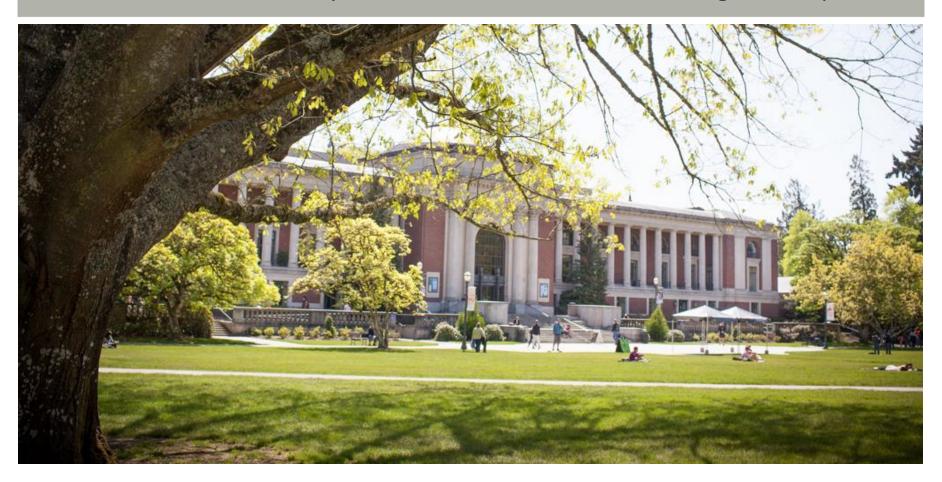


#### Purchase Order and Encumbrance Training

Provided by: Business Affairs – Financial Accounting and Analysis



#### Overview

- Training Objectives
- Background
- Monitoring
- Review and Analysis
- Liquidating



## **Training Objectives**

- Inform Business Centers on the purpose of monitoring and liquidating open PO's and Encumbrances.
- Present staff with detailed processes and procedures to effectively monitor, analyze, and liquidate PO's and Encumbrances when necessary.
- Supply staff with resources and tools they can use as references to guide them on the review and liquidation process.



# Background

- PO's and Encumbrances roll into the ensuing Fiscal Year as part of the Year-End Close process.
- Because these documents are normally liquidated by processing against invoices, there is a high potential for system glitches and/or discrepancies.



 To ensure that these documents are either properly liquidated in the current year, or rolled to the next fiscal year, they must be reviewed and cleaned up, or they may create problems in Banner FIS.



#### **Year End Close Deadlines**

- All open FY14 Purchase Orders and Encumbrances will be rolled to FY15 after 5:00 PM on Wednesday, July 16.
- Any Purchase Orders or Encumbrances that should not be rolled to the next fiscal year must be closed by 12:00 PM, noon on this day.





# Monitoring

Benefits of Monitoring

Policy Guidance

Reports Available



## **Benefits of Monitoring**

 Monitoring, analyzing and liquidating your open encumbrances will keep the active encumbrances open in the current fiscal year.

 Monitoring and analyzing your open encumbrances created in the current fiscal year will decrease the possibility of them getting "trapped" in the prior fiscal year after being rolled.



## **Policy Guidance**

Follow policy when deciding the appropriate encumbrance type to set up.

- Manual Encumbrance-document begins with "E"
  - Appropriate use can include travel reimbursements, telecommunications charges, printing, VISA charges, student wages, tuition and indirect costs
- Purchase Order-document begins with "P"
  - Can be processed for each purchase greater than \$5,000 made by the university and is not charged to an Auto Pay vendor
  - Business Centers can enter PO's up to \$25,000
  - PaCS enters PO's \$25,000 and over.



## Policy Guidance Continued:

Links to Manual Encumbrance and Purchase Order Policies:

OSU FIS 405: Purchase Orders and Encumbrances

http://oregonstate.edu/fa/manuals/fis/405

- PaCS Policies & Procedures Manual
  - 202-002: Purchase Authority
  - 303: Purchase Orders

http://oregonstate.edu/fa/manuals/pacs



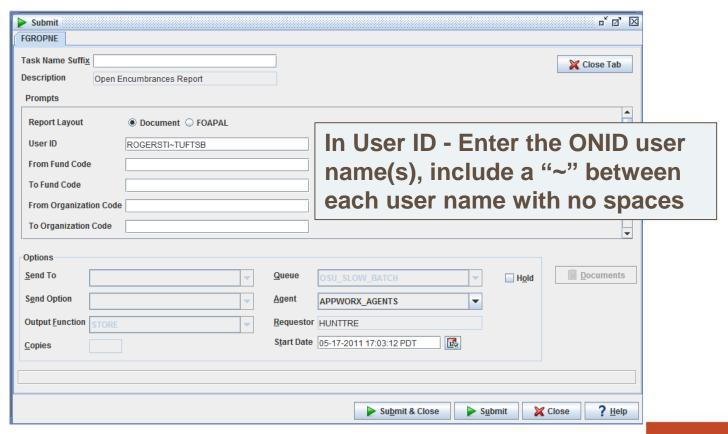
### Reports Available

FGROPNE – Open Encumbrances Report

- Report requested through Appworx
  - Report when "Document" selected as Report Layout
  - Report when "FOAPAL" selected as Report Layout
- How to recall a Banner report in Appworx



FGROPNE Appworx request using the Report Layout "Document"





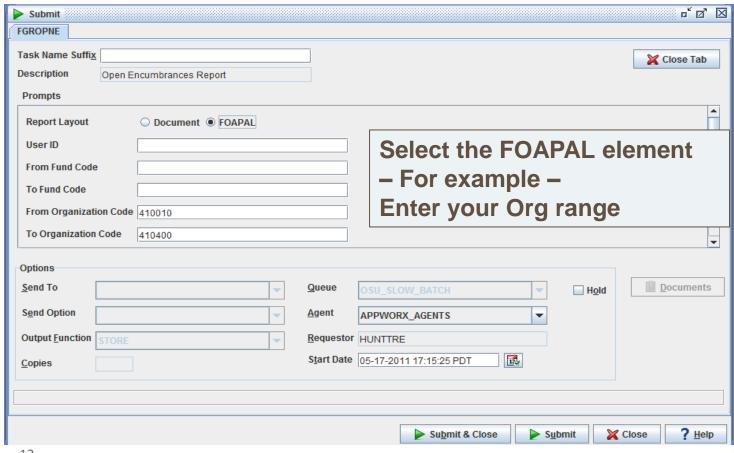
#### FGROPNE Appworx report using the Report Layout "Document"

DOCUMENT TYPE: Purchase Orders

P.O.	VENDOR/F	AYEE		BLANKET	TRANSACTION	ENCUMBRANCE	REMAINING
NUMBER	NUMBER	NAME	USER ID	NUMBER	DATE	AMOUNT	BALANCE
P0027760	V00002470	Hewlett-Packard	MCGILLDI		23-JUN-2008	25,987.50	148.50
P0027761	V00000776	Bike N Hike Center	MCGILLDI		23-JUN-2008	62,500.00	62,500.00
P0027762	930028632	Hewlett Packard	MCGILLDI		23-JUN-2008	249,950.00	249,950.00
P0027763	V00000776	Bike N Hike Center	MCGILLDI		23-JUN-2008	27,450.00	27,450.00
P0027778	930323097	Aggie Travelpoints Intnl	MCGILLDI		30-JUL-2008	505,000.00	505,000.00
P0027816	V00000776	Bike N Hike Center	MCGILLDI		10-DEC-2008	4,365.00	3,865.00
P0027817	V00002470	Hewlett-Packard	MCGILLDI		10-DEC-2008	5,440.05	3,940.05
P0027851	V00000776	Bike N Hike Center	MCGILLDI		01-SEP-2009	6,200.00	2,000.00
P0027852	V00002470	Hewlett-Packard	MCGILLDI		01-SEP-2009	3,861.00	148.50
P0027853	930236363	C&C Technologies Inc	MCGILLDI		26-JAN-2010	14,550.00	14,550.00
P0027854	930274030	E&J Gallo Winery	MCGILLDI		26-JAN-2010	2,900.00	2,900.00
P0027855	930304266	EDI Corporation	MCGILLDI		26-JAN-2010	7,000.00	7,000.00
P0027856	930253080	WS Enterprises & Assoc Inc	MCGILLDI		26-JAN-2010	15,000.00	15,000.00
P0027859	930534786	Dell Computers, Inc	MCGILLDI		10-FEB-2010	4,860.00	4,860.00
P0027860	930534786	Dell Computers, Inc	MCGILLDI		10-FEB-2010	4,860.00	4,860.00
P0027862	930302542	HPCAREERNET LLC	MCGILLDI		26-APR-2010	27,000.00	0.00
P0027863	930529665	Rancher, Jolly	MCGILLDI		10-MAY-2010	13,550.00	2,000.00
P0027864	930529665	Rancher, Jolly	MCGILLDI		10-MAY-2010	16,500.00	16,500.00
P0027865	930534786	Dell Computers, Inc	MCGILLDI		10-MAY-2010	78,000.00	78,000.00
Total	Open Purcha	se Order Records: 19 To	otal Purchase Order Balan	ce:		\$	1,000,672.05



FGROPNE Appworx request using the Report Layout "FOAPAL"



#### FGROPNE Appworx report using the Report Layout "FOAPAL"

FUND: 001100 ZAR - OSU General Fund Operations COAS: C ORGN: 410010 001100 ACCT: 20102 PROG: 61000 LOCN: BLANKET TRANSACTION P.O. VENDOR/PAYEE REMAINING ENCUMBRANCE NUMBER NUMBER USER ID NUMBER DATE BALANCE AMOUNT Hewlett-Packard P0027333 V00002470 TRNG UPD 16-JUN-2003 805.71 805.71 V00002554 Parr Lumber TRNG UPD 22-JUL-2003 189.75 189.75 V00002554 Parr Lumber TRNG UPD 22-JUL-2003 189.75 189.75 Parr Lumber 189.75 P0027373 V00002554 TRNG UPD 22-JUL-2003 189.75 P0027382 V00002554 Parr Lumber 189.75 189.75 TRNG UPD 19-AUG-2003 Parr Lumber P0027399 V00002554 TRNG UPD 16-SEP-2003 189.75 51.25 P0027412 V00002554 Parr Lumber 189.75 189.75 TRNG UPD 16-SEP-2003 P0027438 V00002554 Parr Lumber 189.75 30.00 TRNG UPD 18-NOV-2003 P0027515 V00002554 Parr Lumber 17-AUG-2004 189.75 0.00 TRNG UPD P0027517 V00002554 Parr Lumber 540.22 324.13 TRNG UPD 25-AUG-2004 P0027518 V00002554 Parr Lumber 71.25 265.00 TRNG UPD 07-SEP-2004 P0027519 V00002554 Parr Lumber 67.50 TRNG UPD 10-SEP-2004 9.57 P0027523 V00002554 Parr Lumber 189.75 TRNG UPD 21-SEP-2004 30.00 P0027554 V00002554 Parr Lumber 189.75 189.75 TRNG UPD 19-OCT-2004 P0027563 V00002554 Parr Lumber 19-OCT-2004 189.75 0.00 TRNG UPD P0027619 V00002554 Parr Lumber TRNG UPD 15-FEB-2005 189.75 30.00 TOTALS FOR FUND: ZAR - OSU General Fund Operations Open Purchase Order Records: 16 Purchase Order Balance: \$ 2,490.41



FGROPNE – For both Document and FOAPAL Report Layouts. The manual encumbrances are found at the end of the report.

FUND: P0312A SZO PHS 311 Denver Mitochndrial Dys

COAS: C FUND: P0312A ORGN: 252420 ACCT: 39902 PROG: 15003 ACTV: LOCN:

	ENC.	VENDOR/	PAYEE		ENC.	DATE	ENCUMBRANCE	LIQUIDATION	REMAINING
	NUMBER	NUMBER	NAME	USER ID	TYPE	ESTABLISHED	AMOUNT	AMOUNT	BALANCE
1									
\	E0004366	930491561	OUS-Portland State Univ	GEEB	E	27-APR-2010	25,000.00	0.00	25,000.00

TOTALS FOR FUND: SZO PHS 311 Denver Mitochndrial Dys

Open General Encumbrance Records: 1 General Encumbrance Balance: \$ 25,000.00

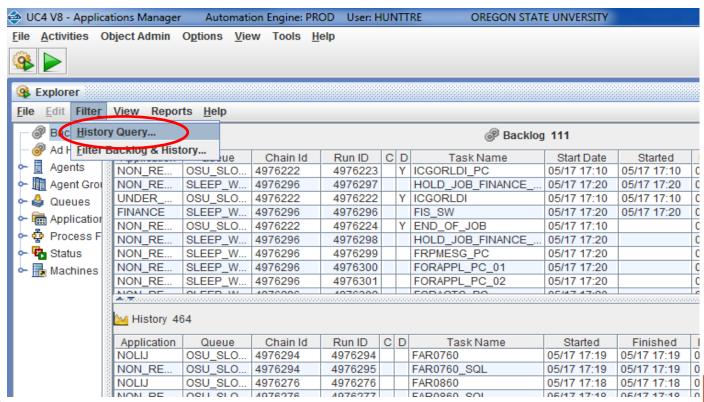
FUND: P0312A SZO PHS 311 Denver Mitochndrial Dys

CORE. C. DING. BO3338 ODGM. 252420 ACCE. 35623 DBCC. 35003 ACCE. 100M



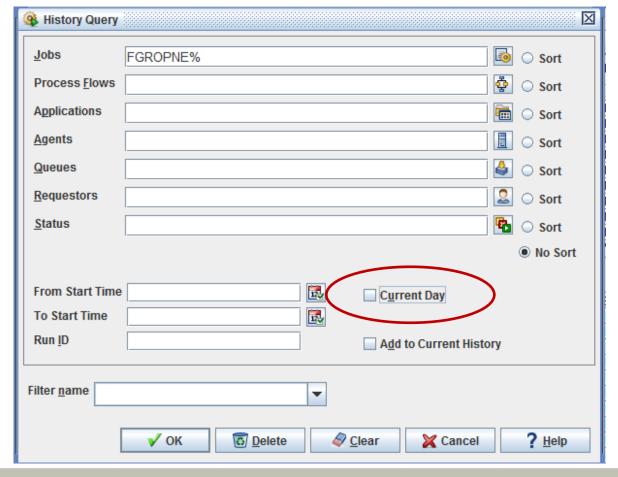
How to recall a Banner report through Appworx.

Step 1: Click on Explorer in the upper left corner, click FILTER, then HISTORY QUERRY.



How to recall a Banner report through Appworx.

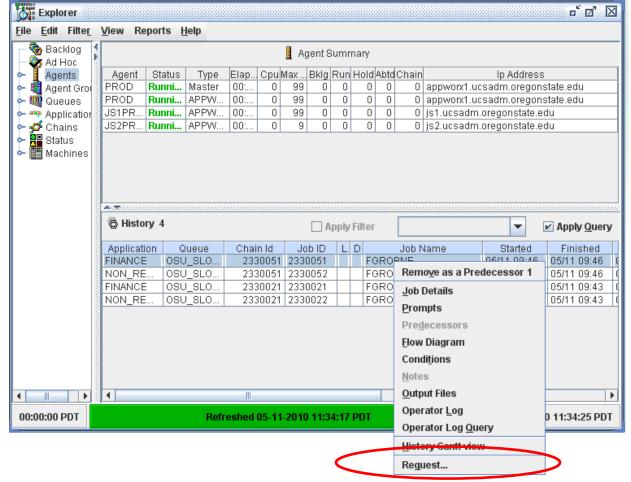
Step 2: Enter the report name with a % wild card, remove the checkmark for "Current Day" and click OK





How to recall a Banner report through Appworx.

Step 3: RIGHT CLICK on the report in History and click on request.





## **Report Analysis**

FGROPNE – Open Encumbrances Report

- Highlight or make a list from FGROPNE of the open encumbrances that are in question because of:
  - Trans date
  - Encumbrance amount = the remaining balance
  - Zero Balance
  - Manual encumbrance



### Review and Analysis

- FPPPOBC Purchase Order Batch Close Process
- FGROPNE Open Encumbrance Report
- FGIENCD Detail Encumbrance Activity
- FOIDOCH Document History
- FPIPURR Purchase/Change Order Query
- FGIBDST Organization Budget Status
- FAIVNDH Vendor Detail History
- FTMACCI Index Code Maintenance
- FGIOENC Organizational Encumbrance List



#### FPPPOBC – Purchase Order Batch Close Process

- This Banner process FPPPOBC runs twice a week and will close open purchase orders at \$0.00.
- Banner assigns a document code to the closed PO's
- A PO at \$0.00 will not close if it has been changed or rolled.

List of Purchase orders by vendors that will be closed by the process

Vendor V00000508 -	Amer Assembly of Coll Business	egiate Schools of	
Open/Close Doc	Purchase Order#	Transaction Date	Encumbrance Liquidated
*0001617	P0082623	03-MAY-2010	.00
Total encumbrance liqu	idated for vendor V000	00508	.00
Vendor 930144537 -		s DBA B&H Photo &	
Vendor 930144537 - B&H foto & Electronics I Video Open/Close Doc Purchase Order#			
Open/Close Doc	Purchase Order#	Transaction Date	Encumbrance Liquidated
Open/Close Doc	Purchase Order#	Transaction Date	Encumbrance Liquidated
_			-
*0001617		19-APR-2010	



FPPPOBC – Purchase Order Batch Close Process Posted in Banner and can be reviewed in FGIENCD

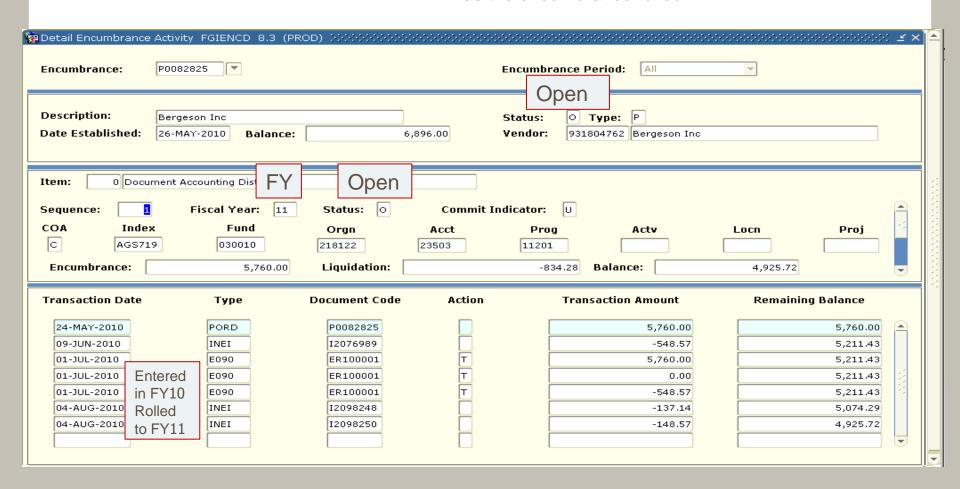
Transaction Date	Туре	Document Code	Action	Transaction Amount	Remaining Balance
03-MAY-2010	PORD	P0082623		4,300.00	4,300.00
03-MAY-2010	INEI	I2062965		-4,300.00	0.00
05-MAY-2010	POBC	*0001617	Т	0.00	0.00

The FPPPOBC process does not close manual encumbrances.



FGIENCD –
Detail Encumbrance Activity

- Are all the accounting lines in a current Fiscal Year?
- How much activity? When?
- Has the encumbrance rolled?



Trapped PO: Open, first accounting line in FY06 – 2LQP(now 2LQB), partial liquidation.

Description: Roche Diagnostics/Boehringer Mannhe  Date Established: 18-AUG-2005 Balance: 0.00  Status: O Type: P  Vend Open 16 Roche Diagnostics Corp									
Item: 1 Equipmen	t Rental and Se	Open	Commit Ir	ndicator: U			A		
COA Index	Fund	Orgn	Acct	Prog	Actv	Locn	Proj		
C VDLGCP Encumbrance:	66,399.46	Liquidation:	24001	-66,399.46	Balance:	0.00			
Elicalibi dice.	00,399.40	Ciquidation.		-00,355.40	balance.	0.00	<u> </u>		
Transaction Date	Туре	Document Code	Action	Tran	saction Amount	Remainin	g Balance		
18-AUG-2005	PORD	P0066958			66,399.46		66,399.46		
15-MAY-2006	INEI	I1518109			-1,702.55		64,696.91		
15-JUN-2006	INEI	I1531854			-1,702.55		62,994.36		
26-JUN-2006	INEI	I1536426			-1,702.55		61,291.81		
30-JUN-2006	2LQP	J0364665			-61,291.81		0.00		

Trapped PO: Second accounting line in FY07 – 2LIQ (now 2LIB), total liquidation.

Description: Roche Diagnostics/Boehringer Mannhe  Date Established: 18-AUG-2005 Balance: 0.00  Status: O Type: P  Vendo Open 6 Roche Diagnostics Corp									
Item: 1 Equipmen	t Rental and t	Closed							
Sequence: 2	Fiscal Year: 07	Status: C	Commit In	dicator: U					
COA Index C VDLGCP Encumbrance:	Fund 001222 38,324.12	Orgn 222030 2 Liquidation:	Acct	Prog 20600 -38,324.12 Ba	Actv	Locn 0.00	Proj	d .	
Transaction Date	Туре	Document Code	Action	Transa	ction Amount	Remaining	j Balance		
18-AUG-2005	PORD	P0066958			38,324.12		38,324.12		
15-MAY-2006	INEI	I1518109	Ĭ		-982.67		37,341.45		
15-JUN-2006	INEI	I1531854	Ĭ		-982.67		36,358.78		
26-JUN-2006	INEI	I1536426			-982.67		35,376.11	ġ.	
01-JUL-2006	E090	EN060001	Т		38,324.12		35,376.11	8	
01-JUL-2006	E090	EN060001	₸		0.00		35,376.11		
01-JUL-2006	E090	EN060001	₸		-2,948.01		35,376.11		
20-JUL-2006	2LIQ	J0365030			-35,376.11		0.00	•	

#### FOIDOCH – Document History

Query by invoice, check or purchase order

#### FPIPURR – Purchase Order/Change Order Query

- Contact for the order
- Delivery date
- Description of commodity items or service being provided
- Review item text, if it exists
- View the index and account code information.

#### FGIBDST – Organization Budget Status

- Enter Index
- Detail transaction activity on the account code
- Look for a direct pay invoice or wire transfer by the description, then query the document.



#### FAIVNDH – Vendor Detail History

- Useful when index or account code may have been changed
- Look for dollar amounts that are close to your encumbrance amount
- Look for dates that might qualify
- Query the document to view possible matches with commodity items or services being provided.

#### Transaction Document Lookup in Self Service

- Query by Vendor ID
- View document images for possible matches



FTMACCI – Index Code Maintenance FTVACCI – Index Code Validation

Verify the index is active – look for a termination date

FGIOENC – Organizational Encumbrance List

Query open PO/Encumbrance by Index, Organization, or Fund





## Liquidating

- By Regular Pay Invoice
- By Journal Voucher
- By FPAPDEL Cancel Purchase Order
- By FPACDEL Cancel Change Order



#### Liquidating by Regular Pay Invoice

#### See Handout for Step by Step Instructions

- "F" final payment indicator entered when the commodity has been received.
- If more than one commodity, make sure "F" final payment indicator has been entered for each commodity line
- If more than one invoice
  - Verify in FOIDOCH that all documents are approved in order
  - The document with the "F" final payment indicator is the last invoice to be approved. This will close the encumbrance.



#### Liquidating by Journal Voucher

#### See Handout for Step by Step Instructions

- Use rule code 2LIB for a total liquidation or 2LQB for a partial liquidation.
  - Use "Partial" if the PO should stay open.
  - Use "Total" if the PO is done and should be close.
- Enter text referencing the direct pay invoice, wire transfer or other reason for the JV liquidation.
- Will route through BC JV approval queues based on ORG. If multiple orgs are involved, the JV could route through multiple queues.



#### Liquidating by FPACDEL

#### FPACDEL – Cancel Change Order

- Use when a change order has occurred
- You will have to know the change order sequence #
- Enter text to explain cancelling the change order
- Once the change order has been cancelled the PO can now be cancelled if no other changes have occurred



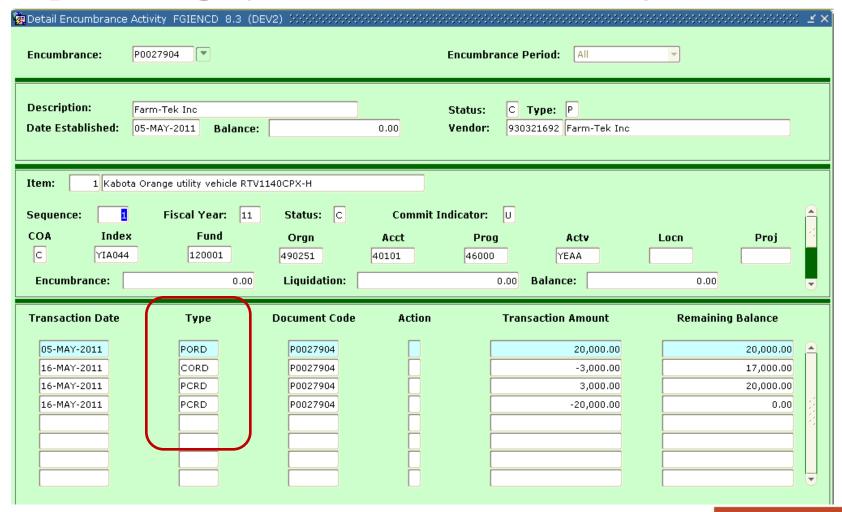
#### Liquidating by FPAPDEL

#### FPACDEL – Cancel Purchase Order

- This can be used for encumbrances that were entered but never used in a current fiscal year
- Use when no changes have occurred
- Enter text referencing the direct pay invoice, wire transfer, or other reason for the purchase order cancelation.



#### Liquidating by FPACDEL and then by FPAPDEL





#### **Contacts for Questions**

#### Rae Lee Aguilar

Phone: 737-0635

• Email: <u>raelee.aguilar@oregonstate.edu</u>

#### **PCMM**

Phone: 737-4261

Email: pacs@oregonstate.edu

All materials for this training are available on our website:

http://oregonstate.edu/fa/businessaffairs/bcr#FinAcctTrain







