

Oracle ERP Cloud Budgetary Control

A Case Study

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Introduction

This paper describes the key implementation decisions a small city makes in configuring Oracle ERP Cloud Budgetary Control to manage its finances.

Before beginning their implementation, the key people involved should first read [Oracle Financials Cloud Introduction for CFOs and System Integrators](#), a case study that introduces and explains the key concepts of Oracle Financials Cloud. That case study concerns a commercial enterprise but the information applies equally to state and local governments and other public sector organizations. This paper will extend those concepts to a public sector implementation using Oracle Financials Cloud.

Welcome to Vision City

Vision City is a small fictional city in northern California. The city purchases Oracle ERP Cloud to address the following requirements:

- » Better analytics during budget preparation/planning to budget execution cycle
- » Improved analysis and monitoring of budget consumption
- » Increased visibility of budget issues for transaction users
- » Streamlined legal and management reporting

Key Funds and Funding Sources

The main revenue sources are sales tax and property tax. The main citywide expenditures that must be budgetary controlled are in the General Fund.

Citywide Expenditures FY2013-14

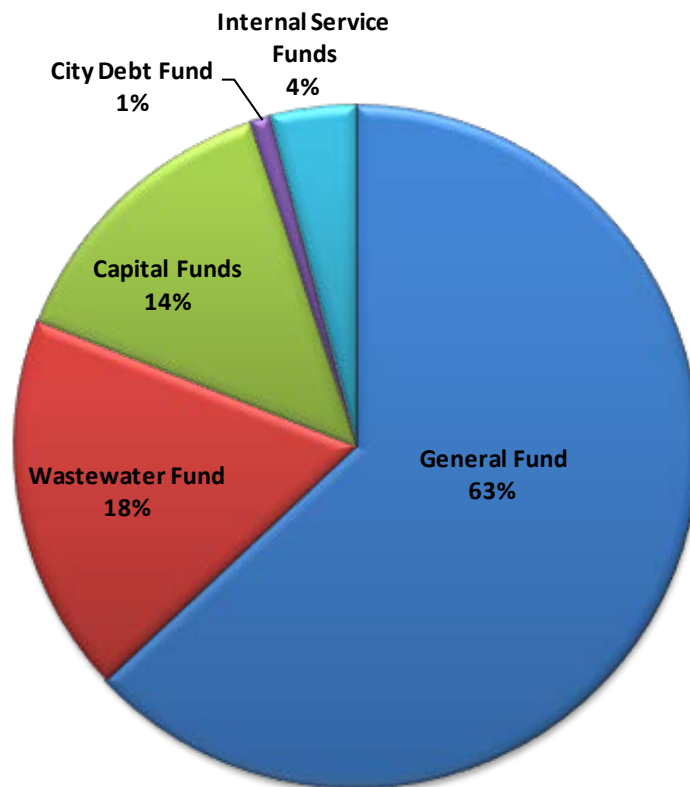


Figure 1. Expenditures by Fund

The following five areas of expenditures are funded by the General Fund:

- » General Government
- » Public Safety (Police and Fire)
- » Parks and Recreation
- » Community Development
- » Public Works

General Fund Expenditures FY 2013-2014

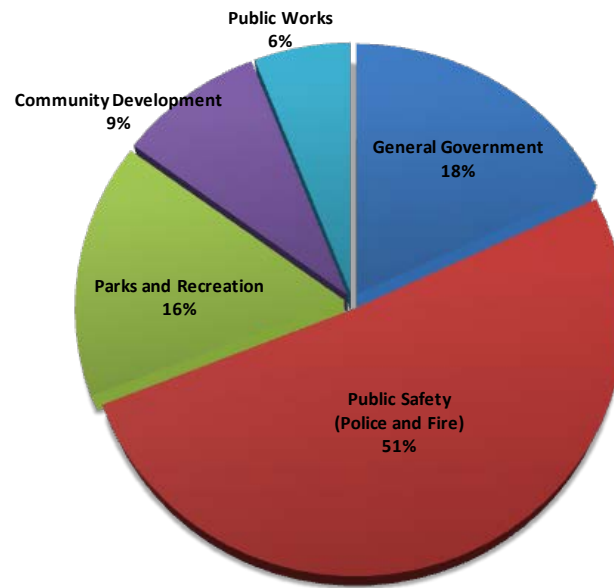


Figure 2. General Fund Expenditures

Vision City Organization

The Vision City government is organized into departments, with lower-level departments rolling up to higher-level or parent departments:

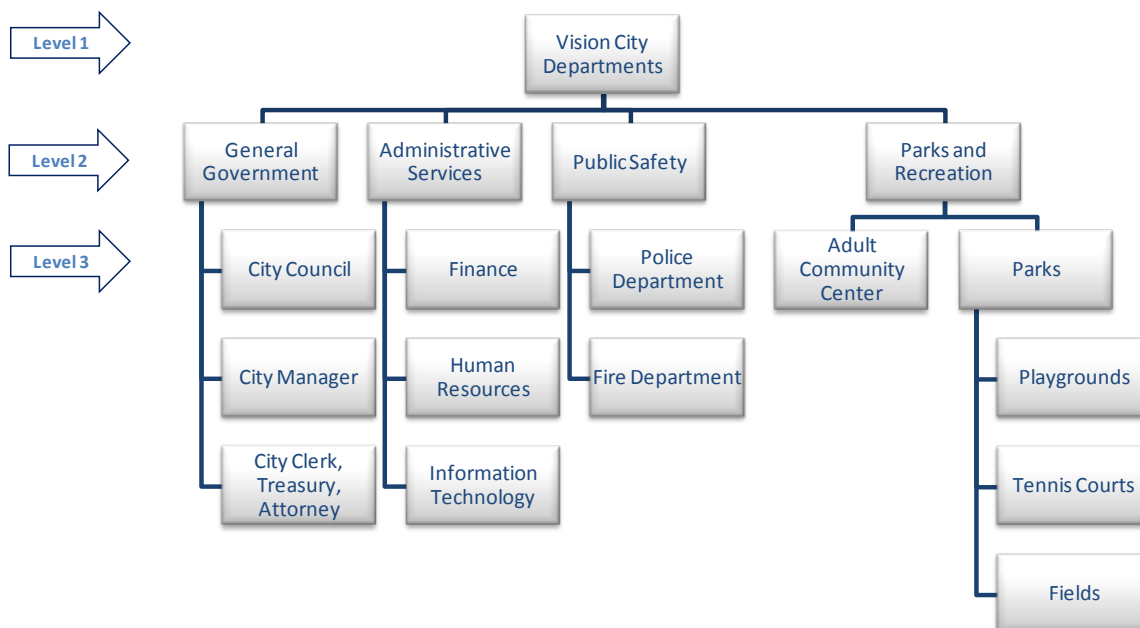


Figure 3. Vision City Department Hierarchy

The city has department managers controlling purchase approvals and budget spending at level 3 in the department hierarchy. Public reporting on the General Fund spending on administration is separated from operations. The finance department on behalf of the city council requires reporting on the type of expenditures at the object (or natural account) level.

Financial Management Cycle

The financial management cycle of the city mainly revolves around the budget planning for the next year and staying on track in the current year. The budget is a financial plan on how the city will receive and spend money during the fiscal year.

The financial management cycle has four phases:

- » Planning and Budgeting: Prioritize objectives and determine the allocation of funds to meet these objectives.
- » Budget Implementation: Map objectives to specific programs and departments in the city's organization structure for recording, expense monitoring and control.
- » Expenditure Monitoring: Ensure that the budget amounts allocated are correctly reflected in Oracle ERP Cloud and the proper controls are set up for expenditures.
- » Inquiry and Reporting: Produce periodic reports for the public and the department heads to reflect prior period budget vs. expenditure. Perform budget transfers and approve any budgetary control override requests.

Each department head is responsible for approving expenditures and controlling their budget to ensure they are meeting the associated objectives.

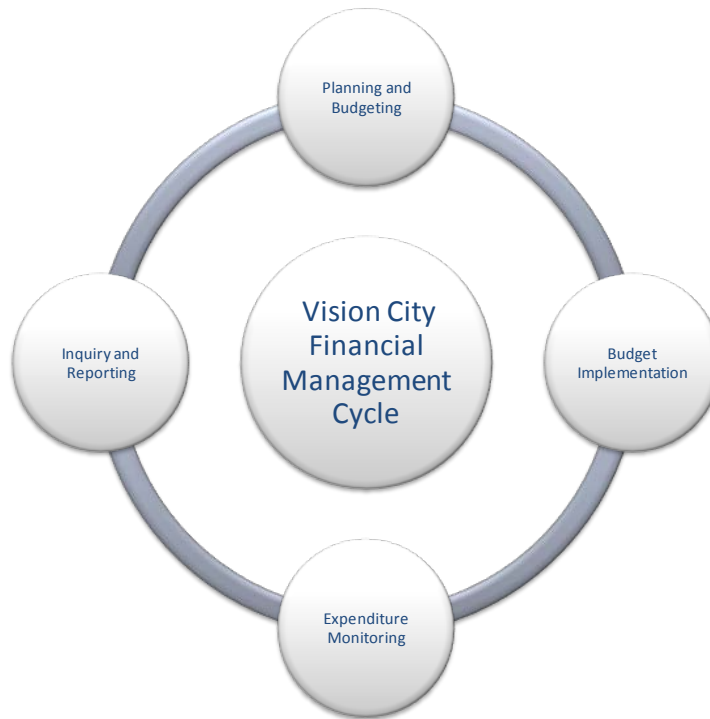


Figure 4. Financial Management Cycle

Planning and Budgeting

The planning and budgeting phase starts in August and continues until March. The proposed budget is prepared in April and is available for public review and hearings in May/June. The final (adopted budget) is released on July 1st.

The planning and budgeting phase has four steps:

- » Plan for Next Year
- » Strategic Goals, Objectives
- » Budget Preparation
- » Budget Review



Figure 5. Planning and Budgeting Phase

Plan for Next Year

This step of the planning and budgeting phase is to determine budget priorities and expected funding for next year. Departments review funding and projects feasibility. Department managers or their designees review prior year objectives and budget expenditures. Department managers also review reports such as Performance Highlights from prior year benchmarks and Results by Department.

Strategic Goals, Objectives

Goals are finalized and budget allocations are refined. The finance department proposes multiple funding scenarios and forecasts revenue and funding.

Budget Preparation

The budget manager prepares a preliminary budget for review. The budget amounts are allocated to departments and programs. Department managers allocate budgets to the programs for which they are responsible.

Budget Review

The proposed budget is reviewed by the city manager and council. In addition, it is released to the public for review. A final budget is published and adopted for the new fiscal year.



Budget Implementation

After adoption, the budget is available for consumption at the beginning of the fiscal year. The enforcement of spending controls begins.

Although public safety is the highest expenditure in the city, it is outsourced and the funds are managed by the supplier, and monthly reports on expenditures are provided to the city. This white paper will focus on the two main functions under the city's direct control, namely General Government and Parks and Recreation.

Expenditure Monitoring

Organizations have great control over which events in the purchasing cycle are subject to budgetary control. Vision City requires all expenditures to be subject to budgetary control validation. They elect to enable funds control at the time of requisition to ensure requestors are aware of any budget issues before they submit requisitions to approvers. Any variances from the requisition to the purchase orders and invoices will also be subject to budgetary control as well as any manual journal entries that impact the budgeted accounts.

Other organizations may elect to bypass budgetary control at requisition time and only enforce controls during purchase order preparation. This may give buyers greater control to complete purchase requests that otherwise would have been rejected. Vision City, however, prefers the requester to be notified as early as possible when there is insufficient budget for their request.

Inquiry and Reporting

During the budget year, the budget manager:

- » Monitors the overall health of the budget
- » Alerts department managers of potential budget issues
- » Overrides insufficient funds
- » Executes budget transfers/adjustments
- » Prepares periodic reports for management
- » Prepares periodic reports for public

Key Implementation Considerations: Enterprise Structures

As described in [Oracle Financials Cloud Introduction for CFOs and System Integrators](#), Vision City first defines its chart of accounts using the Rapid Implementation spreadsheet.

The chart of accounts has the following segments:

- » Fund: Enables reporting by fund, and as their balancing segment, ensures all transactions must balance by fund
- » Department: Mirrors the organizational structure including the hierarchical relationships
- » Program, Object and Location: Provides detailed tracking and analysis
- » Future Use: Allows easy expansion in the future if needed

They enter the segment names, values, and hierarchies in the Rapid Implementation spreadsheet and set July 1 as the beginning of their fiscal year. They then generate a .csv file and upload it to Oracle Financials Cloud,

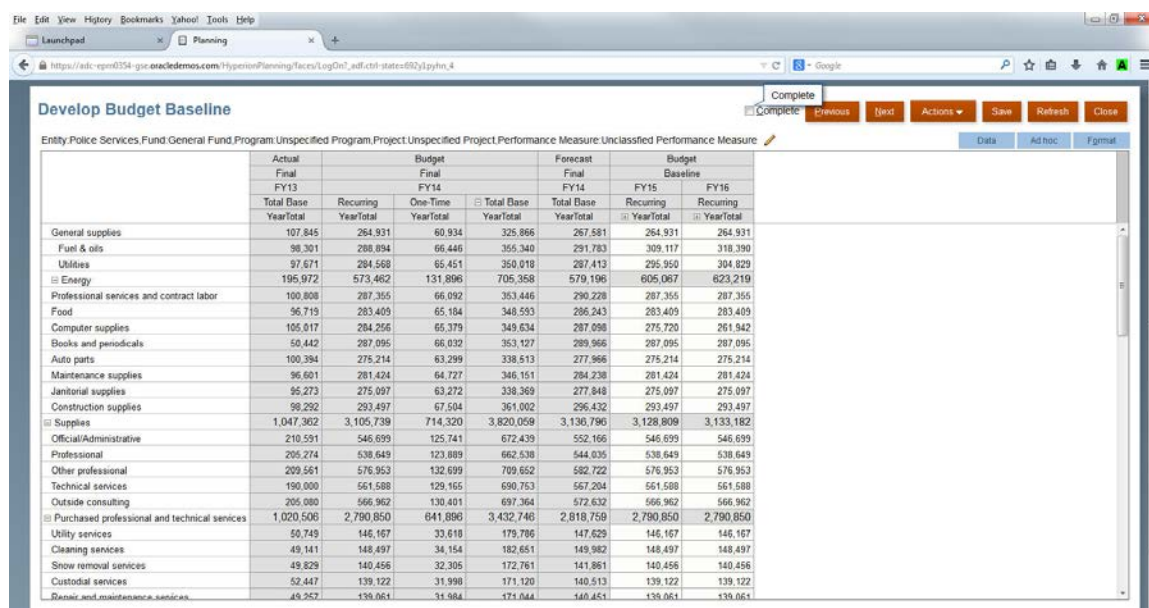
automatically creating all required enterprise structures, including a ledger and business unit which are linked to the newly-defined chart of accounts.

Key Implementation Considerations: Budgeting

Budget Entry and Approval

Vision City has historically managed its budgets in spreadsheets. They considered continuing with this approach, which involves simply loading their budgets into Oracle Financials Cloud periodically using the open interface for budgets. However, Vision City instead opts to use the Oracle Planning and Budgeting Cloud Service (PBCS) which is seamlessly integrated with Oracle Financials Cloud and offers management and control capabilities beyond what Vision City has with spreadsheets.

Vision City budgets by fund, department, and program and defines their PBCS budgeting application based on these three segments. They include additional segments in their chart of accounts for tracking expenditures at more granular levels, but they do not budget at these levels.



	Actual Final FY13	Budget Final FY14	Forecast Final FY14	Budget Baselines FY15	Budget Baselines FY16
	Total Base YearTotal	Recurring YearTotal	One-Time YearTotal	Total Base YearTotal	Recurring YearTotal
General supplies	107,845	264,931	60,934	325,866	267,581
Fuel & oils	98,301	288,894	66,446	355,340	291,783
Utilities	97,671	284,568	66,451	350,018	287,413
Energy	196,972	573,462	131,896	705,358	579,196
Professional services and contract labor	100,808	287,355	66,092	353,446	290,228
Food	96,719	283,409	65,184	348,593	286,243
Computer supplies	105,017	284,256	65,379	349,634	287,098
Books and periodicals	50,442	287,095	66,032	353,127	289,566
Auto parts	100,394	275,214	63,299	338,513	277,966
Maintenance supplies	96,601	281,424	64,727	346,151	284,238
Janitorial supplies	95,273	275,097	63,272	338,369	277,848
Construction supplies	98,292	293,497	67,504	361,002	296,432
Supplies	1,047,302	3,105,739	714,320	3,820,059	3,136,796
Official/Administrative	210,591	546,699	125,741	672,439	552,166
Professional	205,274	538,649	123,889	662,538	544,035
Other professional	209,561	576,953	132,699	709,652	582,722
Technical services	190,000	561,588	129,165	690,753	567,204
Outside consulting	205,080	566,962	130,401	697,364	572,632
Purchased professional and technical services	1,020,506	2,790,850	641,896	3,432,746	2,818,759
Utility services	50,749	146,167	33,618	179,786	147,629
Cleaning services	49,141	148,497	34,154	182,651	149,982
Snow removal services	49,829	140,456	32,305	172,761	141,861
Custodial services	52,447	139,122	31,998	171,120	140,513
Repair and maintenance services	49,257	136,061	31,684	171,044	140,451

Figure 6. Planning and Budgeting Cloud Service

They define mapping rules to write budget information from PBCS directly to Oracle Financials Cloud for use in budgetary control and actual-budget analysis. Since they do not budget at the Object or Location level, they automatically enter 000 as the value for these segments in their budgets. They also define mapping rules for transferring actual balances from Oracle Financials Cloud to PBCS for use in the budgeting process.



Source Value	Target Value	Rule Name	Description	Apply to Rule
*	*	Map to Account Dimension	Use General Ledger values as is.	Transfer from General Ledger

Figure 7. Oracle ERP Cloud - PBCS Mapping

For more information on using PBCS with Oracle Financials Cloud, see [Oracle Financials Cloud and Planning and Budgeting Cloud Service](#).

Using Budgets for Budgetary Control

Before loading budgets to Oracle Financials Cloud, Vision City first defines control budgets. The control budget specifies how the budget will be used to control expenditures, including:

- » Transaction types: Requisitions, purchase orders, invoices, manual journal entries, purchase receipts.
- » Level of control:
 - » Absolute: Reject the transaction if there is insufficient budget.
 - » Advisory: Allow the transaction to proceed but notify the user of any budget violations.
 - » Track: Allow the transaction to proceed without notifying users of budget violations, but still report on budget vs. consumption.
 - » None: Do not track activity.
- » Exception conditions: Set one level of control as the default but then use a different level of control in exception conditions, such as a specific fund or group of departments. While it wouldn't make much sense to use None as the control level for an entire control budget, there are definite cases where it makes sense to use None as the default level and then set up exception conditions to enforce stricter control in certain cases.
- » Tolerance: Whether users can spend beyond the allowed budget, and if so, by how much.
- » Overrides: Whether users can allow a rejected transaction to proceed, and if so, which users and under what conditions.

Vision City defines two control budgets: one for spending control and the other for management reporting.

	FY2014-15 Monthly Reporting	FY2014-15 Annual Control
Calendar (July1-June30)	12 periods (one for each month)	1 period (year)
Segments – hierarchy	Fund Department (level 3) Program	Fund Department (level 2) Program
Control Level	Track – record transaction impact on funds balances only	Absolute – stop transactions when there are insufficient funds
Source Budget	Hyperion Planning	FY2014-15 Monthly Reporting (This budget summarizes balances from the monthly budget and is not maintained separately)
Tolerance/Override	None	The budget manager in finance can approve and override insufficient funds
Exceptions	None	Public safety departments are outsourced and expenditures are controlled by the provider, therefore their transaction control level is Advisory

Figure 8. Comparison of Two Control Budgets

Vision City enters its budgets in PBCS and loads the budget data into the FY2014-15 Monthly Reporting control budget. The other control budget (FY2014-15 Annual Control) uses FY2014-15 Monthly Reporting as its budget source. Therefore Vision City does not enter two sets of budgets; one control budget derives its amounts from the other. This setup allows Vision City to do reporting and analysis at a more granular level than transaction control.

Budget Adjustments

Though Vision City has standardized on PBCS as its budgeting solution, they also allow a small group of budget managers to enter budget adjustments directly in Oracle Financials Cloud. Oracle Financials Cloud offers a spreadsheet interface for budget adjustments:

enter_budget_example.xlsx - Microsoft Excel

HomeInsertPage LayoutFormulasDataReviewViewSmart ViewEnter Budget Amounts

LoginLogoutEdit OptionsConnection

ImportWorksheetClear All DataClearAbout

J38fx

B	C	D	F	G	H	I	J
ORACLE® Enter Budget Amounts							
Control Budget FY15 Monthly Reporting							
Worksheet Status							
Changed	Row	*Fund[...]	*Department[...]	*Account[...]	JUL-15	AUG-15	
	1001	12100	57600	1,236,923			
	1001	12100	57700	927,692			
	1001	12200	57100	212,308			
	1001	12200	57200	424,615			
	1001	12200	57300	318,461			
	1001	12200	57400	212,308			
	1001	12200	57500	106,154			
	1001	12200	57600	488,308			
	1001	12200	57700	360,923			
	1001	13200	57100	11,659			
	1001	13200	57200	20,403			
	1001	13200	57300	29,148			
	1001	13200	57400	26,233			
	1001	13200	57500	21,861			
	1001	13200	57600	8,744			
	1001	13200	57700	27,690			
	1001	13500	57100	29,148			
	1001	13500	57200	58,296			
	1001	13500	57300	43,722			
	1001	13500	57400	29,148			
	1001	13500	57500	14,574			
	1001	13500	57600	67,040			
	1001	13500	57700	49,551			
	1001	13600	57100	88,768			
	1001	13600	57200	106,522			
	1001	13600	57300	221,921			
	1001	13600	57400	115,399			
	1001	13600	57500	44,384			
	1001	13600	57600	177,537			

Enter Budget Amounts

Figure 9. Spreadsheet for Budget Adjustments

Vision City can still report on the original budget amount versus the sum total of any adjustments.

Key Implementation Considerations: Transaction Control

Any transaction that consumes funds from a General Government, Administrative Services, or Parks and Recreation department must pass a funds reservation before it can proceed. Funds reservation is performed automatically during requisition or purchase order approval, invoice validation, creation of purchase receipt distributions, or posting for a manual journal entry. Users can optionally check funds before submitting a transaction to ensure it will pass.

Vision City opts not to enforce budgetary control during requisitioning, so the first control point is purchase order approval.

Setup and Maintenance

Edit Budgetary Control and Encumbrance Accounting: Progress US Primary Ledger: Progress US Business Unit Save Save and Close Cancel

Ledger: Progress US Primary Ledger

☒ Enable budgetary control for the ledger and all journal sources and categories.

Control Budget Filter:

- ☐ Ledger only
- ☐ Project
- ☐ Ledger or project
- ☐ Fail budgetary control for budget dates not in valid budget date range
- ☒ Enable encumbrance accounting

* Reserve for Encumbrance Account: 1001-0000-00000-31130-0000-000 [B](#)

Budgetary Control Exceptions

View

* Journal Source	* Journal Categories
Closing Journal	All
Open balances	All
Revaluation	All

Business Unit: Progress US Business Unit

Budgetary Control ☒ Enable
Default Date Rule: Current transaction budget date

Encumbrance Accounting ☒ Enable
Default Date Rule: Current transaction accounting date

Procure-to-Pay Business Functions

Business Function	Enabled	Budgetary Control Partial Reservation	Validation Point	Encumbrance Accounting Enabled	Transaction Type Details
Requisitioning	Yes	Yes	Approval	Yes	
Procurement	Yes	No	Approval	Yes	
Receiving	Yes	No			
Payables Invoicing	Yes	Yes			

Project Accounting Business Function

☒ Enable budgetary control for all transaction sources and documents

Figure 10. Select Which Transactions to Enforce Budgetary Control

Transactions that consume funds from a Public Safety department are only subject to Advisory control, so a funds reservation is not required for these transactions to continue processing.

Transactions are also checked against the FY2014-15 Monthly Reporting control budget, but as this is Track only, budget violations are not enforced.



Edit Document (Purchase Order): 701833

[Social](#) [Check Funds](#) [Manage Approvals](#) [View PDF](#) [Actions](#) [Save](#) [Submit](#) [Cancel](#)

Main **Contract Terms**

Genera

Procurement BU: Progress US Business Unit
Requisitioning BU: Progress US Business Unit
Sold-to Legal Entity: Progress US Legal Entity
Bill-to BU: Progress US Business Unit
Order: 701833
Status: Incomplete
Funds Status: Passed
Buyer: White, Eleanor
Creation Date: 2/23/16

Supplier: Lee Supplies
Supplier Site: Lee Progress US
Supplier Contact:
Communication Method: None
Bill-to Location: Reston
Default ship-to Location: Reston

Currency: USD
Ordered: 19,800.00 USD
Total Tax: 0.00 USD
Total: 19,800.00 USD

Procurement Card
Description:
Requisition
Agreement

Terms **Notes and Attachments**

Required Acknowledgment: None
Acknowledge Within Days:
Payment Terms: Net 30
FOB: Origin

Confirmation
The document passed funds check.
OK

Additional Information
Context Prompt:

Lines **Schedules** **Distributions**

Actions: View Format Freeze Detach Vitrup

Line	Type	Edit	Item	Description	Category Name	Quantity	UOM	Price	Ordered	Funds Status	Requester
1	Goods			Kubota R420 Wheel Loader	Miscellaneous	1	Ea	19,800.00	19,800.00	Passed	Reyes, Whitney

Figure 11. Funds Check for a Purchase Order

Funds Check: Purchase Order 701834

X

View Transaction

Transaction Lines Impacted by Control Budgets

View Funds Status All

Line-Seq	Status	Requested	PO Charge Account	Budget Account	Budget Period	Control Budget	Budget Manager
2-1-1	Passed budgetary control vali	19,800.00 USD	1001-0000-1	1001-12100-55000	FY1-15	FY15 Annual Control	Harold Wilson
2-1-1	Track control level setting, trar	19,800.00 USD	1001-0000-1	1001-12100-55540	JUL-15	FY15 Monthly Reporting	Harold Wilson
2-1-1	Track control level setting, trar	19,800.00 USD	1001-0000-1	1000-12000-55000	JUL-15	FY15 Monthly Reportin...	Harold Wilson
2-1-1	Track control level setting, trar	19,800.00 USD	1001-0000-1	1000-12000-50000	JUL-15	FY15 Monthly Reportin...	Harold Wilson

Done

Figure 12. View Results from the Funds Check

Key Implementation Considerations: Reporting and Analysis

Oracle Financials Cloud offers a broad array of sophisticated reporting capabilities. The document [Reporting Tools in Oracle Fusion Financials](#) describes the numerous capabilities in detail but the specific ways Vision City uses these tools is described below with examples.

Budgetary Control Infolets

The Budget Consumed and Funds Available infolets allow the budget manager to quickly view and track the funds consumption and funds availability of critical control budgets and budget accounts. These infolets provide insight into your budget position based on real-time transactions, and alert the budget manager to potential risks. Each budget manager can configure up to five different instances of each infolet.

The Budget Consumed infolet displays the budget consumption for a group of budget accounts you choose. You can expand the infolet to see the budget accounts with the highest consumption percentages for the control budget. On the expanded view, you can also view the funds available details by clicking the budget account link.

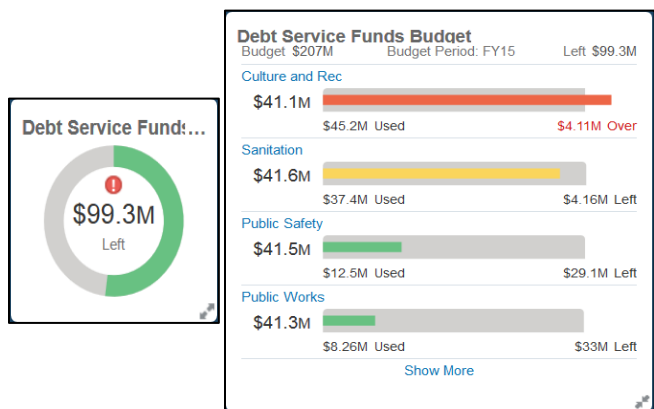


Figure 13. Budget Consumed Infolet

The Funds Available infolet displays the funds available amount and percentage based on the unused portion of the current period budget for a budget account you specify. You can click the funds available amount link to view the additional funds available details for the budget account.

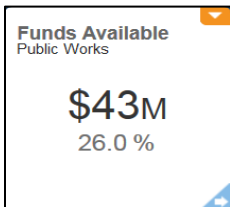


Figure 14. Funds Available Infolet

Budget Manager Inquiry/Reporting

The Budgetary Control Dashboard allows the budget manager to monitor summary fund and department balances, and drill down to specific accounts and transactions.

Budget Monitor											
View ▾ Budget Account Group: FY15 Expenses-harold.wilson Budget Period: JUL-15 Balance: Period to date:											
Fund	Department	Department Description	Account	Account Description	Budget (USD)		Consumption (USD)			Funds Available	
					Total	Commitments	Obligations	Expenditures	Total	Amount (USD)	Budget (%)
1000	11000	11000-Information Systems	50000	50000-Expenses	23,207,500.80	506,827.82	107,306.96	1,902,841.60	2,516,976.18	20,690,524.62	89.2
1000	12000	12000-Facilities	50000	50000-Expenses	16,474,237.03	343,767.31	54,669.83	1,733,182.77	2,131,619.91	14,342,617.12	87.1
1000	13000	13000-Finance	50000	50000-Expenses	11,220,267.69	299,601.04	17,268.32	925,332.82	1,242,202.18	9,978,065.51	88.9
1000	92300	92300-Public Works	50000	50000-Expenses	8,040,736.44	169,299.35	17,112.82	755,498.85	941,911.02	7,098,825.42	88.3

Figure 15. Budget Account Monitor

Review Budget Balances											
Control Budget: FY15 Monthly Reporting											
Search											
View ▾											
Fund	Department	Account	Budget Period	Total Budget	Commitments	Obligations	Other Consumption	Expenditures	Total Consumption	Funds Available Amount	Funds Available (%)
1001	12100	51100	JUL-15	136,711.45	0.00	0.00	0.00	9,569.80	9,569.80	127,141.65	93
1001	12100	52100	JUL-15	25,785.80	0.00	0.00	0.00	1,805.01	1,805.01	23,980.79	93
1001	12100	53100	JUL-15	7,806.50	224.03	0.00	0.00	0.00	224.03	7,582.47	97.1
1001	12100	53200	JUL-15	97,581.25	0.00	67.53	0.00	9,782.31	9,849.84	88,731.41	90.9
1001	12100	53300	JUL-15	31,226.00	0.00	0.00	0.00	0.00	0.00	31,226.00	100
1001	12100	53400	JUL-15	117,097.50	0.00	130.15	0.00	10,536.78	10,666.93	106,428.57	90.9
1001	12100	53500	JUL-15	136,613.75	7,071.49	714.96	0.00	0.00	7,786.45	128,827.30	94.3
1001	12100	54100	JUL-15	27,717.00	0.00	104.40	0.00	4,989.06	5,093.46	22,623.54	81.6
1001	12100	54200	JUL-15	41,575.50	0.00	14.42	0.00	0.00	14.42	41,561.08	100

Figure 16. Review Budget Balances

Review Budget Transactions

Control BudgetFY15 Monthly Reporting

Budget PeriodJUL-15

Budget Account1001-12100-51100

Balance TypeExpenditure

Balance9,569.80 USD

Budget CurrencyUSD

Budget Transactions

ViewFormatPrintDetailWrap

Transaction Number

Budget Date	Transaction	Related Transaction	Reserved Transaction Amount	Activity	Reserved	Liquidated
7/4/14	Spreadsheet A.30000007521885...		9,569.80 USD	Reservation	9,569.80	

Columns Hidden5

Figure 17. Review Budget Transactions



Journal Batch: Spreadsheet A 300000071743773 942578 N | Show More

Journal Batch Spreadsheet A 300000071743773 942578 N

Description Journal Import Spreadsheet 942578: ↗

Accounting Period 07-15

Balance Type Actual

Attachments None ➕

Source Spreadsheet

Approval Status Not required

Funds Status Not applicable

Batch Status Posted

Completion Status Complete

Batch Actions ▼

Journal | Show More

Journal Communication - Jul 2015Adjustment

Description Communication Cost & Headcount - Jul 2015 ↗

Ledger US Primary Ledger

Accounting Date 7/31/15

Category Adjustment

Currency USD - US Dollar

Conversion Date 7/31/15

Conversion Rate Type User

Conversion Rate 1

Inverse Conversion Rate 1

Journal Actions ▼

Journal Lines

Actions ▼ View ▼ Format ▼ + 📄 📊 📄 Detach ↶ Wrap

Line	Account	Entered (USD)		Description
		Debit	Credit	
▶ 1	101.10.11200.000.000.000		55,000.00	Journal Import Created
▶ 2	101.10.64510.000.000.000	55,000.00		Journal Import Created
Total		55,000.00	55,000.00	

Columns Hidden 7

Figure 18. Manual Journals

Budgetary Control Exceptions Report

An exceptions report tracks the health of the budget. Transactions with budgetary control failures are grouped and reported.

Ledger Vision City				Control Budget VCity Absolute							
Budgetary Control Validation Failures											
Budget Period		Insufficient Funds		Insufficient Funds Force Passed		Budget Period Not Open		Budget Period Closed			
Aug-11			12	Total	0		5	Total			
Jul-11		Total	12			Total	5				
Insufficient Funds - Pending Transactions				Control Budget Not In Use		Invalid Transaction Data		Restricted Budget Adjustments			
Total		0		Total		0		Total		0	
Activity Details											
Activity Status	Budget Account	Budget Date	Activity Status	Transaction Type	Transaction Number	Transaction Action	Transaction Amount	Activity Type	Reservation Amount	Liquidation Amount	Active Balance
Budget period not open for control budget											
Insufficient funds	9503-3130	Jul 31, 2011	Insufficient funds	General ledger journal	CLB2 Jul-11	Reserve journal	\$200.00	Reservation	\$200.00	\$0.00	
	9503-3130	Jul 11, 2011	Insufficient	Invoice	RG Mar 19 003	Validate	\$10.00	Reservation	\$10.00	\$0.00	

Figure 19. Budgetary Control Exceptions Report

Overrides

When there are insufficient funds and a transaction fails funds control, a transaction user can request an override. This will automatically notify the budget manager, and the notification includes a link to the transaction details.

The budget manager dashboard lists the overrides under "Requiring My Attention" and "Requested By Me", and provides the budgetary control results for the override requests.

Department Head Inquiry/Reporting

The city chose Oracle ERP Cloud to improve analysis and monitoring of budget consumption for the department heads who approve and monitor budget consumption. The main use cases for the department heads include:

- » Periodic reports to ensure budget is on track
- » Ad hoc analysis to "look for funds" when budget is low
- » Budget planning for next year

The budgetary control transaction details can be monitored from the Budgetary Control Analysis report. This interactive Business Intelligence Publisher (BI Publisher) report is shipped with the following three layouts and is fully customizable:

- » Funds Available Trend
- » View Funds Available
- » Account Activities

Funds Available Trend Layout

The Funds Available Trend layout shows the balances by fund, department and object, and the corresponding transaction details of the balance.

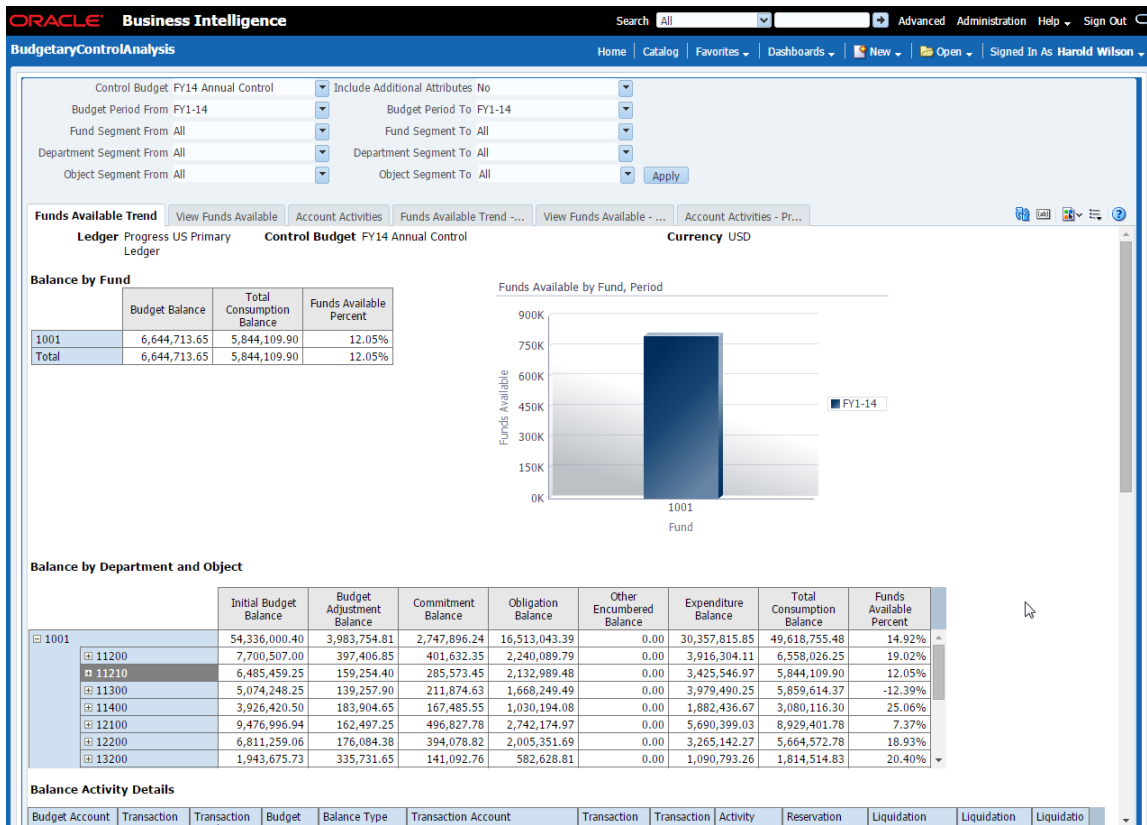


Figure 20. Budgetary Control Analysis - Funds Available Trend

View Funds Available Layout

The View Funds Available layout shows the budget, commitment, obligation, expenditure and funds available balance by budget account. It can be further filtered by budget period or fund.

ORACLE Business Intelligence

Search [All] Advanced Administration Help Sign Out

BudgetaryControlAnalysis Home Catalog Favorites Dashboards New Open Signed In As Harold Wilson

Control Budget FY14 Annual Control Include Additional Attributes No

Budget Period From FY1-14 Budget Period To FY1-14

Fund Segment From All Fund Segment To All

Department Segment From All Department Segment To All

Object Segment From All Object Segment To All Apply

Funds Available Trend View Funds Available Account Activities Funds Available Trend - ... View Funds Available - ... Account Activities - Pr...

Ledger Progress US Primary Control Budget FY14 Annual Control Currency USD

Budget Period	Funds Available by Budget Account	Budget Account	Budget Account Description	Budget Period	Budget Balance	Budget Initial Balance	Budget Adjustment Balance	Total Consumption Balance	Commitment Balance	Obligation Balance	Expenditure Balance	Other Encumbered Balance	Funds Available Balance	Funds Available Percent
FY1-14		1001-11200-51000	General Fund-Software Development-Personal services \-salar	FY1-14	297,527.85	0.00	297,527.85	102,736.92	0.00	0.00	102,736.92	0.00	194,790.93	65.47%
		1001-11200-52000	General Fund-Software Development-Personal services \-emplo	FY1-14	99,879.00	0.00	99,879.00	33,390.36	0.00	0.00	33,390.36	0.00	66,488.64	66.57%
Fund		1001-11200-53000	General Fund-Software Development-Purchased professional an	FY1-14	4,136,400.00	4,136,400.00	0.00	3,064,232.17	236,615.16	1,121,660.65	1,705,956.36	0.00	1,072,167.83	25.92%
1001		1001-11200-54000	General Fund-Software Development-Purchased property serv	FY1-14	300,000.00	300,000.00	0.00	255,694.10	15,543.48	84,115.47	156,035.15	0.00	44,305.90	14.77%
1230		1001-11200-55000	General Fund-Software Development-Other purchased services	FY1-14	197,511.00	197,511.00	0.00	146,764.30	10,349.18	60,530.24	75,884.88	0.00	50,746.70	25.69%
		1001-11200-56000	General Fund-Software Development-Supplies	FY1-14	56,696.00	56,696.00	0.00	50,323.09	2,555.19	19,894.87	27,873.03	0.00	6,372.91	11.24%
		1001-11200-57000	General Fund-Software Development-Property	FY1-14	3,009,900.00	3,009,900.00	0.00	2,904,885.31	136,569.34	953,888.56	1,814,427.41	0.00	105,014.69	3.49%
		1001-11210-51000	General Fund-Technical Business Analys-Personal services \-salar	FY1-14	132,786.15	0.00	132,786.15	46,465.91	0.00	0.00	46,465.91	0.00	86,320.24	65.01%
		1001-11210-52000	General Fund-Technical Business Analys-Personal services \-emplo	FY1-14	26,468.25	0.00	26,468.25	8,558.85	0.00	0.00	8,558.85	0.00	17,909.40	67.66%
		1001-11210-53000	General Fund-Technical Business Analys-Purchased professional an	FY1-14	4,825,800.00	4,825,800.00	0.00	4,380,044.93	217,693.85	1,574,834.22	2,587,516.86	0.00	445,755.07	9.24%

Figure 21. Budgetary Control Analysis - View Funds Available

The commitment column typically represents the open balance from requisitions, though it also includes manual encumbrance journals with this encumbrance type. The obligation column represents the open balance from purchase orders, also including the appropriate manual encumbrance journals. The expenditure column includes invoices and actual journal entries.

Account Activities Layout

The Account Activities layout shows account balances and details of the specific transactions that have consumed the budget for each account. The interactive layout allows further filtering by budget account and budget period.

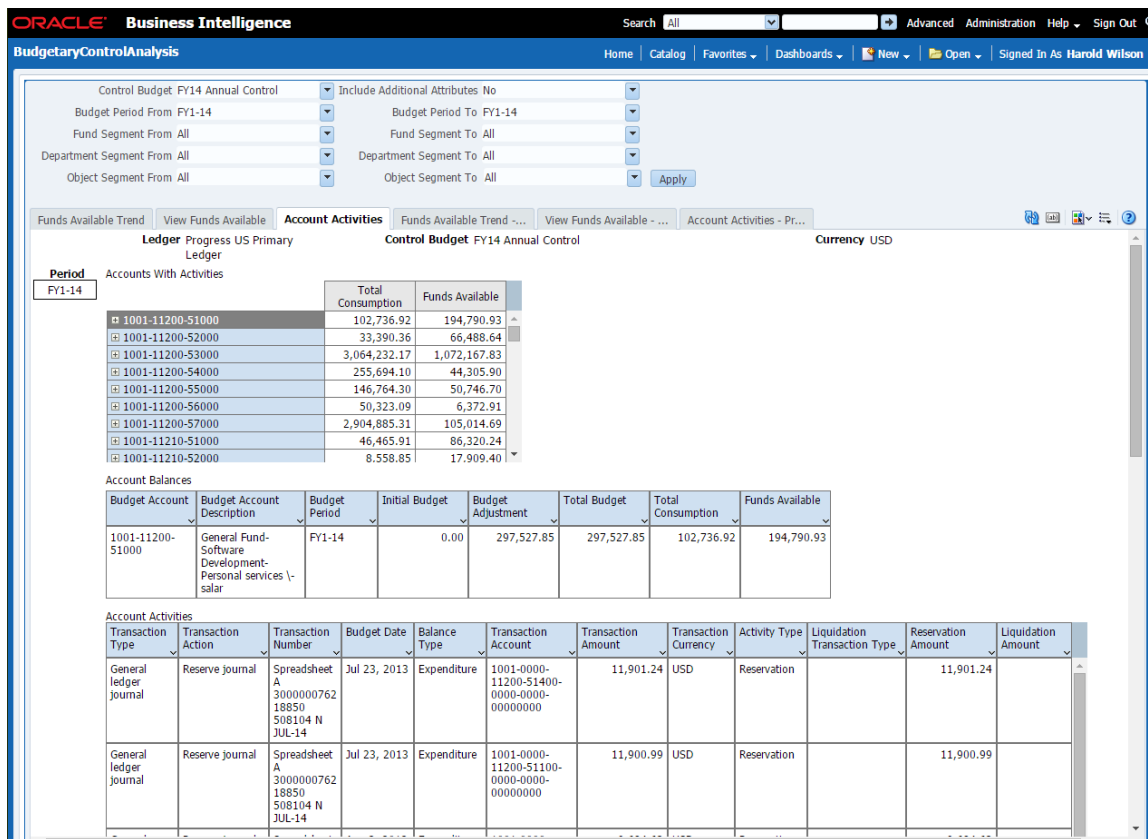


Figure 22. Budgetary Control Analysis - Account Activities

An Oracle Transactional Business Intelligence (OTBI) subject area called "Budgetary Control - Transactions Real Time" is also available for advanced ad hoc queries. This subject area contains budgetary control and source transaction attributes.

The following is an example layout using the subject area:

Concatenated Segments	Budget Account Description	Transaction Type	Transaction Number	Budget Date	Funds Check	Transaction Action	Reserved Transaction Amount
1001-00000-56000	General Fund-Balance Sheet-Supplies	Invoice	701331-inv	08/08/2014 00:00	Yes	Validate invoice	1,192
1001-11200-21000	General Fund-Software Development-Current Liabilities	General ledger journal	JK-1 OCT-15	10/19/2014 00:00	No	Reserve journal	10,000
1001-11200-51000	General Fund-Software Development-Personal services	Budget adjustment		07/01/2014 00:00	No	Budget spreadsheet	297,527.85
	\- salar	General ledger journal	Spreadsheet A 300000076218850	07/04/2014 00:00	No	Reserve journal	25,289.86
				08/01/2014 00:00	No	Reserve journal	22,002.21
				09/18/2014 00:00	No	Reserve journal	20,035.52
				10/13/2014 00:00	No	Reserve journal	18,559.67
				11/09/2014 00:00	No	Reserve journal	18,312.24
				12/23/2014 00:00	No	Reserve journal	15,560.33
1001-11200-52000	General Fund-Software Development-Personal services	Budget adjustment		07/01/2014 00:00	No	Budget spreadsheet	99,879
	\- emplo	General ledger journal	Spreadsheet A 300000076218850	07/04/2014 00:00	No	Reserve journal	6,991.53
				08/01/2014 00:00	No	Reserve journal	6,432.21
				09/18/2014 00:00	No	Reserve journal	7,607.48
				10/13/2014 00:00	No	Reserve journal	5,443.58
				11/09/2014 00:00	No	Reserve journal	6,299.76
				12/23/2014 00:00	No	Reserve journal	5,152.41
1001-11200-53000	General Fund-Software Development-Purchased professional an	General ledger journal	Spreadsheet A 300000076218850	07/15/2014 00:00	No	Reserve journal	324,000
				08/15/2014 00:00	No	Reserve journal	268,243.07
				09/28/2014 00:00	No	Reserve journal	223,560
				10/31/2014 00:00	No	Reserve journal	11,664
				11/09/2014 00:00	No	Reserve journal	29,095.2
				12/15/2014 00:00	No	Reserve journal	30,067.2
			Spreadsheet E 300000076218850	07/12/2014 00:00	No	Reserve journal	24,563.63
				08/08/2014 00:00	No	Reserve journal	118,435.79
					No	Reserve journal	128,925.85

Figure 23. Budgetary Control Real Time Transactions Subject Area

Periodic Public and Management Reporting

Oracle Financial Reporting Center delivers a unique multi-dimensional reporting and analysis platform that provides real time access to financial information. Users can quickly report and analyze data from different perspectives from the same system that is used for operational accounting.

The reports allow users to:

- » Dynamically drill down from balances to live transactions
- » Perform multi-dimensional analysis and drill down from anywhere
- » Ensure that all users are making decisions from the same source of information

The city provides its users with three reports based on the funds balances. These are secured by budget and published periodically by the budget manager for department heads.

- » Balances by Department
- » Budget vs. Actual
- » Year on Year Comparison



Balances by Department

Page: Budget Amount ▼

	▲ 11000- Information Systems	▲ 12000- Facilities	▲ 13000-Finance
▼ 53000-Purchased professional and technical services	12,420,000	600,500	3,348,170
53100-Official/Administrative	1,470,000	33,028	440,549
53200-Professional	3,900,000	129,108	1,001,247
53300-Other professional	2,850,000	69,058	576,718
53400-Technical services	2,040,000	180,150	800,998
53500-Outside consulting	2,160,000	189,158	528,658
▶ 54000-Purchased property services	837,000	923,900	3,230,988
▶ 55000-Other purchased services	1,240,800	2,112,800	1,000,000
▼ 56000-Supplies	929,000	4,190,766	1,444,874
56100-General supplies	46,450	209,538	1,219,154
56200-Energy	127,459	283,296	20,624
56210-Fuel & oils	86,583	450,926	30,128
56220-Utilities	87,698	260,666	20,101
56280-Weapons & Ammunition	16,165	277,429	13,448
56300-Food	164,433	884,252	38,729
56400-Computer supplies	36,231	113,151	2,614
56600-Auto parts	103,119	515,464	33,026
56700-Maintenance supplies	45,707	186,908	11,357
56800-Janitorial supplies	48,308	662,141	22,334
56900-Construction supplies	166,848	346,995	33,359
▶ 57000-Property	6,900,877	8,307,689	1,324,900

Export In Query-Ready Mode

Figure 24. Balances by Department

Budget vs. Actual

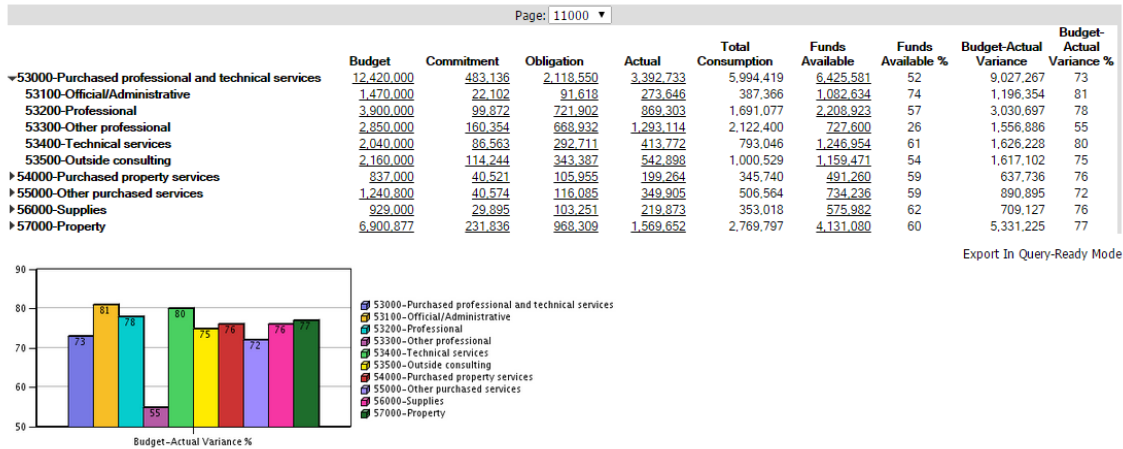


Figure 25. GASB 34 Budget vs. Actual



Year on Year Comparison

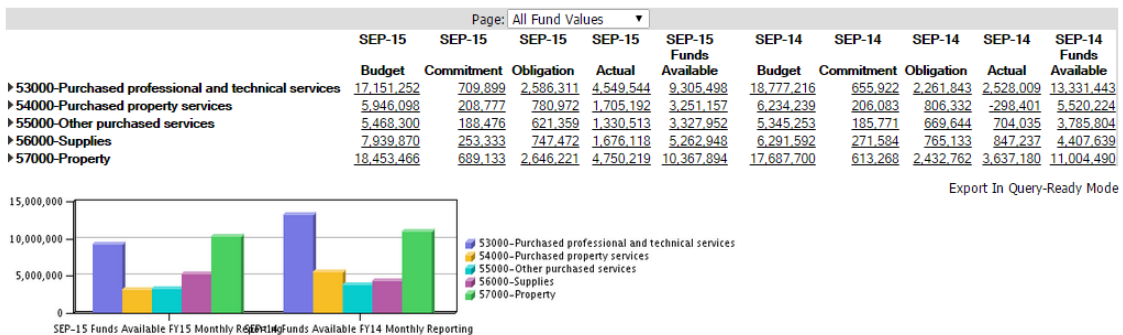


Figure 26. Year on Year Comparison

Year-End Public and Management Reporting

Oracle Financial Reporting Center streamlines reporting for management and public reporting on accounting balances, enabling Vision City to:

- » Securely distribute and access live or pre-published financial reports from a central location
- » Ensure up-to-the-minute reporting and analysis without the need for batch programs

The city creates the following financial reports:

- » Trial Balance
- » CAFR Balance Sheet
- » GASB 34 Statement of Net Assets
- » GASB 34 Statement of Activities



Trial Balance

Page: All Fund Values ▼				
	Beginning Balance	Period Activity Dr	Period Activity Cr	Ending Balance
▶ 10000-Assets	35,819,749	37,314,321	7,829	<u>73,126,242</u>
▶ 20000-Liabilities	-31,018,806	888	17,681,192	<u>-48,699,110</u>
▶ 30000-Fund Equity	-4,755,006	-	15,034,411	<u>-19,789,417</u>
▶ 40000-Revenues	-	-	19,483,194	<u>-19,483,194</u>
▼ 50000-Expenses	-45,937	15,014,844	123,427	<u>14,845,479</u>
▶ 51000-Personal services - salaries and wages	-	778,441	-	<u>778,441</u>
▶ 52000-Personal services - employee benefits	-	101,387	-	<u>101,387</u>
▶ 53000-Purchased professional and technical services	-	4,549,544	-	<u>4,549,544</u>
▶ 54000-Purchased property services	-	1,705,192	-	<u>1,705,192</u>
▶ 55000-Other purchased services	-	1,330,513	-	<u>1,330,513</u>
▶ 56000-Supplies	-	1,675,820	-	<u>1,675,820</u>
▶ 57000-Property	-45,937	4,873,947	123,427	<u>4,704,582</u>
Total	-	52,330,053	52,330,053	-

Figure 27. Trial Balance

Combined Annual Balance Sheet



Ledger: Progress US Primary Ledger Budget Reference: Budget Reference Department: All Department Values Program: Program Funding Source: Funding Source Project: Project Scenario: Actual Balance Amount: Balance Amount Amount Type: Base Currency: USD Currency Type: Total

	▲1000- Governmental Funds SEP-15	▲1000- Governmental Funds SEP-14	▲1200-Capital Project Funds SEP-15	▲1200-Capital Project Funds SEP-14	Total Period Current Year	Total Period Previous Year
Assets and Other Debits						
▶11000-Cash including cash equivalents	<u>23,359,598</u>	<u>12,071,892</u>	<u>7,811,200</u>	<u>7,811,200</u>	31,170,798	19,883,092
▶12000-Receivables	<u>41,372,424</u>	<u>15,353,637</u>	<u>583,020</u>	<u>583,020</u>	41,955,444	15,936,657
<i>Total Assets and Other Debits</i>	64,732,022	27,425,529	8,394,220	8,394,220	73,126,242	35,819,749
Liabilities Equities and Other Credits						
Liabilities:						
▶21000-Current Liabilities	<u>46,676,475</u>	<u>10,729,340</u>	<u>230,188</u>	<u>230,188</u>	46,906,663	10,959,528
▶22000-Long-Term Liabilities	<u>1,792,447</u>	<u>609,881</u>	-	-	1,792,447	609,881
<i>Total Liabilities</i>	48,468,922	11,339,221	230,188	230,188	48,699,110	11,569,409
Equity and Other Credits:						
▶31000-Fund Balance	<u>11,625,385</u>	<u>6,234,248</u>	<u>8,164,032</u>	<u>5,205,083</u>	19,789,417	11,439,331
<i>Total Equities and Other Credits</i>	11,625,385	6,234,248	8,164,032	5,205,083	19,789,417	11,439,331
<i>Total Equities, Liabilities and Other Credits</i>	60,094,307	17,573,469	8,394,220	5,435,271	68,488,527	23,008,740

Figure 28. CAFR Balance Sheet

Statement of Net Assets



Ledger: Progress US Primary Ledger Budget Reference: Budget Reference Department: All Department Values Program: Program Funding Source: Funding Source Project: Project Scenario: Actual Balance Amount: Balance Amount Amount Type: Base Currency: USD Currency Type: Total			
	▲1000- Governmental Funds SEP-15	▲1200-Capital Project Funds SEP-15	Primary Government Total
Assets			
▶ 11000-Cash including cash equivalents	<u>23,359,598</u>	<u>7,811,200</u>	31,170,798
▶ 12000-Receivables	<u>41,372,424</u>	<u>583,020</u>	41,955,444
Total Assets	64,732,022	8,394,220	73,126,242
Liabilities			
Liabilities:			
▶ 21000-Current Liabilities	<u>-46,676,475</u>	<u>-230,188</u>	-46,906,663
▶ 22000-Long-Term Liabilities	<u>-1,792,447</u>	-	-1,792,447
Total Liabilities	-48,468,922	-230,188	-48,699,110
▶ 31000-Fund Balance	<u>-11,625,385</u>	<u>-8,164,032</u>	-19,789,417
Total Net Assets	-11,625,385	-8,164,032	-19,789,417
Total Liabilities & Net Assets	-60,094,307	-8,394,220	-68,488,527

Figure 29. GASB 34 Statement of Net Assets

Statement of Activities



Ledger: Progress US Primary Ledger Budget Reference: Budget Reference
Department: All Department Values Program: Program Funding Source: Funding
Source Project: Project Balance Amount: Balance Amount Amount Type: Base
Currency: USD Currency Type: Total

	Government Activities	
	Actual	Total
REVENUES		
Operating Revenue		
▶40000-Revenues	-19,483,194	-19,483,194
Total Revenue	-19,483,194	-19,483,194
EXPENDITURES		
▶51000-Personal services - salaries and wages	778,441	778,441
▶52000-Personal services - employee benefits	101,387	101,387
▶53000-Purchased professional and technical services	4,549,544	4,549,544
▶54000-Purchased property services	1,705,192	1,705,192
▶55000-Other purchased services	1,330,513	1,330,513
▶56000-Supplies	1,675,820	1,675,820
▶57000-Property	4,704,582	4,704,582
Total Expenditure	14,845,479	14,845,479
Excess of Revenues Over Expenditures	-4,637,715	-4,637,715

Figure 30. GASB 34 Statement of Activities

Conclusion

Oracle ERP Cloud provides Vision City with a robust system for managing its entire purchasing cycle with strict controls to ensure it stays within budget, and much more. It provides rich visibility and insight into how the budget is used, more than the city has ever before been able to derive. This added insight leads to more efficient allocation of scarce funds, and a better use of taxpayer and other resources. The employees of Vision City will spend less time worrying about transaction controls and purchasing processes, and more time focusing on delivering city services to the citizens of Vision City.

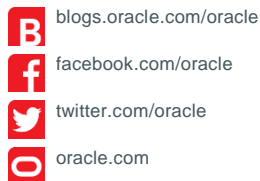
For information on how you can leverage Oracle ERP Cloud to achieve similar results, please see <https://cloud.oracle.com/erp>.

**Oracle Corporation, World Headquarters**

500 Oracle Parkway
Redwood Shores, CA 94065, USA

Worldwide Inquiries

Phone: +1.650.506.7000
Fax: +1.650.506.7200

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Oracle ERP Cloud Budgetary Control: A Case Study
March 2016
Author: Anne Wong
Contributing Author: Rob Zwiebach



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