

Closing a PO versus releasing a PO encumbrance

Definitions

There is no PO status of CLOSED in EFS so that term is avoided in the text below. The CANCELED or COMPLETE statuses mean the order is no longer available for activity. Neither status actually releases remaining encumbrances. The final budget check after the PO Recon job releases the encumbrance.

This means that a CANCELED or COMPLETE order will be unavailable for activity, but may still appear to have encumbrances until after the monthly PO Recon process.

Change Orders to reduce encumbrances

The Procurement Specialist may reduce part of an encumbrance on a PO line by doing a change order to reduce the dollar amount or quantity on an order. Reducing the PO line to zero dollars is NOT an appropriate way to eliminate the encumbrance.

Canceling an order (red "X"), encumbrance released with monthly PO Recon job

The Procurement Specialist may CANCEL a PO or a PO line by clicking the red "X". This is only available for orders that have no activity yet. No encumbrance is released at this point, only the order status is changed.

The CANCEL status identifies the order to be picked up by the next month's PO Recon job which will set the PO Status to COMPLETE.

Setting an order to CANCEL does not release the encumbrance immediately. The encumbrance release for a canceled order is delayed until after the PO Recon process is complete and the final budget check is run.

Complete status for an order, encumbrance released with monthly PO Recon job

The two options below to set an order to COMPLETE will still show an encumbrance until the PO Recon job is complete and the final budget check is run.

1. The order will automatically be set to COMPLETE by the PO Recon process if it is fully received and vouchered.
2. The Force Close option does set the order to COMPLETE.

Voucher pink flag, releases PO encumbrance

A third option to set an order to COMPLETE is to use the pink Final flag on the voucher. This option releases the encumbrance for that PO immediately after the voucher budget check job is run. (*See special notes at the end of this document.)

However, the PO status is not updated. It will still appear to be in Dispatched status. Because the voucher's pink Final flag has already released the encumbrance, the next monthly PO Recon job picks this order up and sets it to COMPLETE. This allows funds to be quickly freed up but the requester is still able to do a change order to insert new rows on the PO with different a ChartField string and new encumbrances on that ChartField string.

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Using the Voucher pink Final flag to liquidate encumbrance on a PO

1. Go to: Accounts Payable > Vouchers > Find Existing Voucher
2. Access the Invoice Information page and create or modify a voucher for the reduced amount.

The pink Finalize flag on the header will apply the encumbrance release to all PO lines that are related to the voucher displayed.

A similar pink Finalize flag is also available at the line level if only some of the PO lines need to have the encumbrance released. If this line has multiple distribution lines, this will also release the encumbrance on all distribution lines related to this line on the PO.

This Finalize box allows the encumbrance to be released on the PO for just this distribution line on the PO line's distribution.

3. Select the Finalize check box or button.

Based on the above voucher screens, determine if the need is to release the encumbrance on all PO lines related to the voucher; release the encumbrance on a specific PO Line, or just release the encumbrance on a specific PO distribution line.

4. Save the change on the voucher. Once the next voucher budget check is run, the PO encumbrance will be released for whatever part is identified above.

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SPECIAL NOTE 1:

There is a second flag on the voucher to un-finalize the PO. This only reverses the accounting if the PO is still open. It does NOT reopen the purchase order.

SPECIAL NOTE 2:

If the encumbrance still does not appear to release, review the ChartField string used on all related documents. Determine if the same ChartField string was used on all vouchers or if there were changes in the ChartField values. There are anomalies when distribution line values are used on the voucher that were not set up on the PO.

SPECIAL NOTE 3:

Any order that is coded as Amount Only does not automatically get picked up by PO Recon and set to Complete unless the PO is completely satisfied (PO and Receipt are spent down to a \$0 balance) . It also does not automatically show as Complete when the end date has passed. For these reasons, any Amount Only order (most blanket order and most CPS transactions) must be manually forced through to Complete unless the PO is completely satisfied (PO and Receipt are spent down to a \$0 balance). Contact the University Financial Helpline with the PO number and request the order be forced to complete. When the Burn Rate Report is fixed and running, it will help the departments determine which orders should be forced to complete.