**Chapter 3** **Recording the Annual Budget – Refer to Prof Chauvin’s Bingham instructions for help**

The following budget for the General Fund of the City of Smithville was legally adopted for the fiscal year ending December 31, 2017.

**Estimated Revenues**:

Taxes—Real Property $1,679,070

Interest and Penalties on Taxes 9,000

Licenses and Permits 600,000

Fines and Forfeits 410,000

Intergovernmental Revenue 275,000

Charges for Services 236,000

Total Estimated Revenues $3,209,070

**Appropriations**:

General Government $ 617,200

Public Safety 1,436,600

Public Works 805,000

Culture and Recreation 360,300

Total Appropriations $3,219,100

**Required**

1. After opening the file you created for Chapter 2 of this project, record the budget in the general journal, providing entries in the Detail Journal when directed. Begin by selecting **[General Fund]** in the **[Current Accounting Entity]** drop-down box and the **[Journal]** tab. In the **[Year]** box, be sure to select the year **2017**.

Enter **Budget** in the **[Transaction Description]** box. Select “Estimated Revenues” in the drop down **[Account (# - Description)]** window. This will take you automatically to the Detail Journal where you will enter the detail for each estimated revenue source. In the Detail Journal, select **“**Budget Authorization” from the drop-down menu for **[Transaction Description]**.

When you have finished entering the estimated revenue detail information, verify that the correct balance is shown in the Detail Journal, then click on **[Return to General Journal]** and the total estimated revenues will be entered in the general journal Estimated Revenues control account.

Follow the same procedure to record the budget detail for Appropriations.

Complete the general journal entry by debiting or crediting Budgetary Fund Balance as appropriate to make the journal entry balance. Note that budgetary entries have no effect on governmental activities at the government-wide level and thus the budget information is only recorded in the General Fund.

When you are satisfied you have made the entry correctly, post it to the general ledger by clicking on **[Post Entries]**.

Before posting, or after unposting as described previously, you can edit, delete or insert entries in the journal by placing the cursor in the line you want to adjust and then right-clicking. Note that the “Insert Entry” function will work if you are inserting an entry prior to a balance sheet account. However, it will not work when inserting an entry prior to any account that has an associated subsidiary ledger (e.g., estimated revenues, expenditures). If you make too many errors and want to start over, you can select [**Student Assistance**] from the **[File]** menu and completely wipe out all data from the current fund or governmental activities entity on which you are working. Generally, such radical action should be unnecessary given the **[Unpost]** and **[Insert]** capabilities of the program, as described previously.

1. (As of this time, only the budget has been recorded.) **This is your last opportunity to print or export these documents with budgetary information only.** After operating transactions have been journalized and posted in Chapter 4, subsidiary ledgers and trial balances will contain both budgetary and operating accounts and balances.
2. **Refer to the document listing for all reports required to be turned in for grading.**

**Before closing the *City of Smithville,* click on [File], and [Save/Save As] to save your work.** If you close the file by clicking on the [**X**] box you will be asked if you want to save your changes before closing.