

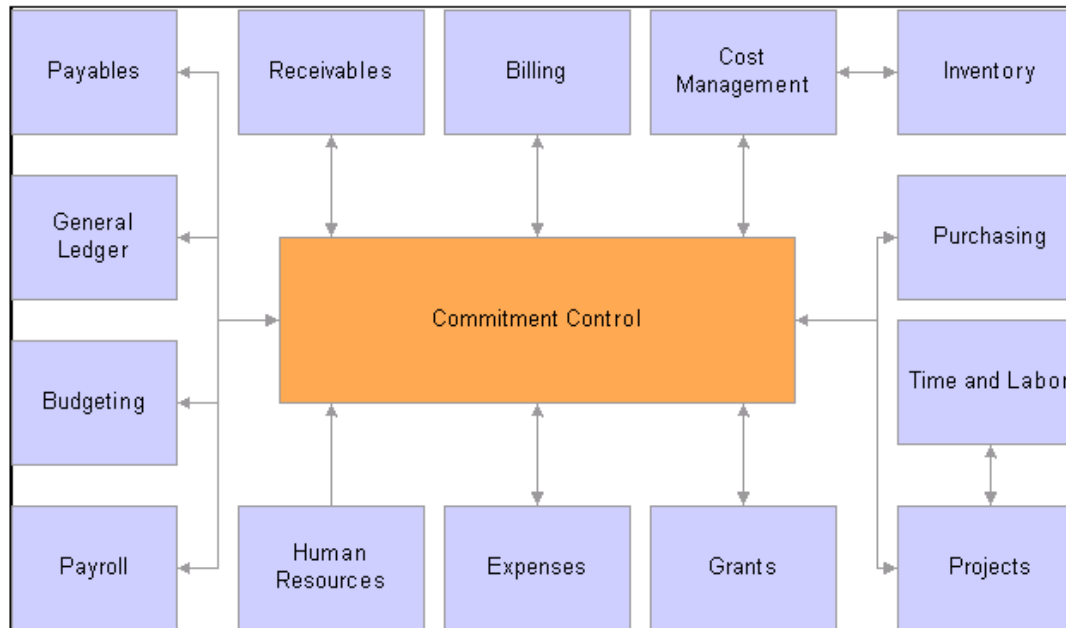


PeopleSoft Commitment Control Grants Contracts

Commitment Control

➤ PeopleSoft Commitment Control (KK) integrates with the following PeopleSoft applications

- You can enable and disable Commitment Control for specific applications

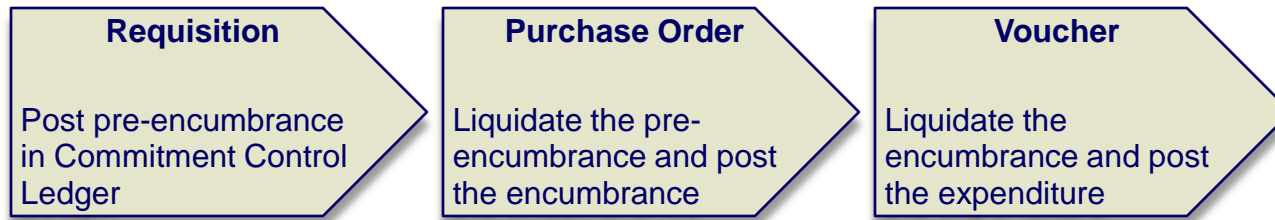


- If you disable an application, the Budget Processor bypasses all transactions initiated from the application as well as all transactions sent from the application directly to the General Ledger to be processed as journal entries, even if General Ledger is enabled for Commitment Control.

Commitment Control

➤ Commitment Control enables you to:

- Create and maintain control budgets.

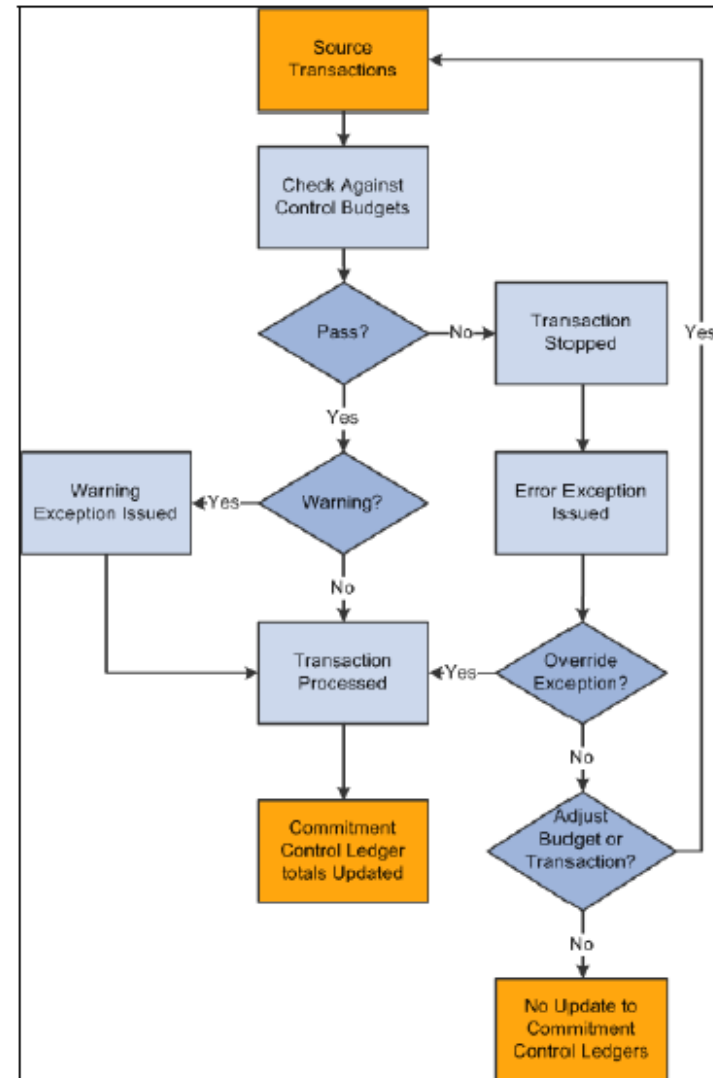


- Check recognized revenue against revenue estimate budgets.
- Depending on how you set up security, users can adjust a transaction that fails budget checking or adjust the budgets that the transaction failed against and budget-check the transaction again. Also, if you grant users the authority, users can override budget checking and allow a transaction to exceed the budget.
- Some expenditure ledger groups may also include a planned ledger, which can be used for planned expenditures that have not yet solidified to the point of the need for the issuing of a requisition.
- You can build a hierarchy between budget definitions such that a parent budget has one or more child budgets. For example, you might have an appropriation budget that is a parent to multiple organization budgets.

Commitment Control

➤ Budget Checking Process

- When a transaction exceeds the available budget amount, the system either stops the transaction and issues an error notice or passes the transaction with a warning notice, depending on the processing rules.
- You can include expenditure budget tolerances and link revenue budgets to increase available spending
- You can provide early warnings of possible future budget exceptions. Such warnings are triggered when commitments and expenditures reach a predetermined percentage of the total budgeted amount.
- A budget tolerance (variance over budget) can be set at any level.



Commitment Control

➤ Budget Control Options

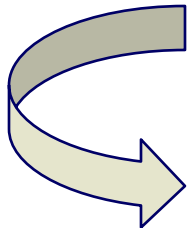
- Control
 - Strictly control transactions against budgeted amounts. Error exceptions are logged when transactions exceed the budgeted amount.
- Tracking with Budget
 - Track transaction amounts against a budget, but do not issue error exceptions unless no corresponding budget row exists. Pass if budget row exists, even for a zero amount, but issue warnings when transactions exceed the budgeted amount.
- Track without Budget*
 - Track transactions even if no budget setup exists. If a budget row does exist, warnings will be logged when transactions exceed the budgeted amount. If no budget row exists, no warning is issued.
- Control Initial Document
 - Control expenditures against the initial document only. Transactions are stopped and error messages issued only if budget constraints are exceeded when the initial document is processed. Transactions that pass budget checking on the initial document, such as a purchase requisition, are automatically passed on all subsequent documents, such as a purchase order or payment voucher, even if budget constraints are exceeded when they are processed.

*Currently used by City for encumbrance tracking

Commitment Control

➤ Budget Setup

- You usually set up budget control at a summarized ChartField value level instead of establishing a budget for each detail ChartField value combination. You set up ChartField translation trees to roll detail (transaction level) values up to budgetary-level values.

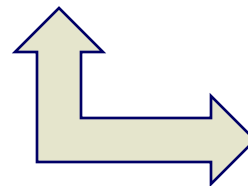


Summary Budgetary Chartfield Value Level	Detail Chartfield Value Level
Account 701000	Account 701500 rolls up to 701000
	Account 701600 rolls up to 701000
	Account 701700 rolls up to 701000
Org K1000	Org K1110 rolls up to K1000
	Org K1121 rolls up to K1000

You can load budget by Quarter but budget check by Year



BUDGET LOADED				
Fund	Account	Dept	Budget Period	Budget Amount
10200	701000	K1000	Q12010	\$5,000
10200	701000	K1000	Q22010	\$4,000
10200	701000	K1000	Q32010	\$2,000
10200	701000	K1000	Q42010	\$1,000



Note:

When you define an Account ChartField value you can select the option to do a KK override, then the account value is not subject to budget controls and will always pass budget checking.