

## Create a Budget Modification

### Objective

To transfer money from one line item on a (locked) budget to another without using a Prime Contract Change Order.

## Background

The budget modification feature is designed to provide project manager's with the ability to accurately adjust a project's current budget. With this feature, you can create modifications that transfer allocated funds between budget line items, which provides you with the flexibility to accurately adjust the budget as allocation amounts change over the course of a construction project.

Note: If your company has enabled the company's ERP Integrations tool, see <u>Can budget modifications from Procore be</u> <u>exported to an integrated ERP system?</u>

### Things to Consider

- · Required User Permission:
  - To create a budget modification, 'Standard' level permission or higher on the project's Budget tool.
  - To configure the Budget tool, 'Admin' level permission on the project's Budget tool.
- · Prerequisites:
  - The budget must be locked. See Lock a Budget.
- Limitations:
  - By default, the Budget tool supports modifications that transfer amounts from one (1) budget line to another, which results in a "net zero" transaction and updates the Original Budget and Budget Modification amounts.
     (Note: If you want your project's budget to perform addition/subtraction to increase/decrease its totals, a user with 'Admin' level permission to the Budget tool can click the Configure Settings



icon and then place a checkmark in the 'Allow Budget Modifications Which Modify Grand Total' box).

- Budget modifications may not be visible to your client.
- If you added a budget line item for \$0 after locking the budget, you will not be permitted to delete that budget line item should it be associated with a budget modification.
- · Additional Information:
  - Line items with a "?" will not allow a user to create a Budget Modification into/from the line item. See Add a Partial Budget Line Item.
  - To view a detailed record of all budget modifications, see the Budget Modifications Report (see <u>View Budget Reports</u>). (Note: The' Reports tool must be active tool on the project. See <u>Add or Remove Tools on a Project</u>).



Once a budget modification has been created, it can not be edited or deleted.

Cost Type in your ERP system. See Assign Default Cost Types To Cost Codes.

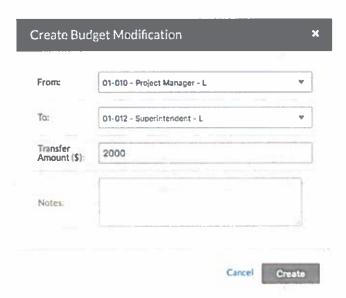
- If your company has enabled the ERP Integrations tool:
  - See Can budget modifications be exported to an integrated ERP system? and Send a Budget to ERP Integrations for Accounting Acceptance.

#### **Steps**

- 1. Navigate to the project's Budget tool.
- Determine where you're going to make your budget modification. Be sure to take notice of the specific Cost Codes and Categories of the affected line items (e.g. 02-900; M).
   Note: If your company is using the ERP Integrations tool, the values in the Category column correspond to the



- Click the Create Budget Modification button.
   Note: Your budget must be locked (see Lock a Budget) and you must have 'Standard' level user permission or higher for the button to be visible and available.
- 4. Specify how you're going to reallocate/transfer the amount. In the example below, we're transferring \$2000.00 to a line item that belongs to a different cost code division.



- 5. Click Create.
- Changes are highlighted under the "Budget Modifications" column. Related sub-totals will also reflect the changes accordingly. Subtracted amounts are enclosed in parentheses. (e.g. (\$2,000.00)) Results from Example 1 are



shown below.



7. Remember, you can view the "Budget Modifications" report to view a detailed record of all changes including the name of the person who made the change, as well as a timestamp. (A link to the report can be found in the right pane under the Budget tab.)



# **Next Step**

If your company has enabled the ERP Integrations tool:

Send a Budget to ERP Integrations for Accounting Acceptance

