

## Budget vs. Actuals

**Budget** - an *estimate* of revenues and expenses for an account for a fiscal year.

**Actuals** - the actuals reflect how much revenue an account has actually generated or how much money an account has paid out in expenditures at a given point in time during a fiscal year.

Prior to the beginning of each fiscal year, your Department Head will submit a budget to the Division of Finance (VPFN) for each account in your department. The term “budget” does not mean that you actually have the money to spend. It means that people in your department who have planned the budget for your accounts have estimated that an account will collect “x” number of dollars and spend “x” number of dollars for the fiscal year. Thus, a **budget** is only an estimate of the revenues and expenses that your project will occur on your account for the fiscal year. It is not cash, but instead only an estimate of what they expect to happen based on previous year history.

### Account types 2xxxxx, 3xxxxx, except 24xxxx & 25xxxx

For accounts that generate revenue (2xxxxx, 3xxxxx, except 24xxxx & 25xxxx), for example, the Printing Center, TAMU will give them **budget authority on the SL- not cash** to spend based upon their budget projections for revenues and expenses. No money is given upfront. TAMU has a pool of money which “floats” these types of accounts throughout the year; therefore, the money that they are spending belongs to TAMU until they begin to collect their own revenue to cover their own expenses. If, by the end of the year, the Printing Center does not collect all of their budgeted revenue, they will have to cover the deficit. The Printing Center would probably have to get money from their Vice-President to do this. Thus, for these types of accounts, it is very important to reconcile the SL Account Statement (daily activity of revenues & expenses) to the GL Fund Balance (beginning balance + transfers in - transfers out + actual revenue - actual expenses) every month to ensure that everything is on track. If your account collects more revenue than projected in the budget, then before you can spend it, your department will have to submit a Fiscal Request to Financial Management Services to get budget authority to spend the money in your account.

At the end of the year, if an account has any amount left over in the budget shown on Screen 34 in FAMIS, then that amount IS NOT carried forward into the new year. This is because budget is only a projection, not cash. Instead, the General Ledger Fund Balance, which is cash, that is mapped to the Subsidiary Ledger Account gets carried forward.

### Account types 1xxxxx, 4xxxxx, & 5xxxxx

For accounts that do not generate revenue (i.e. 1xxxxx, 4xxxxx, 5xxxxx), VPFN actually moves dollars for the projected budget into the accounts, making it available for the department to spend without having to utilize money from the TAMU pool. Thus, the budget in these accounts shown on Screen 34 is the actual cash in the account.

### Other Useful Information

In FAMIS, when looking at either Screen 19 or Screen 34, use the budget and actual columns as a management tool to compare the estimated budget to what has actually occurred in the account to date. You might have to look at previous year information to see if the account is on track with what occurred last year at the same time. If major discrepancies exist, then you might need to look further to see why an account is not collecting the revenue that was expected.