Essentials Edition

Version: 1.0

Budgets

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About Budgets

The Budgets TSI is used to add and manage budgets. The main objective of Budgets is to monitor the depletion of approved budgets.

Budgets can be classified as property-related budgets.

Budgets are affected via journal entries generated through changes in contracts and orders in the Work Orders and **Contract Management** TSIs.

Budgets - Concepts

This section explains concepts available in the Budgets TSI and the way they are related to each other.

Cost groups

Cost groups are used to divide budget categories into groups, such as Services, Housing costs, Projects and Service costs. The groups can be divided into subgroups. A cost group needs to be specified for each budget category. Cost groups are not linked to a property.

Cost categories

Cost categories are used to group budget categories with their budgets, for example Electro Technical Maintenance, Constructional Maintenance.

Budget categories

By using budget categories, you can group budgets with identical cost groups (such as Services), but different cost centers (such as Research & Development or Facility Management). The budget category allows you to monitor the total amount of these budgets.

In Essentials Edition , there is one budget category:

- **Budget categories – Properties**: can be linked to one or more properties.

> 💡 There can also be general budget categories that have no properties linked.
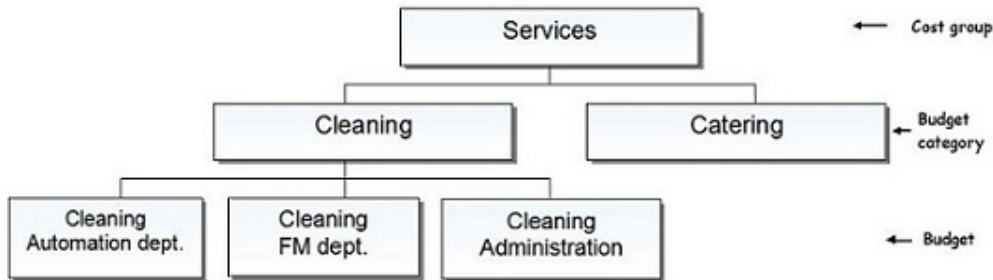
Budgets

An estimate of income and expenditure for a set period of time. A budget is an assigned amount to be spent on a task. A budget belongs to a specific budget category.

Budgets can have the following statuses: **Initial**, **Open** or **Closed**. In its initial status, a budget can be marked as either an income or expenditure. Any changes on a budget can be done in the Initial status only. Once a budget is moved to the **Open** status, the changes can be registered only via **Budget modifications**. If a budget is moved from the initial status to another status, it is not possible to remove the budget.

Grouping example

The categorization of cost groups, budget categories and budgets may vary per organization, depending on their preferences. The figures below illustrate two examples of grouping.

An example of property independent budgets. The Cleaning budget category can be divided into multiple budgets. For each budget a unique department (= cost center) is specified.

An example of property dependent budgets. Each property has its own different budgets for Constructional Maintenance and Complaint handling. By using a budget category the total amount spent on maintenance can be monitored per property.
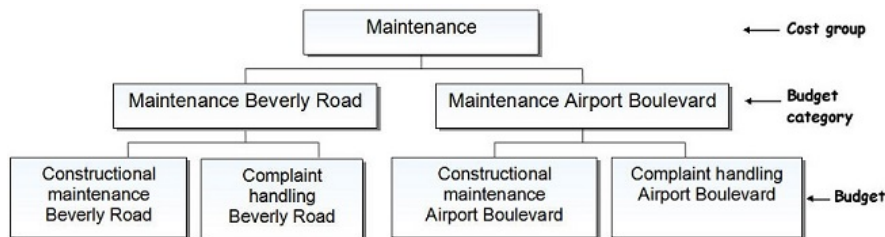
Budget modifications

Making changes to a budget which is in the **Open** status. Budget modifications can be done with either the **Budget change** or **Budget transfer** option. **Budget change** is for changes on the same budget. **Budget transfer** is for transferring amounts from one budget to another.

The change or transfer should be approved by authorized personnel. After the approval, the budget is updated automatically.

Budget modifications can have the following statuses: **Initial**, **Approval requested** or **Approved/Rejected statuses**.

- Budget amounts can be modified only in the **Initial** status.
- A budget modification can be approved only when the involved budget(s) is in the **Open** status.
- For a budget transfer, both source budget and destination budget should be in the **Active** status.
- There can only be one change or transfer at a time for a budget.
- Deleting budget changes/transfers is not possible once the change moves out of the **Initial** status.
- Any changes on budget modifications can be registered as budget modification history.

Financial year

The year to which a budget category applies. The active financial year can be set with the **Financial year** button on the toolbar. After setting a financial year, only budgets and budget categories for the active financial year are shown in the Budgets TSI.

> The default value for the active financial year is the year of the current system date, provided that the current year has been defined as a financial year. For more information on setting the active financial year, refer to Setting the active financial year.

Working with Budgets

This section describes the processes and tasks that can be performed in the Budgets TSI.

Adding cost groups

To add a cost group, proceed as follows.

Procedure

1. Go to the **Cost groups** selection level.
2. From the action menu, select **Add**.
3. Complete the fields in the data section.

   For more information on the available fields, refer to Cost groups fields.

4. Click **Save**.
   A new cost group is created.

Setting the active financial year

Budgets and budget categories for the active budget year are shown in the Budgets TSI. The default value for the active financial year is the year of the current system date, provided that the current year has been defined as a financial year. Financial years can be added and maintained in the Supporting data launch group.

> For more information on maintaining financial years, see the Supporting data documentation.

Procedure

1. Go to **Budget category**.
2. Click the **Financial year** button in the toolbar. The **Select the active financial year** window opens. Here you can select the required financial year.

   It is also possible to have the budget categories and budgets displayed of all financial years. For example, if you want to generate reports over several financial years. To view the budget categories and budgets of all financial years, you can disable the filter on financial year by clicking the **Financial year active** toggle button.

Adding budget categories

This section generally explains how to add a new budget category in Essentials Edition .

Adding budget categories

To add a budget category, proceed as follows:

Procedure

1. Go to the **Budget categories** selection level.
2. If you drill down from a specific property, the budget categories linked to that specific property are displayed.
   If you want to view the general budget categories that are not linked to the active property, click the **General categories included** button in the toolbar.

> By default, only the budget categories of the active financial year are shown. If you also want to view the budget categories of other financial years, click the **Financial year** button and select **Inactive**.

3. From the action menu, select **Add**.
4. Complete the fields in the data section.

   For more information on the available fields, refer to Property budget category data fields.

5. Click **Save**.
   A new budget category is created.

> Note that the new budget category is not yet linked to a property. For more information on how to do this, refer to Linking a budget category to a property.

Linking a budget category to a property

By default, each newly added budget category is a general budget category that applies to all properties and that is not linked to any specific property. If a budget category only applies to one (or more) specific property (-ies), you have to manually link it to the relevant property (-ies).

Procedure

1. At the **Budget categories** selection level, select the budget category you want to link to one or more properties.
2. In the **Links** menu, click the **Property** option.

   The **Properties** window opens. Here you can link (or unlink) the active budget category to one or more properties. If no properties are shown in the **In use** section, the budget category concerned applies to all properties.

3. In the **Available** section, select the properties to which you want to link the budget category and transfer them to the **In use** section.
4. Click **OK**.

> 💡 By default, the elements list at the **Budget categories** selection level only displays the budget categories linked to the active property. Click the **General categories included** toolbar button to also display the general budget categories that apply to all properties.

Copying a budget category

Instead of adding a new budget category, you could copy an existing budget category. Copying budget categories can be useful if for example there are many similarities between budget categories and budgets for various properties.

All relevant data and any budgets that belong to the budget category concerned can be copied together with it. If the current budget category is linked to one or more budgets, Essentials Edition will ask you if you want to copy the budgets that belong to this budget category. If the current budget category is linked to one or more properties, Essentials Edition will ask you if these properties should also be linked to the copied budget category.

Adopting budget categories with their budgets

Essentials Edition enables you to adopt budget categories with the budgets belonging to them to a new financial year. The budget amounts specified can be adopted and increased by a certain percentage.

Once-only budget categories and their budgets are never adopted whereas recurring budget categories are. A recurring budget category (property-related) may include both once-only and recurring budgets.

Procedure

1. Go to the **Budget categories** selection level.

2. If you want to adopt budget categories and budgets from one specific financial year, set this year as the active financial year. The elements list will then only display the budget categories of the active financial year. Refer to Setting the active financial year for more information on how to set the active financial year.

   If you want to adopt budget categories and budgets from various financial years at the same time, make sure all financial years are displayed. Refer to Setting the active financial year for more information on how to do this.

3. Select the budget category (-ies) you want to adopt.

4. From the action menu, select **Adopt recurring budgets**.

   The **Adopt recurring budgets** dialog box is displayed.

5. In the **To financial year** box enter the financial year to which you want to adopt the selected budget categories and their budgets.

6. Click the **Including amounts** option button if you want to adopt the budget categories and budget amounts, so completing the **Budget** field. You can add a percentage with which the original budget amounts are to be increased.

> If the budget category is based on budget calculation method 1 (**Budget % of budget category**), the percentage will be applied to the budget (amount) of the budget category. In case the budget category is based on calculation method 2 (**Budget category budget total**), the percentage will be applied to each individual budget.

7. If budget categories are linked to one or more properties, you can select the **Including linked properties** check box if you want to adopt these links too.
8. Click **OK** to confirm the settings made in this dialog box.

Essentials Edition will now create budget categories and budgets for the specified financial year.

Adding budgets

This section explains how to add new budgets in Essentials Edition .

To add a budget, proceed as follows:

Procedure

1. Go to the **Budget categories** selection level and select the budget category to which you want to add a budget.

> By default, only the budget categories of the active financial year are shown. If you also want to view the budget categories of other financial years, click the **Financial year active** button in the toolbar.

2. Go to the **Budgets** selection level.
3. From the action menu, select **Add**.
4. Complete the fields in the data section.

For more information on the available fields, refer to Budget data fields.

5. Click **Save**.

Modifying a budget

To modify a budget, proceed as follows:

Procedure

1. Go to the **Budget details** > **Budget modifications** step.
2. On the action menu, click **Add Budget changes/Add Budget transfers**.
3. Complete the fields in the data section.

For information on the available fields, refer to Budget modification data fields.

4. Click **Save**.

Closing budgets

It is possible to close a budget. If a budget is closed, you can no longer enter costs for this budget.

You can close a budget only if:

*   The orders related to the budget must be either in **Administratively completed** or **Canceled** status.

Budgets can be closed in the following ways:

Procedure

1. Close each budget separately
    . On the **Budgets** selection level, click **Closed** status on the action menu.

    Or

2. Close all budgets in a budget category. On the **Budgets categories** selection level, click **Closed** status on the action menu. If you want to close all budgets of various budget categories simultaneously, you can use the **Action on selection** option.

    Or

3. Close all budgets related to a financial year. On the **Financial year** selection level, click **Close all budgets of financial year** on the action menu.

> ℹ️ For more information on the **Action on selection** option, see *Fundamentals*.

Updating budgets based on order status

Budgets are updated based on the system status of the related order. Actual order costs are always subtracted from the budget. For estimated order costs, the following three situations apply:

1. The order is not yet accepted. In this case, no costs are committed to the budget.
2. The order is accepted but not closed yet. In this stage, estimations are registered as committed costs. When you register actual costs, committed costs will be transferred into actual costs. If the actual costs exceed the estimate, estimate and costs are both taken into account (additional costs are expected).
3. The order is closed. In this stage, the estimates that exceed the actual costs are not committed to the budget.

The following tables list the system statuses per order type that apply to the above situations.

Table 1. Situation 1: the order is not accepted

Order type	Order statuses
Maintenance orders	Reported, Proposal

Order type	Order statuses
Work order	Reported, Proposal

Table 2. Situation 2: the order accepted but not closed yet

Order type	Order statuses
Maintenance orders	Accepted, Technically completed
Work order	Accepted, Technically completed

Table 3. Situation 3: the order is closed

Order type	Order statuses
Maintenance orders	Canceled, Administratively completed
Request	Canceled, Completed
Work order	Canceled, Administratively completed

Budgets - Field descriptions

Cost group data fields

Field	Description
Code	A cost group code. This field is used to display the cost group in the elements list.
Description	A cost group description. This field is used to display the cost group in the elements list.
Code group	Essentials Edition automatically adopts the code you have specified in the **Code** field. The value in this field cannot be modified.

Budget category data fields

Field	Description
Code	A budget category code. This field is used to display the budget category in the elements list. The budget category code has to be unique per financial year.
Description	A budget category description. This field is used to display the budget category in the elements list.
Once-only budget category	This field enables you to specify whether a budget category is a once-only budget category (value **Yes**) or a recurring budget category (value **No**). Budgets for a new financial year can be created on the basis of budgets of other financial years. This can be done by adopting budget categories and their underlying budgets. If a budget category is recurring, then all underlying recurring budgets will be included when adopting the budgets. However, underlying once-only budgets will not be included. If a budget category is once-only, then the underlying budgets - whether they are defined as recurring or not - will not be adopted. For more information on adopting budget categories with their budgets, refer to Adopting budget categories with their budgets.
Budget	The total budget for the active budget category. The contents of this field can be typed or automatically calculated, depending on the value specified in the **Calculation method** field.
Modification date	The date on which the latest budget adjustment has taken place. The moment the value in the **Budget** field is modified, the current system date is automatically placed in the field, i.e. the day the adjustment took place. The contents of the field can be adopted manually.
Calculation method	There are two ways to specify the amounts for budget categories and budgets. The total amount for a budget category can be specified and

Field	Description
	divided over the various budgets on the basis of a percentage. Select the **Budget % of budget category** option to use this method. Alternatively specify the amounts for each budget. In a budget category's **Budget** field the various amounts are added. To use this method, select the **Budget category budget total** option.
Cost group	The cost group a budget category belongs to can be selected from a pick list. The list contains the cost groups specified at the **Cost groups** selection level. For more information on cost groups, refer to Working with Budget Management.
Comment	Here you can enter an unrestricted amount of text, such as information regarding the relevant budget category.
Financial year	The financial year to which a budget category applies. For each added budget, the current (=active) financial year is automatically entered. The contents of the field cannot be modified. For more information on setting the active financial year, refer to Setting the active financial year.
Status	When a new budget category is added, the status will initially be **Open**. Essentials Edition will automatically populate the **Status** field with the value **Open**. If the relevant budget category has been closed, the value **Closed** is specified here. The value in this field cannot be overwritten manually.
	For more information on closing budgets, refer to Closing budgets.

Budget data fields

Field	Description
Code	A budget code. This field is used to display the budget in the elements list. The budget code has to be unique per financial year.
Description	A budget description. This field is used to display the budget in the elements list.
Is expenditure	Specify if the budget is an income or expenditure.
Once-only budget	This field enables you to specify whether a budget is a once-only budget (value **Yes**) or a recurring budget (value **No**).
	Budgets for a new financial year can be created on the basis of budgets of other financial years. This can be done by adopting budget categories and their underlying budgets. If a budget category is recurring, then all underlying recurring budgets will be included when adopting the budgets. However, underlying once-only budgets will not be included. If a budget category is once-only, then the underlying budgets - whether they are defined as recurring or not - will not be adopted. For more information on adopting budget categories with their budgets, refer to Adopting budget categories with their budgets.

Field	Description
% of budget category	This calculated field displays the part of the total budget size of the budget category available to this budget.
	If the value **Budget % of budget category** is specified for the budget category in the **Calculation method** field (refer to Budget category data fields) you can use this field to specify the percentage of the amount of the budget category that is intended for this budget. The calculated budget amount is shown in the **Budget** field.
Budget	The budget value. If the value **Budget % of budget category** is specified for the budgets category in the **Calculation method** field (refer to Budget category data fields) and a percentage is specified for the budget in the **% of budget category** field, the budget is calculated according to the following formula:
	Budget (of budget category) * % of budget category 100
	If for a budget category the value **Budget category budget total** is specified in the **Calculation method** field, you can specify a value in the **Budget** field.
Total committed	This field displays the total value of the estimated costs for all the orders that are linked to a budget using the Work Orders , Service Desk and/or Reservations TSIs.
	Estimated costs can only be specified for a combination of specific order types and status transitions.
Total invoiced/actual costs	In the **Total invoiced/actual costs** field the total **Costs excluding VAT** are specified for both actual costs and man-hours for the orders linked to the budget.
Remaining budget	The remaining budget is calculated as follows: budget – total committed – total invoiced/actual costs – reserved amount.
	A remaining budget for running orders is calculated by subtracting the following cost items from the budget:
	• Costs
	• Estimates
	When using negative amounts for estimates, you indicate to expect a profit, whereas using positive amounts for estimates indicates you expect costs.
Last adjustment	The date on which the latest budget adjustment has taken place. The moment the value in the **Budget** field is modified, the current system date is automatically placed in the field. The contents of the field can always be modified.
Budget category	The budget category to which the budget belongs. The budget category is automatically specified by Essentials Edition .

Field	Description
Cost center	The cost center for a budget. The required cost center can be chosen from a pick list containing all cost centers.
Comment	A note of any length can be typed.
Status	When the active budget is closed, Essentials Edition automatically enters the value **Closed** here. If the relevant budget has not been closed, the value **Open** is specified here. The value in this field cannot be overwritten manually.
Financial year	The financial year that applies to the budget. For each added budget, the current financial year is automatically entered. The contents of the field cannot be modified. For more information on setting the financial year, refer to Financial year .

Budget modification data fields

Field	Description
Code	Enter a code for the budget modification.
Amount change	Specify the amount that you want change or transfer in a budget.
Approval date	Select a date on which the budget change/transfer should become active.
Target budget	Select a target budget for change/transfer.
Approved date	The date when the budget change/transfer is approved. On this date, the budget change/transfer will be applied.
Name	Enter an appropriate name for budget change/transfer.
New amount target budget	The target budget amount (updated) after transfer/change.
Original amount target budget	The target budget amount (original) before transfer/change.
Source budget	Select a source budget from which the budget transfer should take place.
New amount source budget	The source budget amount (updated) after transfer.
Original amount source budget	The source budget amount (original) before transfer.

> 💡 The above three fields are available for budget transfers only.

Budget history fields

Field	Description
Modification date-time	The date-time at which the change was entered in Essentials Edition .
Planon user	The name of the Planon user who made the change.
User field name	The field name of the changed field as it is known to the user.
System field name	The field name of the changed field as it is defined in the system.
Old value	The contents of the field prior to the modification.
New value	The contents of the field after the modification.
Budget	The budget to which the change applies.
Start date	The date at which the change becomes effective.

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