Managing Operating Budgets in Workday

Bryn Mawr College
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Budgets in Workday – Resources

Workday: Spend Categories and Expense Items

In Workday, **Spend Categories** and **Expense Items** are used to classify purchases. **Worktags** are linked to Budgetary ledger accounts. Use the tables below to understand how Financial Edge codes translate to Workday. Please note that some legacy codes were replaced by new worktags and others were combined into one worktag. If you feel you need a new spend category or expense item for reporting or tracking purposes, please email **accountspayable@brynmawr.edu**.

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Budgets in Workday – Terminology

Accounting Adjustment – Used to reclassify costs on settled financial transactions.

Award – An agreement between an organization and its sponsor, serving as a central repository for all relevant information and details of the agreement.

Budget Amendment Event – Changes to an existing budget through Budget Transfers (initiates an approval BP in Workday).

Company – A legal entity for recorded business transactions and financial reports. It is a type of Workday organization.

Cost Center – Discrete identifier for internal classification of how we segregate financial activity by unit, department, or team. Similar to Department or Project previously.

Cost Center Hierarchy – Parent/child or reporting relationships among Cost Centers.

Enterprise Interface Builder (EIB) – Uploads data to Workday from another system.

Fund – Financial resources set aside for a specific purpose, used to manage and track money allocated to particular activities of programs, often with restrictions.

Ledger Account – An account used to sort and store balance sheet and income statement transactions. Ledger accounts include an identifying number, name and account type.

Project – Collected work that brings together assets (materials and workers) for purposes of spend management.

Spend Category – Used to categorize expenses. Has a code and a description.

Worktag – A named attribute (keyword) you can assign to events and objects to indicate their business purpose. Similar to Account previously.

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Budgets in Workday – Terminology (cont.)

Budget Check

- Budget Check is an automatic process that verifies whether there are sufficient funds available before approving a transaction. Budget Check ensures that spending stays within allocated budget amounts.

    - If sufficient budget is available for a transaction, it will pass and move forward.

    - If a transaction exceeds the budget, the transaction will fail and be routed back to the initiator to resolve.

    - If a transaction has incorrect worktags or information, the transaction will generate a budget check error message and will need to be corrected by the initiator.

- Requisitions, POs, and invoices are subject to budget check.

- Users will receive a notification in My Tasks if a transaction does not pass.

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Budgets in Workday – Terminology (cont.)

Cost Centers

Cost Centers in Workday represent organizational units responsible for tracking and managing expenses. They are typically tied to a department, project, or function within an organization

- Purpose & Use:
    - Used for budgeting and cost allocation.
    - Helps track expenses by department, function, or location.
    - Assigned to workers, positions, and transactions for proper financial tracking.
    - A primary financial hierarchy element for reporting
- General Examples of Cost Centers:
    - CC0152 – Administrative Services
    - CC0230 – Library
    - CC0150 – Social Justice Initiative

NOTE: When an employee submits an expense report, their cost center determines which department will be charged.

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Budgets in Workday – Terminology (cont.)

Worktags

Worktags are labels or attributes assigned to transactions to categorize and streamline financial reporting. They help classify transactions across different dimensions beyond just Cost Centers.

Types of Worktags:

- Cost Center (e.g., "IT Department")
- Fund (e.g., "General Fund")
- Program (e.g., "Employee Training Program")
- Function (e.g., "Instructional")
- Project (e.g., "Website Redesign")
- Grant (e.g., "Research Grant 2026")
- Location (e.g., "Sylvania Campus")
- Spend Category (e.g., "Office Supplies")
- Revenue Category (e.g., "Instructional Technology Fees")

Purpose & Use:

- Enhances financial reporting and analytics by tagging transactions with multiple attributes.
- Enables cross-functional financial tracking (e.g., tracking costs across different projects, locations, or funding sources)
- Ensures compliance with internal policies and external regulations
- Used in accounting journals, expenses, procurement, and payroll

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How Budgeting Works in Workday

- Annual Budgeting – Workday executes annual budgeting and management through Adaptive Planning, which is scheduled for implementation this spring for use in the FY 27-28 budgeting process. Watch for more info to come.

- Budget Review – Current year budget tracking is managed through the **BMC – Budget vs Actual – Manager** report.

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