



Doc Type

Sample Process Document

**(Process Document Of Infoman eDMS Budget Module**)

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**Introduction**

***Objective:***A budget is a detailed plan of operations for some specific future period. It is an estimate prepared in advance of the period to which it applies. It acts as a business parameter as it is a complete program of activities of the business for time period covered.

A budget is a “financial and/or quantitative statement, prepared during that period prior to a defined period of time, of the policy to be prepared to be pursued during that period for the purpose of attaining a given objective”

Thus, essentials of a budget are as follows: -

1. It is prepared in advance and is based on a future plan of actions
2. It relates to a future period and is based on objectives to be attained
3. It is a statement expressed in monetary and / or physical units prepared for the implementation of policy formulated by the management.

Different types of budgets are prepared by an industrial concern for different purposes. For example: A sales budget is prepared for the purpose of forecasting for a future period. Master budget embodies forecasts- for sales and other incomes, for manufacturing, marketing and other expenses, for cash and capital requirements, besides forecasting the figure of profit or loss.

The following provisions of defining in the Budget Process in Infoman eDMS:

1. Helps in define Budget Heads, its periodicity, budget control setup.
2. Helps to define Budget - Ledger relation
3. Helps to define Budgeted values Location wise along with the Period. This period can be Annual, Half Yearly, Quarterly, Monthly.
4. Can compare Budgeted vs. Actual
5. Display of Comparative values of last Year / Month / Quarter for the selected Ledger (GL / SL)



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#### PROCESS OF BUDGET IN INFOMAN eDMS

1. **Define Budget Setup –** User can define whether BUDGET Module is integrated with Finance module in Infoman eDMS.
2. **Define Budget Heads –** User can define different types of Budget heads along with period.
3. **Define Budget - Account relation –** User can attach Ledgers with Budget heads.
4. **Define Budgeted values –** User can define Budgeted Values along with the Period for different Budget heads and Locations.
5. ***DEFINE BUDGET SETUP***

* User can define whether BUDGET Module is integrated with Finance module in Infoman eDMS. **Currently only setup related to Budget activation or Deactivation will be maintained.**
* **Budget to be defined at Company Group Level or Location wise.**

1. ***DEFINE BUDGET HEADS***

User can define the Budget names. Further with Budget names, user can define:

1. The Periodicity – This can be defined as Yearly, Half Yearly, Quarterly and Monthly. In Phase I, we will be providing feature of Yearly and Monthly Budgets only.
2. The Behavior of the Voucher Entry process in case Budgeted value is either achieved against the selected Ledger. Following values can be defined in Budget Setup to control the Voucher entry process

* **Restrict –** Value of “R” will be defined in this case. In case value of “R” is defined, system will not allow the Voucher entry to be saved in case Sum Total Value exceeds the Budgeted value for the period defined against the Ledger / Sub Ledger / Cost Centre selected in the Voucher
* **Allow –** Value of “E” will be defined in this case. In case value of “E” is defined, system will allow the Voucher entry to be saved in case Sum Total Value exceeds the Budgeted value for the period defined against the Ledger / Sub Ledger / Cost Centre selected in the Voucher. In this scenario system will display an Alert message about the Budgeted Value being reached. Incase user wishes to proceed with saving Voucher, system will not stop the entry saving process.

1. ***DEFINE BUDGET - ACCOUNT RELATION***

User can Link Accounts (General Ledger/Sub Ledger) with the Budgets opened.

* A Budget can be linked with:
* One or more than one General Ledger
* One or more than one Sub Ledger
* Same Budget can be linked with multiple Account / Sub Accounts but one Account / Sub Account can’t be linked with multiple Budgets
* Budgets can be defined only for Accounts / Sub Accounts falling under **Expense** or **Liability** Account Type Level I
* Sub Accounts falling under single Account can be linked with different Budgets.
* While defining the link between Budget – Account / Sub Account relation, then system will check whether Budget Value setup for the period against the selected Budget has already been defined or not. Incase Budget Value setup for the selected budget has been defined, system will check the total value of vouchers passed under all the Accounts / Sub Accounts linked to the selected budget. If the Budget value defined for these Ledgers is less than TOTAL value of the vouchers already passed in INFOMAN eDMS application, then system will NOT Save this Budget – Account / Sub Account linking.

Note: Whenever user is either defining the linking of Account / Subaccount with the Budget or delinking account / subaccount from the budget, system will send email to all the mailids defined in the setup stating the Login details and the Account / Sub Account Linked / Unlinked.

1. ***DEFINE BUDGETED VALUES***

User can enter Financial year wise values of the Budgets

1. Budget Values Setup to be defined Location wise

* Location wise – while defining budget values for Locations, only **Finance locations** will be displayed.
* Period wise – based on the periodicity (Y, H, Q, M) defined for budget, user can define:
  + The budget values for the set period i.e. define budget values for **FROM DATE** to **TO DATE**.
  + Incase periodicity is defined as M (Monthly), then for each location, 12 set of records for every month will be defined and user will specify monthly budgeted values.
* Budget values can be defined both for **Future period** and **Back Dated** period.
* Incase Budget is being defined for a BACK DATED period, then system will check the total value of vouchers passed under all the Accounts / Sub Accounts linked to the selected budget. If the Budget value defined for these Ledgers is less than TOTAL value of the vouchers already passed in INFOMAN eDMS application, then system will NOT Save this budget value.
* Once a Budget is saved, system should send email to all the emailid’s defined in setup.
* Once a budget value is defined for a period, user can edit these values. While editing Budget values, then system will check the total value of vouchers passed under all the Accounts / Sub Accounts linked to the selected budget. If the Budget value defined for these Ledgers is less than TOTAL value of the vouchers already passed in INFOMAN eDMS application, then system will NOT Save this budget value. Further when Budget value is modified, system will send a mail on all emailids defined in Setup. In this email, modified budget details along with login details of the person who modified this budget will be specified.
* Incase a budget value is defined for a period and then it is deactivated. Further user defines values for the budget for the same period, then system check the total value of vouchers passed under all the Accounts / Sub Accounts linked to the selected budget. If the Budget value defined for these Ledgers is less than TOTAL value of the vouchers already passed in INFOMAN eDMS application, then system will NOT Save this budget value.

1. Budget Value setup to be defined for Company Group – In this scenario, user will be defining budget values based on:
   * The period only, no linking will be done with different Locations.
   * Period wise – based on the periodicity (Y, H, Q, M) defined for budget, user can define:
     1. The budget values for the set period i.e. define budget values for **FROM DATE** to **TO DATE**.
     2. Incase periodicity is defined as M (Monthly), then for each location, 12 set of records for every month will be defined and user will specify monthly budgeted values.
   * Budget values can be defined both for **Future period** and **Back Dated** period.
   * Incase Budget is being defined for a BACK DATED period, then system will check the total value of vouchers passed under all the Accounts / Sub Accounts linked to the selected budget. If the Budget value defined for these Ledgers is less than TOTAL value of the vouchers already passed in INFOMAN eDMS application, then system will NOT Save this budget value.
   * Once a budget value is defined for a period, user can edit these values only if no voucher has been passed for the selected period. I.e. in case any voucher has been passed against the ledgers linked with the budget, user will not be able to edit this budget values. In this scenario, user must deactivate the existing budget and define new budget for the selected period.
   * In case a budget value is defined for a period and then it is deactivated. Further user defines values for the budget for the same period, then system check the total value of vouchers passed under all the Accounts / Sub Accounts linked to the selected budget. If the Budget value defined for these Ledgers is less than TOTAL value of the vouchers already passed in INFOMAN eDMS application, then system will NOT Save this budget value.

Validations

1. **Passing Voucher Entry against Account linked with BUDGET**

In case Budget Module is activated, the system will perform following validations:

* While passing Voucher entry against an Account / Subaccount which is linked with a Budget, the system will check the Budget vs Actual value against the defined budget linked to the account.
* In case the Budgeted figure is already achieved, then system will check setup. Incase setup defined doesn’t allow the value to be crossed, then system will throw alert and will not save Voucher.
* Incase location wise budget setup has been defined and further user has not defined the budget values for the selected period, the system won’t allow the voucher to be saved.

1. **Uploads**

All the uploads from where the Vouchers are posted, validation on Budget values will be done as referred in point no 5.

1. **Budget-To-Actual Report.** This **report** shows the difference between your budgeted Values and **actual** Values achieved against a selected Budget. Budget v/s Actual Report can be generated on following parameters:
   1. **BUDGET –** Selective / All
   2. **LOCATION –** Selective / All
   3. **PERIOD –** Period for which Budget v/s Actual variation needs to be generated. Period can’t be specified across Financial Year.
   4. **SUMMARY or DETAIL**
   5. **Grouping** –
      1. Budget wise – Location Wise
      2. Location wise – Budget wise
   6. **Output –** 
      1. Screen – Report data will be displayed on the screen in Grid format. By default data will be displayed in Summary format. User can drill down to Voucher Level
      2. Excel – Based on parameters selected, data will be displayed in Excel.