

Expense Budgets

Objective

To budget allotment dollars at the object class level within the Minnesota Accounting and Procurement System (MAPS).

Policy

An expense budget with a sufficient dollar amount must be created to encumber funds or make expenditures. Expense budgets for salary and fringe benefit object class codes must be established before any positions can be entered into the Statewide Employee Management Application (SEMA4) system.

When annual operating budgets are established for an appropriation account, the entire amount of direct appropriated dollars within that account must be fully allotted by creating expense budgets. This procedure should be followed unless there are restrictions on allotting the funds based on law or budget policy. An agency may create expense budgets up to the Budget/Encumbrance Authority limit on the appropriation account. The sum of the expense budgets within an allotment account becomes its control total. Agencies should coordinate with their executive budget officer (EBO) to review annual operating budgets so that spending complies with legal intent.

All expense budgets must be established with a valid three-character object class and a valid organization code. Agencies will enter and modify all expense budget documents. When an expense budget (EB) is entered, several control options may be selected.

- Agencies may choose to require sub-object codes on expenditure accounting documents recorded against specific expense budget lines. For each object class line entered on an EB, the agency can require sub-object codes by entering "Y" in the **SUB OPT** field.
- Agencies can limit expenditures on individual object class lines entered on an EB by using the Spending Control Indicator. By entering a "Y" in the "**SPD IND**" field of the EB document, the expenditures for that object class line will be restricted to the revised budget amount. The system will reject expenditure accounting documents that would result in the budgeted amount being exceeded.

Agencies may decrease one expense budget and increase another within the same allotment, as well as transfer expense budgets from one appropriation to another using a **Transfer Budget (TB)** document. However, only budget amounts, and not cash, are transferred between the

appropriations. Sufficient "Unallotted" balance in the "To" appropriation must be available for the transfer budget successfully process.

Forms

No specific forms are required.

General Procedures

Step #	Actions to be Performed	Responsible Party
Establishing Original Expense Budgets		
1.	Identify the object class and amount for each expense budget.	Agency
2.	Enter the EB document and submit for agency online approval.	Agency
3.	<p>Review annual expense budgets with the Minnesota Management & Budget Executive Budget Officer (EBO) as appropriate.</p> <p>View the Appropriation Inquiry (EAP2) screen in MAPS and note the dollar amount on the BUD/ENC AUTHORITY line. The total of all expense budgets for the appropriation must not exceed this amount. The sum of the expense budgets is the control total for the allotment account and is shown as the ALLOTMENT amount on the same inquiry screen.</p>	Agency and Minnesota Management & Budget, EBO
Modifying Expense Budgets		
1.	<p>Use the following Action codes to modify expense budgets:</p> <p>Add/Reactivate -- Add new lines to the budget or reactivate an inactive line.</p> <p>Modify -- Changes the amount, budgeted positions, or description in active lines.</p> <p>Deactivate -- Deactivates a line so that no further obligations or expenditures may be made.</p> <p>Full Modify -- Changes line information other than</p>	Agency

	accounting information or amounts.	
2.	Enter the EB document and submit for agency online approval as necessary.	Agency
	Establishing Transfer Budgets	
1.	<p>Determine the need to transfer amounts from expense budgets in one organization unit to an expense budget in another organization unit.</p> <ul style="list-style-type: none"> ○ Enter accounting information and amounts in both the "From" and "To" boxes and click appropriate radio buttons. ○ b. Check the Within Allt checkbox if amounts are being transferred within the same allotment. Do not check the box if the amount is being transferred between appropriations. Determine that sufficient UN-allotted balance exists in the "To" appropriation. <ul style="list-style-type: none"> Have agency-authorized staff enter the TB document and submit the document for internal agency approval. Review the TB document to determine that it has been entered consistent with the budget plan before approving. Once the agency document approval has been entered, the funds are re-allotted and available for encumbrance or expenditure within the receiving or "To" organization. <p>Note: Agency should review significant modifications of expense budgets with EBO and ask for recommendations, if appropriate.</p>	Agency

See Also

[MAPS Operating Policy and Procedure 0203-01 - Organizations](#)

[MAPS Operating Policy and Procedure 0207-01 - Object Codes](#)

[MAPS Operating Policy and Procedure 0306-01 - Appropriations](#)

[MAPS Operating Policy and Procedure 0306-02 - Allotment Accounts](#)

[Budgeting and Planning in MAPS Training Manual](#)