SHARE HELPFUL TIPS – FINANCIALS
RELEASING BUDGET BALANCE & CANCELLING PO’S
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**RELEASING BUDGET BALANCES**

*If one of the following events occur, it is necessary to finalize the requisition through the purchase order to release the associated budget:*

- If a decrease to the original sourced amount is required;
- If a change order is needed on a purchase order;
- If changes to an account transfers an expenditure between appropriation units (200, 300, etc.); or
- If you are going to close a PO that still has a balance through the Reconciliation Workbench process.

*See “USING THE PURCHASE ORDER TO FINALIZE A RELATED REQUISITION” (page 4).*

*If budget is not released, identify the appropriate scenario and use the provided trouble shooting guide:*

*See “PO Change Order Instructions” (pages 5-9) when:*
  - Changes to a Purchase Order that was sourced from a requisition
  - A requisition was sourced to a Purchase Order but Pre-encumbrance balance still exists.
  - A requisition was sourced to a PO at a different dollar amount or chart field.

*See “Finalize Purchase Order Instructions” (pages 10-17) when:*
  - Final invoice received and outstanding encumbrance balance needs to be finalized.
  - Voucher was finalized and pre-encumbrance budget balance was not released.
  - Purchase Order was finalized on Voucher but is still needed for payment.
See “Close Purchase Order Instructions” (pages 13-24) when:

- Purchase Order balance needs to be released and was not finalized on the voucher.
- Purchase Order was closed using Reconciliation Workbench and pre-encumbrance still exists.
- Purchase Order was closed using Reconciliation Workbench and encumbrance still exists.
- Purchase Order was cancelled but pre-encumbrance balance still exists.

See “Pre-Encumbrance Reconciliation Instructions” (pages 25-30) when:

- Pre-encumbrance balance in “budget” can not be identified.

CANCELING A PURCHASE ORDER

Before a purchase order can be cancelled, the following conditions must be met:

- The PO is not on hold
- The PO is not dispatched (If dispatched PO status will be pending cancel)
- No schedules on the PO have been matched
- There are no receipts recorded against the PO
- There are no open vouchers recorded against the PO

See “Cancel a Purchase Order Instructions” (pages 31-36).
USING THE PURCHASE ORDER TO FINALIZE A RELATED REQUISITION

Navigation: Purchasing, Purchase Orders, Add/Update POs

Press the “Finalize Document” icon (red box below).

Press the yellow “yes” button to finalize the eligible distributions.

This action will finalize all eligible distributions for this PO. Continue? (10200,335)

Yes No

The Budget Status will change and the document will need to be budget checked. Once budget checked, the budget for the pre-encumbrance is released.
PO CHANGE ORDER INSTRUCTIONS

Scenario: Requisition #0000000011 for $1,200 was sourced to a PO for $1,200. Vouchers paid to this PO were $322.86. The agency wants to decrease the Purchase Order by $554.28 for a remaining balance of $645.72.

Below is the original PO line.

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Description</th>
<th>PO Qty</th>
<th>UM Category</th>
<th>Price</th>
<th>Amount Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>MAINTANCE ON COPY MACHINE</td>
<td>12.0000</td>
<td>EA</td>
<td>100.0000</td>
<td>1,200.00 Active</td>
</tr>
</tbody>
</table>

Change the unit price on the PO to $53.81 and create a change order. [HOW]

The final step is to save the purchase order. The change will take affect after Budget Check runs.

Below is the PO line after the change is made.

<table>
<thead>
<tr>
<th>Line</th>
<th>Item</th>
<th>Description</th>
<th>PO Qty</th>
<th>UM Category</th>
<th>Price</th>
<th>Amount Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>MAINTANCE ON COPY MACHINE</td>
<td>12.0000</td>
<td>EA</td>
<td>53.810000</td>
<td>645.72 Active</td>
</tr>
</tbody>
</table>

Below is the Budget before the change:

- **Budget:** 89,200.00 USD
- **Expense:** 21,645.33 USD
- **Encumbrance:** 39,222.06 USD
- **Pre-Encumbrance:** 0.00 USD
- **Associate Revenue:** 0.00 USD

**Available Budget**

- **Without Tolerance:** 28,332.61 USD  Percent: (31%
- **With Tolerance:** 28,332.61 USD  Percent: (31%
Here is the budget after the purchase order change.

<table>
<thead>
<tr>
<th>Budget:</th>
<th>89,200.00 USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense:</td>
<td>21,645.33 USD</td>
</tr>
<tr>
<td>Encumbrance:</td>
<td>38,667.78 USD</td>
</tr>
<tr>
<td>Pre-Encumbrance:</td>
<td>554.28 USD</td>
</tr>
</tbody>
</table>

| Associate Revenue: | 0.00 USD |

**Available Budget**

<table>
<thead>
<tr>
<th>Without Tolerance:</th>
<th>28,332.61 USD</th>
<th>Percent: (31.7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>With Tolerance:</td>
<td>28,332.61 USD</td>
<td>Percent: (31.7)</td>
</tr>
</tbody>
</table>

**Why did the pre-encumbrance balance change?**

To see what happened, drill to the activity log on the pre-encumbrance line.

The drill down shows the line created when the requisition was budget checked.

```
0000161542  08/21/2006   1 N  2007   2   1200.00 USD   1200.00 USD
```

Another line shows that the requisition was sourced to the Purchase Order.

```
0000163100  08/21/2006   1 N  2007   2   -1200.00 USD   -1200.00 USD
```

The lines below show the change order after the purchase order was saved and budget checked.

```
0000163108  08/21/2008   1 Y  2007   2   -646.72 USD   -645.72 USD   0.00
```

```
0000161542  08/21/2008   1 N  2007   2   1200.00 USD   1200.00 USD   0.00
```

The change order decreased the original -1200.00 pre-encumbrance that was sourced to the Purchase Order to -645.72, leaving a balance of $554.28 in pre-encumbrance.

These lines together explain why there is a balance in the pre-encumbrance.
How is the pre-encumbrance released back to the budget?

A step was missed when creating the change order. After the changes were made to the unit price, the navigation followed should have been:

- schedule
- distribution/chartfield
- statuses tab

The critical step is to check the “final check box”

---

<table>
<thead>
<tr>
<th>Dist Status</th>
<th>Percent</th>
<th>Chartfield Status</th>
<th>Budget Status</th>
<th>Doc Tol Status</th>
<th>Final</th>
<th>Commitment Control Close Flag</th>
<th>VAT Apport CF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Open</td>
<td>100.0000</td>
<td>Valid</td>
<td>Valid</td>
<td>Valid</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Final: Select this check box to indicate that the purchase order distribution is final and thus can be liquidated. The system checks the current purchase order distributions for its predecessor requisition distribution. The system will disassociate the requisition from the purchase order to avoid over liquidating the pre-encumbrance.

This does not mean the purchase order is being finalized from further vouchering. Checking the final box only finalizes the requisition from further distributions. Notice the Commitment Control Flag is not checked; therefore it will not fully liquidate the encumbrance.

Also the Final check box is only available on Purchase Orders that were sourced from a requisition.
The requisition is no longer available for re-sourcing. This means that the purchase order can be cancelled. If you wanted to cancel the purchase order, you would not get the option to re-source your requisition, but if you wanted to re-source just remove the check mark from final before you cancel the document.

If a purchase order has a requisition source to it, you can finalize the requisition on the Purchase Order Header. The effect is to also check the “finalize” box. The icon (red box below) is available on the header. This icon on the header will finalize all lines referencing a requisition. But, the final check box on the distribution line will only finalize the individual line.

Once the purchase order has been budget checked, the budget can be verified in commitment control.

Navigation: Commitment Control, Review Budget Activities, Budget Details

<table>
<thead>
<tr>
<th>Ledger Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget:</strong></td>
</tr>
<tr>
<td><strong>Expense:</strong></td>
</tr>
<tr>
<td><strong>Encumbrance:</strong></td>
</tr>
<tr>
<td><strong>Pre-Encumbrance:</strong></td>
</tr>
<tr>
<td><strong>Associate Revenue:</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Without Tolerance:</strong></td>
</tr>
<tr>
<td><strong>Percent:</strong></td>
</tr>
<tr>
<td><strong>With Tolerance:</strong></td>
</tr>
<tr>
<td><strong>Percent:</strong></td>
</tr>
</tbody>
</table>

After the finalize box is checked, the pre-encumbrance is now zero and the available budget has increased by $554.28.

Below is the activity log.
Purchase Order

The transaction id’s stayed the same and the purchase order shows -1200.00, but the purchase order in reality is only for $645.72, the full requisition amount was liquidated.

The purchase order is still available for payment.

The balance on the Purchase Order is $322.86, previously vouched is $322.86 for a total of $645.72.

You can also view the accounting entries of the purchase order and the requisition.

Notice the Purchase Order is for the new amount $645.72.

Requisition Accounting Entries
Notice the Journal Id also references the Transaction Id and that the reversal amount is for the full amount.

Note if you can not print the Purchase Order with the changes made; check document tolerance under the distribution line status. If the doc tol = “not checked,” then an additional process must be run.

To run document tolerance:

**Navigation:** Purchasing, Purchase Order, Add/Update POs, Find an Existing Value

Using the drop down menu under *Go to:* at the bottom of the screen, select 18 – Doc Tolerance Checking. This will run a process to update the document tolerance. Once completed, you will again be able to print the purchase order.
**FINALIZE PURCHASE ORDER INSTRUCTIONS**

Finalize Function: The finalize function on the Invoice Information page is used to show that the current distribution line on the voucher represents a final liquidation of the predecessor PO transaction. This eliminates the need to run the PO and requisition reconciliation process to determine that you can close a PO or requisition.

Note: This does not mean the pre-encumbrance balance will also be liquidated, so if there is a balance still in pre-encumbrances due to a change order or not sourcing the full requisition amount, it is necessary to finalize the requisition on the purchase order before proceeding with finalization through accounts payable module. (See Change Order Instructions)

Steps:

Create a Payment Voucher by utilizing “copy from source document”

With this example the Purchase Order was originally $150,000.00, the balance is $105,000.00 and $15,000.00 will be paid to finalize the Purchase Order. This will release $90,000 to the agency budget.

These icons are on the header and on the lines. If the header finalize option is used, all lines are closed that a referenced on the voucher. To close one line, the finalize option on the distribution line should be used.
Finalize  

Finalize at the Header: the following occurs on the distribution line: PO Finalized will change to a Y once budget check is valid.

To undo the “finalize” - uncheck this box.

Here is what the budget looks like prior to the voucher being budget checked.

<table>
<thead>
<tr>
<th>Ledger Amounts</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget:</td>
<td>150,000.00</td>
</tr>
<tr>
<td>Expense:</td>
<td>45,000.00</td>
</tr>
<tr>
<td>Encumbrance:</td>
<td>105,000.00</td>
</tr>
<tr>
<td>Pre-Encumbrance:</td>
<td>0.00</td>
</tr>
<tr>
<td>Associate Revenue:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available Budget</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Tolerance:</td>
<td>0.00</td>
</tr>
<tr>
<td>With Tolerance:</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Here is what the budget looks like after the voucher was budget checked. The encumbrances decreased by $105,000.00, the expenses increased by $15,000 and the available budget increased by $90,000.00.
With a big agency, available budget can be “taken” by someone else budget checking requisitions or purchase orders without a req.

Next, validate what happened when the voucher budget checked.

Navigation: Commitment Control, Budgets Overview

Complete the following criteria:
Here are the results.

Departments with lots of activity will have a large expense amount, so it may not be as easy to find a single expense amount. The best option is to drill to the expense with the Budget Overview rather than through the Budget Details.

Click on the expense amount. 15,000.00

Below are the results. There may be multiple rows of transactions. Go to the amount tab and try to identify the expense amount, and note the transaction id number.

Activity Log navigation: Commitment Control, Review Budget Activity, Activity Log
Input only the Transaction Id number in the field and search.

Notice the $105,000 did get reduced on the Approp_P Commitment Control Ledger not $15,000 but $15,000 plus the balance of $90,000.00

When finalizing a purchase order in the Accounts Payable module the following should occur.

**Commitment Control:**
The expenses should increase by the amount of the voucher

The encumbrance should decrease by the expenses amount plus the balance of the encumbrance. The available budget would only increase by the balance and only until someone else uses the available budget, which can happen very quickly.

**Accounts Payable:**
The purchase order will not be available to copy into a new voucher.

Also all other vouchers that were paid with this PO will have a Y for PO Finalized, even though the check box is not checked.

**Purchasing:**
The purchase order may look the same as if nothing had happened, so what changes occurred to the purchase order.
First go to the schedule of the line and then to the distribution chart fields. There are several tabs. Go to the Statuses tab and notice the commitment control flag is checked and grayed out.

This indicates that the budget processor should fully liquidated the outstanding encumbrances upon running budget checking of the purchase order, which has already occurred on the voucher, which is why Budget Status is valid.

To look at the accounting entries the purchase order has made:

Navigation: Purchasing, Review PO Information, PO Accounting Entries

Select the following criteria:

**Selection Criteria**

- **Business Unit:** 34100
- **From PO ID:** 0758100041
- **To PO ID:** 0758100041
- **PO Status:**
- **Fiscal Year From/To:**
- **Max Rows:** 300
- **Accounting Line View Option:** Standard
- **Ledger Group:** APROP_P

Then click

There is also an option to select “Detail” for the “Ledger Group”
Here are the results:

<table>
<thead>
<tr>
<th>Purchase Order</th>
<th>Status</th>
<th>Vendor ID</th>
<th>Trans Type</th>
<th>Line</th>
<th>Sched</th>
<th>Dist Fund</th>
<th>Dept</th>
<th>Account</th>
<th>Monetary Amount</th>
<th>Journal Id</th>
<th>Reference Id</th>
</tr>
</thead>
<tbody>
<tr>
<td>02S31060041 D</td>
<td>00000056465</td>
<td>PO_P0ENC</td>
<td>1</td>
<td>1</td>
<td>58100</td>
<td>A056401</td>
<td>300</td>
<td></td>
<td>150000.00</td>
<td>0300180307</td>
<td></td>
</tr>
<tr>
<td>07S31060041 D</td>
<td>00000056465</td>
<td>REVERBAL</td>
<td>1</td>
<td>1</td>
<td>58100</td>
<td>A056401</td>
<td>300</td>
<td></td>
<td>-20000.00</td>
<td>09000284444</td>
<td>09120011</td>
</tr>
<tr>
<td>07S31060041 D</td>
<td>00000056465</td>
<td>REVERBAL</td>
<td>1</td>
<td>1</td>
<td>58100</td>
<td>A056401</td>
<td>300</td>
<td></td>
<td>-25000.00</td>
<td>09003673206</td>
<td>12010801</td>
</tr>
<tr>
<td>02S31060041 D</td>
<td>00000056465</td>
<td>REVERBAL</td>
<td>1</td>
<td>1</td>
<td>58100</td>
<td>A056401</td>
<td>300</td>
<td></td>
<td>-105000.00</td>
<td>09010562430</td>
<td>02216881</td>
</tr>
</tbody>
</table>

Note the page is customized to see only the relevant data.

Notice the voucher was 02210001 and it was for $15,000 not $105,000. Since the voucher was finalized, the accounting entry is $105,000 to fully liquidate the encumbrance.

Also notice the Journal Id is the same number as the Transaction Id. This is also found here and then used in the Activity Log under Commitment Control as previous demonstrated.

Now because this Purchase Order was used only for demonstration, the next step is to undo finalize on the voucher, which can be done at any time as long as the purchase order is not closed.

Go back to the voucher and click undo finalize then wait for the document to budget check. Until the document is budget checked, the budget remains the same. Before continuing with any other actions, wait for the document to have a valid budget check status.

Here is the Budget details:

**Ledger Amounts**

<table>
<thead>
<tr>
<th>Budget:</th>
<th>150,000.00</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expense:</td>
<td>60,000.00</td>
<td>USD</td>
</tr>
<tr>
<td>Encumbrance:</td>
<td>30,000.00</td>
<td>USD</td>
</tr>
<tr>
<td>Pre-Encumbrance:</td>
<td>0.00</td>
<td>USD</td>
</tr>
</tbody>
</table>

**Available Budget**

<table>
<thead>
<tr>
<th>Without Tolerance:</th>
<th>0.00</th>
<th>USD</th>
<th>Percent:</th>
</tr>
</thead>
<tbody>
<tr>
<td>With Tolerance:</td>
<td>0.00</td>
<td>USD</td>
<td>Percent:</td>
</tr>
</tbody>
</table>
The ‘Expense” increased by $15,000, but the balance of $90,000 remains in the “Encumbrance” bucket. This indicates, the agency can continue to voucher against that Purchase Order.

Here are the Transaction Id results of the Voucher: (Remember the “Transaction Id” for the voucher remained the same)

Notice the APRP_P_EXP remained the same at $15,000, and APROP_P_ENC is reduced by $15,000

Commitment Control Flag is now unchecked.

PO Accounting Entries

Voucher 02210001 is for $15,000.00

If you have followed the above instructions and the budget has not been released properly, document all steps taken and forward to the help desk. Do not attempt to decrease the purchase order, remove the requisition or any other alterations to the documents.
CLOSE PURCHASE ORDER INSTRUCTIONS

Scenario: Purchase Order number 0701000244 was created in the amount of $269.00. A voucher was created for $249.00, posted and paid. This left a balance of $20 on the Purchase Order. The voucher was not finalized. The goal now is to close the purchase order.

Here are the accounting entries for the Purchase Order

<table>
<thead>
<tr>
<th>Purchase Order</th>
<th>Status</th>
<th>Vendor ID</th>
<th>Trans Type</th>
<th>Line</th>
<th>Sched Dist Fund</th>
<th>Dept</th>
<th>Account</th>
<th>Monetary Amount</th>
<th>Journal ID</th>
<th>Reference</th>
<th>Reversal ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>0701000244</td>
<td>D</td>
<td>000000000177</td>
<td>PO_POENC</td>
<td>1</td>
<td>161000</td>
<td>P541</td>
<td>400</td>
<td>249</td>
<td>0000769409</td>
<td>0000769409</td>
<td></td>
</tr>
<tr>
<td>0701000244</td>
<td>D</td>
<td>000000000177</td>
<td>REVERSAL</td>
<td>1</td>
<td>161000</td>
<td>P541</td>
<td>400</td>
<td>20</td>
<td>0000769409</td>
<td>0000769409</td>
<td></td>
</tr>
</tbody>
</table>

Here are the accounting entries for the Requisition.

<table>
<thead>
<tr>
<th>Requisition ID</th>
<th>Trans Type</th>
<th>Unpaid Seq</th>
<th>Line</th>
<th>Sched Unit</th>
<th>Dist Unit</th>
<th>Fund</th>
<th>Dept</th>
<th>Account</th>
<th>Monetary Amount</th>
<th>Closed Value</th>
<th>Journal ID</th>
<th>Closed Flag</th>
<th>Trans Data</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>000000000069</td>
<td>QREQ_ENC</td>
<td>0</td>
<td>1</td>
<td>134100</td>
<td>01000</td>
<td>P541</td>
<td>400</td>
<td>243</td>
<td>243</td>
<td>N</td>
<td>0000769409</td>
<td>012920069</td>
<td>012920069</td>
<td></td>
</tr>
<tr>
<td>000000000069</td>
<td>REVERSAL</td>
<td>0</td>
<td>1</td>
<td>134100</td>
<td>01000</td>
<td>P541</td>
<td>400</td>
<td>243</td>
<td>243</td>
<td>N</td>
<td>0000769409</td>
<td>012920069</td>
<td>012920069</td>
<td></td>
</tr>
</tbody>
</table>

First step is to finalize the requisition, even though the full amount was sourced from the requisition to the purchase order.

The Purchase Order is “Finalized” and “Budget Status” is valid.

Note: Doing this did not change the budget or accounting entries, but becomes important when closing the document.

Also the purchase order is only partially matched. [this becomes important as the purchase order is closed].

The purchase order is closed through the “Reconciliation Workbench”.

See Reconciliation Workbench Instructions Guide
Since the purchase order is “not qualified,” view the log by pressing the “log” icon. See red box below.

![Log Image]

This demonstrates why it is important to know whether the purchase order is partial or matched. The purchase order can be closed, but it will only close the line(s). Had the PO been matched it would have qualified and the status would change from “Dispatched” to “Complete”.

Check the box next to the PO and click override.

Update the Budget Date and Proceed. Note that budget checking and document tolerance processes will have to be run before budget is returned. This is done centrally every two hours.

Now, the line is closed, the schedule is closed and the distribution is open. This is okay because the user can not create vouchers from this PO and the commitment control flag is checked, meaning the outstanding encumbrance will be liquidated upon budget checking of the document.

![Budget Image]

Below is the budget before closing:
Below is the budget after closing:

<table>
<thead>
<tr>
<th>Ledger Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Budget:</strong></td>
</tr>
<tr>
<td><strong>Expense:</strong></td>
</tr>
<tr>
<td><strong>Encumbrance:</strong></td>
</tr>
<tr>
<td><strong>Pre-Encumbrance:</strong></td>
</tr>
</tbody>
</table>

**Available Budget**

Without Tolerance: 78,161.58 USD

Notice the encumbrance decreased by $20 and the available budget increased by $20 and the pre-encumbrance was unchanged.

Below are the PO accounting entries.

Notice the two lines that were created when the purchase order was closed. This left a balance of -20. The original lines created left a balance of 20, so the close process needed to liquidate the outstanding encumbrance balance and now there is a zero balance.
Below are the Requisition accounting entries.

Notice the two new reversal lines; these were not created from finalizing the requisition but from closing the purchase order.

Closing of the purchase order liquidates the outstanding encumbrance, which is why two were created on the purchase order a positive 249 and a negative 269 liquidating the balance. The requisition also liquidates the balance but because we also finalized it the amounts were -269 and +269 instead of -249 and +269. If we had not finalized, we would still have a pre-encumbrance balance.

Select the purchase order with a balance of $1.17, which was closed, but the requisition was not finalized.

Here are the accounting entries before closing the PO

Notice there is still a balance of $1.17, except that all the lines are matched.

Here are the accounting entries for the requisition

Notice the balance is zero because the agency sourced the full amount to the Purchase Order.
Next, close the purchase order through the “Reconciliation Workbench”

The Purchase Order is closed and has a status of “Complete” and valid “Budget Check”

| PO Status: | Compl |
|--------------------------------------------------|
| Budget Status: | Valid |

The PO status of “Compl” is because the purchase order was matched.

Here are the PO accounting entries after

<table>
<thead>
<tr>
<th>Purchase Order</th>
<th>Vendor ID</th>
<th>Frame Type</th>
<th>Line</th>
<th>School</th>
<th>Dept</th>
<th>GL Unit</th>
<th>Fund</th>
<th>Dept</th>
<th>Account</th>
<th>Monetary Amount</th>
<th>Journal ID</th>
<th>Reference Refusal ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>0717300051</td>
<td>11548</td>
<td>PO_POENC</td>
<td>1</td>
<td>1</td>
<td>17500</td>
<td>17500</td>
<td>P637</td>
<td>400</td>
<td>0.17</td>
<td>0.17</td>
<td>0001652948</td>
<td></td>
</tr>
<tr>
<td>0717300051</td>
<td>11548</td>
<td>PO_POENC</td>
<td>2</td>
<td>1</td>
<td>17500</td>
<td>17500</td>
<td>P637</td>
<td>400</td>
<td>0.17</td>
<td>0.17</td>
<td>0001652948</td>
<td></td>
</tr>
<tr>
<td>0717300051</td>
<td>11548</td>
<td>PO_POENC</td>
<td>3</td>
<td>1</td>
<td>17500</td>
<td>17500</td>
<td>P637</td>
<td>400</td>
<td>0.17</td>
<td>0.17</td>
<td>0001652948</td>
<td></td>
</tr>
<tr>
<td>0717300051</td>
<td>11548</td>
<td>REVERSAL</td>
<td>1</td>
<td>1</td>
<td>17500</td>
<td>17500</td>
<td>P837</td>
<td>400</td>
<td>-0.17</td>
<td>-0.17</td>
<td>0001652948</td>
<td></td>
</tr>
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<td>2</td>
<td>1</td>
<td>17500</td>
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<td>400</td>
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<td>1</td>
<td>17500</td>
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<td>400</td>
<td>-0.17</td>
<td>-0.17</td>
<td>0001652948</td>
<td></td>
</tr>
</tbody>
</table>

Still a balance of zero, the original lines created had a positive balance of $1.17 and the new lines created a negative balance of $1.17, liquidating the **outstanding** encumbrance.

Here are the requisition accounting entries

<table>
<thead>
<tr>
<th>Requisition ID</th>
<th>Vendor ID</th>
<th>Frame Type</th>
<th>Line</th>
<th>School</th>
<th>Dept</th>
<th>GL Unit</th>
<th>Fund</th>
<th>Dept</th>
<th>Account</th>
<th>Monetary Amount</th>
<th>Journal ID</th>
<th>Reference Refusal ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>000000058</td>
<td>10582</td>
<td>REQ_FRENCH</td>
<td>3</td>
<td>1</td>
<td>17500</td>
<td>17500</td>
<td>P637</td>
<td>400</td>
<td>1.17</td>
<td>1.17</td>
<td>0001650346</td>
<td></td>
</tr>
<tr>
<td>000000058</td>
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<td>2</td>
<td>1</td>
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<td>P637</td>
<td>400</td>
<td>1.17</td>
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<td></td>
</tr>
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<td>000000058</td>
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<td>1</td>
<td>1</td>
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<td>P637</td>
<td>400</td>
<td>1.17</td>
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<td>REVERSAL</td>
<td>3</td>
<td>1</td>
<td>17500</td>
<td>17500</td>
<td>P837</td>
<td>400</td>
<td>-1.17</td>
<td>-1.17</td>
<td>0001650456</td>
<td></td>
</tr>
<tr>
<td>000000058</td>
<td>10582</td>
<td>REVERSAL</td>
<td>2</td>
<td>1</td>
<td>17500</td>
<td>17500</td>
<td>P837</td>
<td>400</td>
<td>-1.17</td>
<td>-1.17</td>
<td>0001650456</td>
<td></td>
</tr>
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<td>1</td>
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<td>17500</td>
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<td>400</td>
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<td></td>
</tr>
<tr>
<td>000000058</td>
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<td>REVERSAL</td>
<td>1</td>
<td>1</td>
<td>17500</td>
<td>17500</td>
<td>P837</td>
<td>400</td>
<td>-1.17</td>
<td>-1.17</td>
<td>0001650456</td>
<td></td>
</tr>
</tbody>
</table>

The closing created the exact same lines as the purchases order except that the signs are reversed, leaving a balance of $1.17 in pre-encumbrance, because the requisition was not finalized.
Here is the budget before

Pre-Encumbrance: 105,170.00 USD

And after

Pre-Encumbrance: 105,171.17 USD

**How is the $1.17 released back to the budget?**

The next step would be to also “Close” the requisition through the Reconciliation Workbench. Note: you can close requisitions that are sourced to a PO as long as the PO is closed and the budget header status is valid.

“Close” the purchase order using the “Reconciliation Workbench”.

Note: The “Reconcile Purchase Orders/Requisition” menu also has an option to re-open purchase order/requisitions. This process will reverse the effects of the PO/Req Recon process to the **most recently** processed group of POs/Reqs. Run this process to return each PO/Req status prior to the last run of the Recon Process.

After each Recon process, review the budget to ensure it is properly reflecting the correct balance before running another Recon Process. This will allow the agency to use the re-open process if needed.
PRE-ENCUMBRANCE RECONCILIATION INSTRUCTIONS

When a Requisition is created and budget checked, pre-encumbrance is adjusted. The requisition should then be sourced to the Purchase Order for the same amount. If the amount of the purchase order is less than the requisition, then the requisition needs to be finalized on the Purchase Order.

The icon (in the red box above) on the Purchase Order is the finalize document button. This will finalize all referenced requisitions for the current purchase order. The system checks all line distributions in the purchase order for the associated predecessor requisition distributions.

When this button is selected, this also checks the “Final” under the statuses tab of the distributions line.

Let’s drill to the activity log under commitment control for pre-encumbrances.

Navigation: Commitment Control, Review Budget Activities, Budget Details

Search for the Budget and select the drill down next to the desired pre-encumbrance amount.

Please select one of the following links:

- Drill to Ledger
- Drill to Activity Log

Cancel
Here are the results:

The positive numbers are Requisitions and the negative numbers are Purchase Orders. The amounts should be the same in and out. To download this data to Excel, press the Excel icon (in the red box above). By downloading to Excel, we would be able to cancel all the positives with a corresponding negative number. The balance should only be positive numbers which would represent the requisitions that have not yet been sourced to a Purchase Order.

To display open pre-encumbrances only, check the “display open pre-encumbrance only” box.

These amounts are all positive and represent requisitions that have not been sourced to a purchase order.
Next, review another budget where the agency did not finalize the requisitions as they sourced different amounts from requisition to purchase order.

Again choose “Display Open pre-encumbrances only” box.

Notice there are some negative amounts listed under Budget Activity Lines. This means the agency sourced some requisitions at different amounts and did not finalize.

How do you determine what purchase orders need to be finalized?

First note the Tran Id of the first negative amount, which in this case is seen twice, meaning these amounts are from the same purchase order just different lines.

Now go to the activity log under commitment control.

Navigation: Commitment Control, Review Budget Activities, Activity Log

Enter the number in the “Commitment Control Tran Id” and press the search button.
Drill to the line that has the desired dollar amount.

Results:

Here is the Purchase Order for $435.05, lets drill to see what the sourced requisition is and the amount.

Here is the PO line
Here is the requisition id.

![Requisition Details](image)

This indicates the user changed the Purchase Order to amount only, meaning a quantity of one, but did not update the price to equal 1200.00. So, now the purchase order is 1 @ 465.29.

The next step is to finalize the Purchase Order to release the balance of $818.11 to the available budget.

It is necessary to re-budget check the Purchase Order so that the status is now valid.

Now review the Budget:

Before:

| Pre-Encumbrance: | 181,727.21 USD |

After:

| Pre-Encumbrance: | 180,909.10 USD |

The difference is $818.11

Now drill to the activity log under commitment control for pre-encumbrances.

Please select one of the following links:

- [Drill to Ledger](#)
- [Drill to Activity Log](#)

[Cancel]
Notice now the only line left is the -153.90

Follow the same steps to clear this amount, leaving only the positive amounts which again represent the requisitions that still need to be sourced to a purchase order. Once the $-153.90 is cleared our pre-encumbrances will be reconciled.
CANCEL A PURCHASE ORDER INSTRUCTIONS

Scenario: Requisition #0000000560 for $11,850 is sourced to Purchase Order 0701000251, in the amount of $11,850. The vendor used on the Requisition and Purchase Order is incorrect. The Purchase Order needs to be cancelled, but the requisition should not be resourced.

Go to Purchase Order 0701000251 and cancel

The following message appears.

Would you like to open the Requisition quantity(ies) to be sourced again?

- Yes, Re-source All Reqs
- No, Do not Re-source Reqs
- Specify Reqs to Re-source

Continue

Note: to resource the requisition, select either “Yes, Re-source all Reqs” or “Specify Reqs to Re-source.”

The scenario above is to cancel the Purchase Order, and return the encumbrance and pre-encumbrance to the budget.

Note: The requisition was for $11,850.00. The full amount was sourced to the purchase order. No changes were made to chartfields when the requisition was sourced to the purchase order. If the agency had only sourced $10,000, it would be necessary to finalize the requisition before it was cancelled so the available budget would increase by $11,850.
Below is the budget before the purchase order was cancelled

<table>
<thead>
<tr>
<th>Ledger Amounts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget:</td>
<td>825,800.00 USD</td>
</tr>
<tr>
<td>Expense:</td>
<td>151,783.14 USD</td>
</tr>
<tr>
<td>Encumbrance:</td>
<td>125,161.36 USD</td>
</tr>
<tr>
<td>Pre-Encumbrance:</td>
<td>181,754.21 USD</td>
</tr>
<tr>
<td>Associate Revenue:</td>
<td>0.00 USD</td>
</tr>
</tbody>
</table>

Available Budget

| Without Tolerance:            | 366,101.29 USD | Percent: 44% |
| With Tolerance:               | 366,101.29 USD | Percent: 44% |

Below is the budget after the purchase order is cancelled

<table>
<thead>
<tr>
<th>Ledger Amounts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget:</td>
<td>825,800.00 USD</td>
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<tr>
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</tr>
<tr>
<td>Pre-Encumbrance:</td>
<td>181,754.21 USD</td>
</tr>
<tr>
<td>Associate Revenue:</td>
<td>0.00 USD</td>
</tr>
</tbody>
</table>

Available Budget

| Without Tolerance:            | 377,951.29 USD | Percent: |
| With Tolerance:               | 377,951.29 USD | Percent: |

Budget Exceptions

Notice the Encumbrance decreased by $11,850 and the available budget increased by $11,850. The pre-encumbrance was unchanged.

Let’s look at the PO accounting entries.

<table>
<thead>
<tr>
<th>Accounting Entries</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order</td>
<td></td>
</tr>
<tr>
<td>Status</td>
<td></td>
</tr>
<tr>
<td>Vendor ID</td>
<td></td>
</tr>
<tr>
<td>Trans Type</td>
<td></td>
</tr>
<tr>
<td>Line/Sched/Out Fund</td>
<td></td>
</tr>
<tr>
<td>Dept</td>
<td></td>
</tr>
<tr>
<td>Account</td>
<td></td>
</tr>
<tr>
<td>Monetary Amount</td>
<td></td>
</tr>
<tr>
<td>Journal ID</td>
<td></td>
</tr>
<tr>
<td>Reference ID</td>
<td></td>
</tr>
</tbody>
</table>

Notice the monetary amounts are zero and the requisition accounting entries were not affected by the cancellation.
Notice the requisition is still sourced to the purchase order, which is now cancelled.

Make note of the Journal Id and look at the commitment control activity log.

Navigation: Commitment Control, Review Budget Activities, Activity Log

Enter the Journal Id for the Purchase Order into the Commitment Control Tran Id and press SEARCH:

The results are:

For demonstration purposes, review line 1 only. The Dept_C_Pre is still -8470.00 and the Dept_C_Enc is zero, because of the cancellation.

The status of the Purchase Order is shown below.

To cancel a purchase order in it’s entirely, the purchase order can not have been dispatched.

Since the PO above was dispatched prior to cancelling it is now in a Pend Cancel status and needs to be dispatched.
Second Scenario:

Requisition #0000000688 was for $54 but when it was sourced to a Purchase Order #0701000290 the amount was changed to $27.00 and then the Purchase Order was cancelled and the requisition was not selected to re-source, so now there is 27.00 in pre-encumbrance, because the requisition was not finalized.

Here are the open pre-encumbrances from the activity log:

![Budget Activity Lines](image)

The negative 27.00 represents the amount sourced to the purchase order.

The accounting entries for the requisition are shown. Again, they are not affected by the cancellation, which is why it is necessary to finalize first.

![Ledger](image)

So how is the pre-encumbrance released to the budget when the Purchase Order is cancelled?

First, “Close” the Purchase Order through the Reconciliation Workbench.

See Reconciliation Workbench Instructions Guide.

The purchase order is “qualified” so the next step is to update the budget date.
Now the Purchase Document has a status of Complete.

Second step is to “Close” the requisition through the Reconciliation Workbench
Note: you can close requisitions that are sourced to a PO as long as the PO is closed and the budget header status is valid.

See Reconciliation Workbench Instructions Guide.

When searching for the requisition, make sure to check “complete” under Sourcing (otherwise no results will be displayed).

Follow the same steps as the Purchase Order except that the requisition will need to be budget checked.

Following budget checking, the requisition is also complete and has a valid budget status. Again review the budget.

Below is the budget before the requisition was closed.
Below is the budget after the requisition was closed.

The pre-encumbrance decreased by $27 and the available budget increase by $27.

Requisition Accounting Entries

Notice the requisition has -54 which represents the closing of the requisition.