

## DIFFERENCE BETWEEN A BUDGET TRANSFER & JOURNAL ENTRY

### SCENERIO #1

#### *Budget Transfer*

During the Adopted Budget, the Art Department was allocated \$500. Their allocation was broken up as the following:

	BUDGET
Instructional Supplies	\$250
Non-Instructional Supplies	\$ 50
Membership Dues	\$100
<u>Equipment</u>	<u>\$100</u>
<b>TOTAL:</b>	<b>\$500</b>

In January, the Art department found out that their membership dues are going to cost \$150 instead of \$100 as they originally anticipated. They have decided to spend less in instructional supplies to make up this increase in cost.

The Art Department will need to submit a Budget Transfer Request Form to the Business office to increase their Membership Dues account line by \$50 and decrease their Instructional Supplies line by \$50. (This form will adjust the totals in the allocated budget column).

	BUDGET	EXPENSE	BALANCE
Instructional Supplies	\$250	\$ 0	\$ 250
DECREASE BUDGET TRANSFER	(\$50)		
Membership Dues	\$100	\$ 0	\$ 100
INCREASE BUDGET TRANSFER	\$50		

After the Budget Transfer Request has been submitted, their new allocated budget will be:

	BUDGET	EXPENSE	BALANCE
Instructional Supplies	\$200	\$ 0	\$ 200
Non-Instructional Supplies	\$ 50	\$ 0	\$ 50
Membership Dues	\$150	\$ 0	\$ 150
<u>Equipment</u>	<u>\$100</u>	<u>\$ 0</u>	<u>\$ 100</u>
<b>TOTAL:</b>	<b>\$500</b>	<b>\$ 0</b>	<b>\$ 500</b>

**SCENERIO #2**

**Journal Entry**

Now that the budget is allocated to the correct code, the Art Department has submitted the Purchase Order (PO) request into Banner and it was approved and paid by Accounts Payable

However, when the Art Department was reviewing their budget, they realized that the membership dues were paid out of the Instructional Supplies account code instead of the Membership Dues code.

	BUDGET	EXPENSE	BALANCE
Instructional Supplies	\$200	\$ 150	\$ 50
Non-Instructional Supplies	\$ 50	\$ 0	\$ 50
Membership Dues	\$150	\$ 0	\$ 150
Equipment	\$100	\$ 0	\$ 100
<b>TOTAL</b>	<b>\$500</b>	<b>\$150</b>	<b>\$ 350</b>

To get this corrected, a Journal Entry Form needs to be submitted to the Business Office. Crediting (-\$150) the account line that the code was charged to by mistake and Debiting (+\$150) the code that they expense should have been applied to. (This form will adjust the totals in the posted expenses column).

**NOTE:** When making modifications to an expense account line items (Account Codes 1000-7999), a CREDIT will reflect in Banner as a negative number and a DEBIT will reflect in Banner as a positive number.

	BUDGET	EXPENSE	BALANCE
Instructional Supplies	\$200	\$ 150	\$ 50
<b>CREDIT JOURNAL ENTRY</b>		<b>(\$ 150)</b>	
Membership Dues	\$150	\$ 0	\$ 0
<b>DEBIT JOURNAL ENTRY</b>		<b>\$ 150</b>	

After the Journal Entry Request has been submitted, their new allocated budget/posted expenses will be:

	BUDGET	EXPENSE	BALANCE
Instructional Supplies	\$200	\$ 0	\$ 200
Non-Instructional Supplies	\$ 50	\$ 0	\$ 50
Membership Dues	\$150	\$ 150	\$ 0
Equipment	\$100	\$ 0	\$ 100
<b>TOTAL</b>	<b>\$500</b>	<b>\$150</b>	<b>\$ 350</b>