

## **SERVS UPDATE Information:**

There are four columns on the budget screen that show:

1. **Last MDE approved budget:** This is a budget that required MDE approval and has been approved. It could be the initially approved budget, or the most recently MDE approved budget.
2. **Current Approved Budget:** This is a budget that may have required MDE approval (and will be the same as the MDE approved budget), or was auto approved because it represents a modification to the Last MDE approved budget that did not require approval as per the Edgar 10% rule.
3. **Amount Expended:** This shows the amount of money already spent from the allocation in each object code:
4. **Proposed Budget:** This shows the proposed budget if the budget is in revision status. If it is not in revision status, it shows the same as Currently Approved Budget.

Definition of **Auto Approve:** If a budget has been approved and is in “Funded and Active” status, that budget can be revised. If the revision satisfies the business rules associated with auto-revision, the budget will automatically go to “Funded and Active” when submitted by the LEA. Several rules must be satisfied before it can be auto-approved. They are:

- a. The proposed budget amounts must not exceed the total allocation.
- b. The proposed budget amounts cannot be lower by object code than current expenditures for that object code.
- c. The proposed budget cannot represent greater than a 10% cumulative change to the last MDE approved budget. The 10% is calculated on total budget and on total changes to object codes.
- d. The new budget cannot have revisions to an object code associated with training.
- e. The new budget cannot have a new object code that was not in the last MDE approved budget

### **Status Revisions.**

1. **UnBudgeted:** This status remains unchanged. The LEA has an allocation, but they have never created a budget even in draft status.
2. **Unsubmitted:** This status remains unchanged. The LEA has an allocation and they have created a budget, but it remains in draft status. They have not submitted a budget related to this allocation. The LEA cannot spend against this allocation.
3. **Submitted:** This status remains unchanged. The LEA has an allocation and they have submitted a budget to MDE for approval. Budgets in this state can be revised. If the LEA selects to revise the budget, it will be placed into “**Unsubmitted**” status, and it will no longer appear in any MDE inboxes. The LEA receives a warning about this status change if they choose to revise. The LEA cannot spend against this allocation.
4. **Program Approved:** This status remains unchanged. The LEA has an allocation and they have submitted a budget to MDE for approval. The responsible MDE program area has approved the budget. Budgets in this state can be revised. If the LEA selects to revise the budget, it will be placed into “**Unsubmitted**” status, and it will no longer appear in any MDE inboxes. The LEA receives a warning about this status change if they choose to revise. The LEA cannot spend against this allocation.
5. **Funded and Active:** The LEA has an allocation and they have submitted a budget to MDE for approval. The responsible MDE program area has approved the budget and the responsible MDE official has set the budget to Funded and Active. The LEA can spend

against this allocation. **The LEA can revise a budget in this state. If they select revise, the budget status will change to “Funded and Active Revision Unsubmitted”. The LEA can continue to spend against their approved budget.**

6. **Funded and Active Revision Unsubmitted:** This new status means the LEA has elected to revise a budget in the “Funded and Active” status. They have not yet submitted a revised budget however. They can continue to spend against their current approved budget.
7. **Funded and Active Revision Submitted:** This new status means the LEA has elected to revise a budget in the “Funded and Active” status. They have submitted a proposed budget revision. The proposed revision did not auto-approve due to exceeding the 10% rule or because they added a new object code. This revision request will show up in the appropriate MDE approval inbox. It has not been program area approved yet. They can continue to spend against their current budget, but expenditures will also be checked against the proposed budget.
8. **Funded and Active Program Approved:** This new status means the LEA has elected to revise a budget in the “Funded and Active” status. They have submitted a proposed budget revision. The proposed revision did not auto-approve due to exceeding the 10% rule or because they added a new object code. This revision request will show up in the appropriate MDE approval inbox. It has been program area approved, but it has not yet been set to funded and active by the responsible MDE official. They can continue to spend against their current budget, but expenditures will also be checked against the proposed budget. Once the responsible MDE official sets the status to “**Funded and Active**”, the revision will be considered the last “MDE approved budget”.

## **SERVS Reverse Transaction**

Corrections can be made within SERVS for cleared transactions. (Transactions that have cleared to wrong finance code, coded to wrong federal award year, coded to the wrong object code within a finance code.)

Go to the Account Register and click on the Spend Button. This screen will show a Reverse Button on Cleared Transactions. When the Reverse button is clicked, the payment reversal wizard will display a popup window.

1. The Reversal wizard will allow the user to change the finance code, course code and/or object code for the selected transaction, the original is shown and options are presented in a dropdown box.
2. For Title only...use Option #1. A reminder to fill in the description (which is limited to 80 characters.)
3. For transactions coded to the wrong object code, there needs to be a budget line item for the correct object code with funds available to cover the transaction change. This may involve making a budget change, before the reverse transaction can occur and could involve a budget line item change after the reverse transaction clears. If amendment status is triggered as a result of the reverse transaction(s), contact your Area Director regarding approval process.