Quarterly Amendment Review Best Practices

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Quarterly Amendment Review Best Practices

Purpose of Document
This document is to serve as general guidelines on steps a user can take to evaluate and research Quarterly Amendment Review (QAR) needs and determine what action to take, if any.

Standard Operating Procedures for the QAR can be found on the University Budget Office website.

Running the QAR Report
Login into the UGA Budget Management system

Click Explore (top left side, above home page tab)
Click open UGA Reports (Current), the Department folder, then double click the Quarterly Amendment Review.

Enter D and then the Financial Department.
Quarterly Amendment Review Best Practices

Quarterly Amendment Review

Check the POV and make sure Period is set to **Period: YTD-Jun**, Year is set to **Year: FY20** and BudRef is set to **BudRef: BR20**. All other dimensions should be set to **ALL** or the same name (e.g. Chartfield1: Chartfield1) in order to see total balances.

![Filter Options](image)

**Reviewing the QAR**

**Step 1. Look for overdrafts**

After running the QAR report, review the balances to check for any overdrafts. All fund codes starting with a “1” need to be reviewed and have a positive balance by the QAR deadline each quarter. Any fund codes with a 2 or higher can be ignored for this review process.

What’s good? A positive balance in black indicates the department does not have an overdraft. See Example 1 to see what a desirable balance in the various fund codes is.

What’s bad? A negative balance in red indicates an overdraft. See Example 2 for what will require action by the unit/department.

**Example 1. No Overdrafts:** No action is required by the department because all fund codes beginning with 1 have a positive balance.
Example 2. Overdrafts are Present: Action is required by the department because Fund 10000 – RI-State Appropriations has a negative balance in their Personal Services balance.

Step 2. Expand Report
This report has the ability to expand the departments to help determine which department(s) caused the overdraft.

Expand Department by clicking the arrow(s): user can continue to expand until it is expanded to the bottom level. At this point, user has identified the department, fund and the $ amount that is overdrawn.
Step 3: Determine Action

There are three primary overdraft types that will require different action.

- Personal Services or Non-Personal Services is overdrafted, but there is enough balance in the other to cover the overdraft.
  - This scenario can be resolved by transferring money between account types, increasing total fund budget, or by moving actuals.
- Personal Services or Non-Personal Services are both overdrafted, and there is not enough balance to cover the overdraft.
  - This scenario can be resolved by increasing total fund budget or by moving actuals.
- Revenue is overdrafted because actual revenue is more than budgeted revenue.
  - This scenario can be resolved by increasing the revenue budget.

Budget Journals

Users are advised to create budget journals/transfers one of two ways:

1. Budget journals or budget transfers. This tool is found within the UGA Financial Management System.

   Budget Journal:
   
   [Link to Budget Journal]

2. Budget Amendment- This tool is found within the UGA Budget Management System. Users will create a budget journal through the amend tool that assists in finding available money.

   [Link to Budget Amendment]
<table>
<thead>
<tr>
<th>Quarterly Amendment Review</th>
<th>Budget Management</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The following pages offer some examples that might occur when a user is running and researching the QAR report.

Example 1. Moving money between account codes within the same fund code.

One way to clear the Personal Services overdraft is by moving $1,850 from Non-Personal Services to Personal Services from the same Fund Group 10000 – RI-State Appropriations.
Example 2. NonPersonal Services overdrafted.

In this example, the overdraft is caused by one department which effects the overall Nonpersonal Services.

There are 2 ways to clear the Non-Personal Services overdraft. One way is by moving $1,447 from another department’s Personal Services. The second way is by taking $1,345 from the overdrafted department and then take the balance of $102 from another department all within the same Fund 10000 – RI-State Appropriations.
Example 3. Overdrafted with limited funds.

In this example, there are not enough funds to cover Fund 10600-RI-Other General. There are several ways to correct this overdraft. One way is to ask the intermediate unit for additional money. The second way is to move $8,738 from Non-Personal Services to Personal Services within the same Fund 10600-RI-Other General which will still leave a negative balance of $2,612. The last way is to move actual expenses from Fund 10600-RI-Other General to Fund 10000-RI-State Appropriations. Users could also do a mixture of multiple options.
Example 4. Departmental Sales Overdrafted

In this example, the overdraft is caused by Personal Services.

The best way to clear the Personal Services overdraft is by moving $5,778 from Fund 14100-Departmental Sales and Service either by taking the money from Revenue or Non-Personal Services.
Step 4. Run Additional Reports

There are additional reports that a department can run within UGA Budget Management to determine how to clear overdrafts. These reports can be found in UGA Budget Management System under Reports → Department.

- **Chartstring Budget Detail** – report can be used to see which chartstrings are overdrafted. The report shows Department, Fund, Program, Class, Location, Chartfield1, Current Budget, Encumbrance, Actuals, and Balance.

- **Quarterly Amendment Review Detail** – report shows the same data as QAR with the ability to drill in to all chartfields. Also includes Current Budget, Actuals, and Encumbrances.

- **Department Detail by Fund** – report shows the detail Department, Fund, and Account codes and can be used as a concise report to show responsible departments that they are overdrafted in a particular area.

- **Monthly Overdraft Report** – report shows only the overdrafted balances of chartstrings so users can see where they have overdrafted. The report shows Department, Fund, Program, Class, Account, Current Budget, Actuals, Encumbrances, and Balance.

Users are also encouraged to use the Data Warehouse’s Budget Status Report, UGA Financial Management’s Budgets Overview Page and UGA Financial Management’s queries such as UGA_KK_DEPT_EXP_REV_BALS - Departmental Budget Balances.
Example 1. Chartstring Budget Detail

This report is for an overdraft seen on the Quarterly Amendment Review.

Below are the prompts used for running the Chartstring Budget Detail report. The department and fund were specified in the prompts so only the related chartstrings will be shown on the report.

This report provides the exact chartstring of where the overdraft has occurred for department and fund 10600. In this example, the overdrafts occurred because there are encumbrances with no budget associated.
Example 2. Quarterly Amendment Review Details

This report provides the same initial level of detail as the QAR report with the ability to drill in to specific chartfield members and see the chartstring that the overdraft is on. Users will run this report the same as the QAR, and then click on the triangles in the desired row to drill in to a more detailed view of the data.
Below is an example of how a user can expand specific chartfield values to better understand where they are overdrafted.

```
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```
Example 3. Department Detail by Fund
This report provides a drop down of the Fund codes and Departmental tree. Users can find the specific Fund Department combination that is overdrafted and provide a pdf of this report to the users that are responsible for correcting these overdrafts.
Example 4. Monthly Overdraft Report

This report shows the overdrafted balances of chartstrings so users can see where they have overdrafted. This report will be emailed to the intermediate units on a monthly basis to keep them aware of their current overdrafts.