UD
Revenue Deferral	Entered by user	Restricted Revenue	08	UD

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520-10: Budget Restriction Screen											
FDE 520-XX: APPROPRIATION BUDGET					B 1298799 S 0001						
TRANS CODE MINOR		____			ADDITIONAL AUTH RD		_____				
DOCUMENT NUMBER		_____									
SOURCE RD CODE		_____									
TOTAL AMOUNT		_____			SPREAD AMT (Y/N) N						
DESCRIPTION LONG		_____									
_____		_____									
_____		_____									
FISCAL PERIOD CODE		C	BUDGET TYPE		_____		DENOMINATOR		_____	POSTING MONTH	_____
FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMR	MORE FINS N		
1	_____	_____	_____	_____	_____	_____	_____	_____	_____		
	LINE DESC	_____									
2	_____	_____	_____	_____	_____	_____	_____	_____	_____		
	LINE DESC	_____									
3	_____	_____	_____	_____	_____	_____	_____	_____	_____		
	LINE DESC	_____									
4	_____	_____	_____	_____	_____	_____	_____	_____	_____		
	LINE DESC	_____									
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---											
UPDAT QUIT		SUBMT ERRS		BASE FINS		PFKYS		HELP			

SCREEN ACCESS

Use the 520-xx: Appropriation Budget transaction screen to record expenditure restrictions and revenue deferrals.

1. At the AKSAS Main Menu, enter **DS** (Start/Restart Batch) in the **SELECTION** field. Press <Enter> to display the Start/Restart Batch - Selection screen.
2. At the Start/Restart Batch - Selection screen, enter **F** (Financial) in the **BATCH TYPE** field. Press <Enter> to display the Financial Data Entry Menu.
3. At the Financial Data Entry Menu, enter **AB** (Auth Bgt and Restr Rev Est) in the **SELECTION** field. Press <Enter> to display the 520-xx: Appropriation Budget transaction screen.

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520-10: Budget Restriction Field Entry Table		
Field Name	Field Value	Comments
FDE	DISPLAY ONLY	Displays the financial data entry transaction code for this transaction.
B	SYSTEM-ASSIGNED	System-assigned batch number.
S	SYSTEM-ASSIGNED	System-assigned sequence number for this batch.
<b>TRANS CODE MINOR</b>	REQUIRED <b>10</b> Budget Restriction	Identifies the specific type of budgetary transaction.
ADDITIONAL AUTH RD	OPTIONAL  If this transaction requires additional authorization, enter the RD code of the person who will authorize this transaction.  If adding or changing a restriction against a terminated appropriation after the end of the reappropriation period, enter 120. Refer to the <i>AKSAS Handy Guide</i> .	Identifies an approval authority associated with this budget transaction.  Restrictions against terminated appropriations entered after the end of the reappropriation period require approval by the Division of Finance.
<b>DOCUMENT NUMBER</b>	REQUIRED, defaults to batch and sequence number assigned by AKSAS if left blank.  An agency-assigned processed document identifier, up to 13 alphanumeric characters, may be entered.	Processed document identifier.
<b>SOURCE RD CODE</b>	REQUIRED, defaults to the AKSAS input (sign-on) RD code.  If the default RD code is not authorized to record budget restrictions, enter a SOURCE RD CODE as authorized according to department procedures.	Identifies the person authorized to record this transaction.
<b>TOTAL AMOUNT</b>	REQUIRED  Enter the sum of the financial line AMOUNT fields. Up to 13 digits (11 to the left of the decimal, 2 to the right).	This field must equal the sum of the financial line AMOUNT fields.
<b>SPREAD AMT (Y/N)</b>	REQUIRED, defaults to N.  No entry necessary. The default value N is generally used for budgetary transactions.	Indicates whether the TOTAL AMOUNT should be entered by financial line (N) or automatically spread across all financial lines (Y). Refer to <i>Section 4: Financial Transactions &amp; Batch Processing, Common Fields</i> for more information.
<b>DESCRIPTION LONG</b>	REQUIRED  Enter descriptive information, up to 120 characters, for this transaction. The first 20 characters are used on reports.	Descriptive information for the transaction.

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520-10: Budget Restriction Field Entry Table		
Field Name	Field Value	Comments
<b>FISCAL PERIOD CODE</b>	<p>REQUIRED, defaults to <b>C</b>.</p> <p><b>C</b> Current fiscal year <b>P</b> Prior fiscal year</p> <p>If the default value is not correct for this transaction, refer to the <i>AKSAS Handy Guide</i> to determine the code.</p>	Identifies the state fiscal year (chart of accounts year) associated with this transaction.
<b>BUDGET TYPE</b>	<p>REQUIRED</p> <p><b>RST</b> Restriction</p>	Identifies the budget transaction as a restriction.
<b>DENOMINATOR</b>	<p>REQUIRED, if SPREAD AMT (Y/N) = Y.</p> <p>Enter the sum of the NMR fields.</p>	With the NMR, defines the percentage or portion of the TOTAL AMOUNT to be distributed to each financial line.
<b>POSTING MONTH</b>	NOT USED FOR THIS TRANSACTION	Identifies the fiscal year month in which this transaction is processed. This field is not available for agency use.
<b>Financial Line Fields - The following fields define the accounting structure to which the budget restriction/revenue deferral is recorded. For additional information about financial fields, refer to Section 4: Financial Transactions &amp; Batch Processing.</b>		
<b>AMOUNT</b>	<p>REQUIRED</p> <p>Enter the dollar amount for this financial line. Up to 11 digits (9 to the left of the decimal, 2 to the right).</p> <p><b>Expenditure restriction:</b> To record or increase an expenditure restriction, enter the amount with a leading minus (-) sign. To release or decrease an expenditure restriction, enter the amount as a positive number.</p> <p><b>Revenue Deferral:</b> To record or increase a revenue deferral, enter the amount as a positive number. To release or decrease a revenue deferral, enter the amount with a leading minus (-) sign.</p>	The restriction dollar amount associated with this financial line.
<b>SY</b>	<p>REQUIRED, defaults to the fiscal year associated with the FISCAL PERIOD CODE if no entry is made.</p> <p>If the default value is not correct, enter the 2-digit set-up year associated with the collocation code.</p>	Identifies the set-up year associated with the collocation code. The set-up year must be valid for the FISCAL PERIOD CODE entered.
<b>CC</b>	<p>REQUIRED</p> <p>Enter the 8-digit collocation code for this financial line.</p>	With the set-up year, identifies the accounting structure (fund, appropriation, organization, internal program) for this financial line.
<b>PGM</b>	<p>OPTIONAL</p> <p>Enter a 5-digit program code if required by your agency for this transaction.</p>	Identifies the external program for this financial line.

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520-10: Budget Restriction Field Entry Table		
Field Name	Field Value	Comments
LC	<p>OPTIONAL</p> <p>Enter an 8-digit ledger code if required by your agency for this transaction.</p>	Identifies a combination of project, contract, and/or grant for this financial line.
ACCT	<p>REQUIRED</p> <p><b>Expenditure Restriction:</b> Enter a 5-digit expenditure (70000 and LLs) account for the AMOUNT entered. Generally a logical level 40 or above account code.</p> <p><b>Revenue Deferral:</b> Enter a 5-digit restricted revenue (50000 and LLs) account for the AMOUNT entered. The account code entered must be authorized to record budgets.</p>	Identifies the account to which this financial line will be recorded.
FY	<p>REQUIRED, defaults to the current federal fiscal year if no entry is made.</p> <p>If a federal fiscal year is required by your agency and the default value is not correct, enter a 2-digit federal fiscal year.</p>	Identifies the federal fiscal year if a federal program is associated with this financial line.
NMR	<p>REQUIRED, if SPREAD AMT (Y/N) = Y.</p> <p>Enter the percentage or portion of the TOTAL AMOUNT to be distributed to this financial line.</p>	With the DENOMINATOR, defines the percentage or portion of the TOTAL AMOUNT to be distributed to this financial line.
LINE DESC	<p>OPTIONAL</p> <p>Enter additional descriptive information, up to 40 characters, for the financial line.</p>	Additional descriptive information for the financial line.