



Peralta Community College District

Budget Journal Procedures

The budget setup process is to be performed by the Business Services Department for the budget year 2021 – 2022 and future years. The Business Services department of each college will setup their own budgets for the current year and any carryover budget from the prior year. This process will apply to all funds except funds 01, 43, 61, 62, 63, 64, and 65. Please see below the process for each type of budget setup.

Setting up Budget for Apportionment Revenue – Fund 11

Each year, the Business Service department will be responsible for setting up their budget related to the State of California Apportionments, any Federal related contracts, and any new contracts related to local agencies in the PeopleSoft system. If at the time, the Tentative Budget is approved and the apportionment certification has not been received, only 80% of last year's apportionment should be loaded into PeopleSoft. Once the apportionment certification or updated contract is received, the amount in PeopleSoft should be adjusted up or down to agree with the approved amount from the State or other agencies. All budget journals should have documents to support their amounts.

Finance will be responsible for reviewing and approving the budget journals and all attachments.

Setting up Budget for Carryover Revenue – Fund 11

The Business Service department will need to review their revenue contracts to see if the contract allows for carryover spending. A carryover budget journal can be established in PeopleSoft, if the carryover is allowed. At the time of the Tentative budget (late May), the amount of the carryover can only be setup for 50% of prior year's original budget less actual expenses. Once the Accounts Payable year-end close has occurred and all invoices through June 30 has been accrued for, the carryover budget can be adjusted up or down to the actual amount (budget less all actual expenses). All budget journals should have documents to support their amounts.

Finance will be responsible for reviewing and approving the budget journals and all attachments.

Budget Journals when Cash/Checks Received

When the Board approves the Budget Book, it approves the budget for all funds. In the budget, Finance has allocated budget amounts based on prior year's activity of dollars received and any new contracts that will be available for the new year to the colleges. The colleges can allocate that budget based on their needs.

If a check is received, the check is sent to the District and recorded to the revenue account. If the colleges receive an amount above what has been budgeted, that is the time a budget journal is needed for the amount of the difference between budget vs. funds received over and above the budget. **There is no need to record a budget journal for every check received.**

If you are expecting additional expenses above what was budgeted, you are allowed to use some of the fund balance if approved by Finance. Please keep in mind that the fund balance cannot be reduced lower than 10% of its balance.

Encumbrances at Year End

By June 30, all encumbrances or pre-encumbrances are to be released if not used. Once the release is complete, the amount will be added back to your budget and increase your available budget.