Global Budget Settings

Module Guide: Global Budget Settings

Module Location

Settings > Budget Settings > Global Budget Settings

Module Purpose

The **Global Budget Settings** module acts as the master switch to activate the budget control mechanism throughout the system. Specifically, this module determines at what stage the budget is "consumed" or "committed." By activating the options here, the system will proactively check for budget fund availability when a commitment document is created, not just when the actual expense occurs. This is a core concept of **commitment accounting**.?

1. Main View (Global Settings Page)

The main page is a simple configuration form that controls the behavior of the entire budget module.

View Explanation

- **Budget Type: Commit**: This label indicates that the settings here relate to **Commitment Accounting**. This means the budget is considered used at the moment a commitment is made (e.g., when a Purchase Order is issued), rather than when an invoice is received or paid.?

- **Budget Allocation**: This section contains a list of document types that can trigger a budget check and allocation.
    - **Purchase Order**: If checked, every time a user creates a Purchase Order (PO), the system will check if there is enough remaining budget for the PO's value.
    - **Cashbook Requisition**: If checked, every request for cash (e.g., for petty cash) will be checked against the available budget.
- **Action Buttons**:
    - **Save**: Saves the configuration.
    - **Cancel**: Discards the changes.

2. Steps to Activate Budget Control

- Access the **Global Budget Settings** module.
- Check the box next to the document type you want to place under budget control (e.g., **Purchase Order**).
- Click the **Save** button.

3. Integrated Workflow & Business Process

- **Proactive Control**: This is the core function of this module. Once **Purchase Order** is activated, the workflow will change:
    - A user creates a new Purchase Order.

    - Before the PO can be saved or approved, the system automatically checks: "What is the total value of this PO?" and "What is the remaining budget for the corresponding account/department/project?"

    - **If Budget is Sufficient**: The system will allow the PO to be processed and will "reserve" or **encumber** that amount from the total available budget.?

    - **If Budget is Insufficient**: The system will block the transaction or, depending on other configurations, send a notification to a manager for special approval (override).

- **Preventing Overspending**: By activating control at the commitment stage (PO), the company can prevent overspending in **real-time**, rather than only discovering it at the end of the month when running actual vs. budget reports. ?

4. Tips & Important Notes

- **Master Switch**: This module is the main "ON/OFF" switch for the entire budget control system. Do not activate this feature if the company does not yet have a complete and approved budget within the system.

- **Prerequisites**: Before activating this module, ensure that all other budget setting modules (Version, Matrix, Period, and budget data entry) have been fully configured.

- **Operational Impact**: Activating this control will have a direct impact on the procurement process. Ensure all relevant users (e.g., the purchasing department) understand that their requests will now be subject to budget availability.

- **Highly Restricted Access**: Given its fundamental impact, access to this module must be strictly limited to a Financial Controller or System Administrator.

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